SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES

Consolidated Financial Statements

December 31, 2025 and 2024

(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, 2025, and 2024 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, 2025 and 2024 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, 2025. 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) Eval tion 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 over identifying and monitoring of delayed 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 projects have been placed into 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, 2025 and 2024 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.

Seoul, Korea
February 12, 2026

KPMG Samjong Accounting Corp.

This report is effective as of February 12, 2026. 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.

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Notes	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		KRW	KRW	USD	USD
Assets					
Current assets					
Cash and cash equivalents	4, 29	57,856,378	53,705,579	40,689,908	37,770,686
Short-term financial instruments	4, 29	67,965,021	58,909,334	47,799,232	41,430,443
Short-term financial assets at fair value through profit or loss	4, 6, 29	25,715	36,877	18,085	25,935
Trade receivables	4, 5, 7, 29	51,127,642	43,623,073	35,957,644	30,679,743
Non-trade receivables	4, 7, 29	7,481,327	9,622,974	5,261,555	6,767,757
Prepaid expenses		3,627,172	3,362,824	2,550,960	2,365,046
Inventories	8	52,636,828	51,754,865	37,019,042	36,398,765
Other current assets	4, 29	6,964,529	6,046,740	4,898,096	4,252,623
		247,684,612	**227,062,266**	**174,194,522**	**159,690,998**
Non-current assets					
Financial assets at fair value through other comprehensive income	4, 6, 29	16,295,005	10,580,932	11,460,141	7,441,481
Financial assets at fair value through profit or loss	4, 6, 29	1,280,501	1,175,749	900,566	826,894
Investments in associates and joint ventures	9	13,772,121	12,592,117	9,685,818	8,855,931
Property, plant and equipment	10	215,304,784	205,945,209	151,422,059	144,839,548
Intangible assets	11	29,480,565	23,738,566	20,733,435	16,695,135
Net defined benefit assets	14	4,271,547	3,089,571	3,004,143	2,172,870
Deferred income tax assets	25	18,840,559	14,236,468	13,250,408	10,012,389
Other non-current assets	4, 7, 29	20,012,416	16,111,070	14,074,565	11,330,781
		319,257,498	**287,469,682**	**224,531,135**	**202,175,029**
Total assets		**566,942,110**	**514,531,948**	**398,725,657**	**361,866,027**

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

Samsung, EX1060, p. 6
Samsung v. Topwire, IPR2026-00324

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Notes	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		KRW	KRW	USD	USD
Liabilities and Equity					
Current liabilities					
Trade payables	4, 29	13,039,380	12,370,177	9,170,487	8,699,842
Short-term borrowings	4, 5, 12, 29	17,574,980	13,172,504	12,360,337	9,264,112
Other payables	4, 29	21,365,657	18,547,365	15,026,288	13,044,207
Advances received	17	1,933,598	1,841,420	1,359,883	1,295,055
Withholdings	4, 29	1,001,885	991,812	704,617	697,533
Accrued expenses	4, 17, 29	32,707,431	29,613,258	23,002,863	20,826,757
Current income tax liabilities		7,037,174	4,340,171	4,949,186	3,052,406
Current portion of long-term liabilities	4, 12, 13, 29	1,177,508	2,207,290	828,132	1,552,369
Provisions	15	7,690,559	8,216,469	5,408,706	5,778,574
Other current liabilities	4, 17, 29	2,883,176	2,025,833	2,027,714	1,424,753
		106,411,348	**93,326,299**	**74,838,213**	**65,635,608**
Non-current liabilities					
Debentures	4, 13, 29	7,134	14,530	5,017	10,219
Long-term borrowings	4, 12, 29	6,479,517	3,935,860	4,556,990	2,768,058
Long-term other payables	4, 29	5,602,031	5,510,455	3,939,862	3,875,457
Net defined benefit liabilities	14	558,520	521,410	392,802	366,703
Deferred income tax liabilities	25	709,226	528,231	498,793	371,500
Long-term provisions	15	2,900,411	3,120,044	2,039,835	2,194,301
Other non-current liabilities	4, 17, 29	7,953,586	5,383,049	5,593,691	3,785,853
		24,210,425	**19,013,579**	**17,026,990**	**13,372,091**
Total liabilities		**130,621,773**	**112,339,878**	**91,865,203**	**79,007,699**

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

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Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Notes	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		KRW	KRW	USD	USD
Equity attributable to owners of the parent company					
Preference shares	18	119,467	119,467	84,020	84,020
Ordinary shares	18	778,047	778,047	547,194	547,194
Share premium		4,403,893	4,403,893	3,097,221	3,097,221
Retained earnings	19	402,135,600	370,513,188	282,818,613	260,578,834
Other components of equity	20	16,876,248	15,873,008	11,868,925	11,163,355
		424,313,255	**391,687,603**	**298,415,973**	**275,470,624**
Non-controlling interests	32	12,007,082	10,504,467	8,444,481	7,387,704
Total equity		**436,320,337**	**402,192,070**	**306,860,454**	**282,858,328**
Total liabilities and equity		**566,942,110**	**514,531,948**	**398,725,657**	**361,866,027**

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

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Samsung Electronics Co., Ltd. and its subsidiaries

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	**2025**	**2024**	**2025**	**2024**
		KRW	KRW	USD	USD
Revenue	30	333,605,938	300,870,903	234,622,273	211,599,996
Cost of sales	21	202,235,513	186,562,268	142,230,549	131,207,687
Gross profit		**131,370,425**	**114,308,635**	**92,391,724**	**80,392,309**
Selling and administrative expenses	21, 22	87,769,374	81,582,674	61,727,469	57,376,414
Operating profit	30	**43,601,051**	**32,725,961**	**30,664,255**	**23,015,895**
Other non-operating income	23	2,267,083	1,960,338	1,594,421	1,378,689
Other non-operating expense	23	1,575,901	1,625,229	1,108,318	1,143,010
Share of net profit of associates and joint ventures	9	682,700	751,044	480,137	528,203
Financial income	24	16,240,302	16,703,304	11,421,669	11,747,294
Financial expense	24	11,733,764	12,985,684	8,252,258	9,132,722
Profit before income tax		**49,481,471**	**37,529,734**	**34,799,906**	**26,394,349**
Income tax expense	25	4,274,666	3,078,383	3,006,337	2,165,001
Profit for the year		**45,206,805**	**34,451,351**	**31,793,569**	**24,229,348**
Profit attributable to:					
Owners of the parent company		44,260,956	33,621,363	31,128,361	23,645,624
Non-controlling interests		945,849	829,988	665,208	583,724
Earnings per share *(in Korean won, in US dollars)*	26				
- Basic		6,605	4,950	4.65	3.48
- Diluted		6,603	4,950	4.64	3.48

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

Samsung, EX1060, p. 9
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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	**2025**	**2024**	**2025**	**2024**
		KRW	KRW	USD	USD
Profit for the year		**45,206,805**	**34,451,351**	**31,793,569**	**24,229,348**
Other comprehensive income (loss)					
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	4,678,338	2,300,166	3,290,236	1,617,688
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	9, 20	92,804	(71,581)	65,269	(50,342)
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	106,691	(766,078)	75,035	(538,777)
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	244,161	305,327	171,716	214,734
Foreign currency translation differences for foreign operations, net of tax	20	960,019	15,116,099	675,173	10,631,026
Gain (loss) on valuation of cash flow hedge derivatives	20	1,706	(38,946)	1,200	(27,390)
Other comprehensive income for the year, net of tax		**6,083,719**	**16,844,987**	**4,278,629**	**11,846,939**
Total comprehensive income for the year		**51,290,524**	**51,296,338**	**36,072,198**	**36,076,287**
Comprehensive income attributable to:					
Owners of the parent company		49,903,963	50,048,199	35,097,041	35,198,481
Non-controlling interests		1,386,561	1,248,139	975,157	877,806

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

Samsung, EX1060, p. 10
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2025	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, 2025		**119,467**	**778,047**	**4,403,893**	**370,513,188**	**15,873,008**	**391,687,603**	**10,504,467**	**402,192,070**
Profit for the year		-	-	-	44,260,956	-	44,260,956	945,849	45,206,805
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	219,225	3,993,948	4,213,173	465,165	4,678,338
Share of other comprehensive income of associates and joint ventures, net of tax	9, 20	-	-	-	-	336,252	336,252	713	336,965
Foreign currency translation differences for foreign operations, net of tax	20	-	-	-	-	1,003,126	1,003,126	(43,107)	960,019
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	88,750	88,750	17,941	106,691
Gain on valuation of cash flow hedge derivatives	20	-	-	-	-	1,706	1,706	-	1,706
Total comprehensive income for the year		**-**	**-**	**-**	**44,480,181**	**5,423,782**	**49,903,963**	**1,386,561**	**51,290,524**
Dividends declared	19	-	-	-	(9,808,728)	-	(9,808,728)	(87,444)	(9,896,172)
Transactions with non-controlling interests		-	-	-	-	-	-	(973)	(973)
Changes in consolidated entities		-	-	-	-	-	-	204,471	204,471
Purchase of treasury shares	20	-	-	-	-	(8,189,263)	(8,189,263)	-	(8,189,263)
Retirement of treasury shares		-	-	-	(3,049,041)	3,049,041	-	-	-
Share-based payment		-	-	-	-	711,447	711,447	-	711,447
Others		-	-	-	-	8,233	8,233	-	8,233
Total transactions with owners		**-**	**-**	**-**	**(12,857,769)**	**(4,420,542)**	**(17,278,311)**	**116,054**	**(17,162,257)**
Balance as of December 31, 2025		**119,467**	**778,047**	**4,403,893**	**402,135,600**	**16,876,248**	**424,313,255**	**12,007,082**	**436,320,337**

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, 2025	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, 2025		**84,020**	**547,194**	**3,097,221**	**260,578,834**	**11,163,355**	**275,470,624**	**7,387,704**	**282,858,328**
Profit for the year		-	-	-	31,128,361	-	31,128,361	665,208	31,793,569
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	154,179	2,808,910	2,963,089	327,147	3,290,236
Share of other comprehensive income of associates and joint ventures, net of tax	9, 20	-	-	-	-	236,484	236,484	501	236,985
Foreign currency translation differences for foreign operations, net of tax	20	-	-	-	-	705,490	705,490	(30,317)	675,173
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	62,417	62,417	12,618	75,035
Gain on valuation of cash flow hedge derivatives	20	-	-	-	-	1,200	1,200	-	1,200
Total comprehensive income for the year		**-**	**-**	**-**	**31,282,540**	**3,814,501**	**35,097,041**	**975,157**	**36,072,198**
Dividends declared	19	-	-	-	(6,898,396)	-	(6,898,396)	(61,499)	(6,959,895)
Transactions with non-controlling interests		-	-	-	-	-	-	(684)	(684)
Changes in consolidated entities	33	-	-	-	-	-	-	143,803	143,803
Purchase of treasury shares	20	-	-	-	-	(5,759,440)	(5,759,440)	-	(5,759,440)
Retirement of treasury shares	18	-	-	-	(2,144,365)	2,144,365	-	-	-
Share-based payment	20	-	-	-	-	500,355	500,355	-	500,355
Others		-	-	-	-	5,789	5,789	-	5,789
Total transactions with owners		**-**	**-**	**-**	**(9,042,761)**	**(3,108,931)**	**(12,151,692)**	**81,620**	**(12,070,072)**
Balance as of December 31, 2025		**84,020**	**547,194**	**3,097,221**	**282,818,613**	**11,868,925**	**298,415,973**	**8,444,481**	**306,860,454**

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

Samsung, EX1060, p. 12
Samsung v. Topwire, IPR2026-00324

Samsung Electronics Co., Ltd. and its subsidiaries

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)
Transactions with non-controlling interests		-	-	-	-	-	-	(8,511)	(8,511)
Changes in consolidated entities		-	-	-	-	-	-	(76,626)	(76,626)
Purchase of treasury shares		-	-	-	-	(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		**84,020**	**547,194**	**3,097,221**	**243,797,627**	**900,305**	**248,426,367**	**7,345,242**	**255,771,609**
Profit for the year		-	-	-	23,645,624	-	23,645,624	583,724	24,229,348
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	34,478	1,379,082	1,413,560	204,128	1,617,688
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	9, 20	-	-	-	-	168,390	168,390	(3,998)	164,392
Foreign currency translation differences for foreign operations, net of tax	20	-	-	-	-	10,523,949	10,523,949	107,077	10,631,026
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(525,652)	(525,652)	(13,125)	(538,777)
Loss on valuation of cash flow hedge derivatives	20	-	-	-	-	(27,390)	(27,390)	-	(27,390)
Total comprehensive income for the year		**-**	**-**	**-**	**23,680,102**	**11,518,379**	**35,198,481**	**877,806**	**36,076,287**
Dividends declared	19	-	-	-	(6,898,895)	-	(6,898,895)	(775,467)	(7,674,362)
Transactions with non-controlling interests		-	-	-	-	-	-	(5,986)	(5,986)
Changes in consolidated entities		-	-	-	-	-	-	(53,891)	(53,891)
Purchase of treasury shares		-	-	-	-	(1,274,206)	(1,274,206)	-	(1,274,206)
Others		-	-	-	-	18,877	18,877	-	18,877
Total transactions with owners		**-**	**-**	**-**	**(6,898,895)**	**(1,255,329)**	**(8,154,224)**	**(835,344)**	**(8,989,568)**
Balance as of December 31, 2024		**84,020**	**547,194**	**3,097,221**	**260,578,834**	**11,163,355**	**275,470,624**	**7,387,704**	**282,858,328**

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 CASH FLOWS

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

		For the years ended December 31,			
	Notes	2025	2024	2025	2024
		KRW	KRW	USD	USD
Operating activities					
Profit for the year		45,206,805	34,451,351	31,793,569	24,229,348
Adjustments	27	52,395,616	42,947,079	36,849,400	30,204,322
Changes in assets and liabilities arising from operating activities	27	(9,613,906)	(1,567,557)	(6,761,380)	(1,102,450)
Cash generated from operations		**87,988,515**	**75,830,873**	**61,881,589**	**53,331,220**
Interest received		4,680,553	4,008,359	3,291,794	2,819,045
Interest paid		(469,730)	(675,049)	(330,357)	(474,756)
Dividends received		253,105	268,482	178,007	188,821
Income tax paid		(7,137,295)	(6,450,044)	(5,019,601)	(4,536,261)
Net cash provided by operating activities		**85,315,148**	**72,982,621**	**60,001,432**	**51,328,069**
Investing activities					
Net increase in short-term financial instruments		(6,701,150)	(32,976,756)	(4,712,863)	(23,192,277)
Net decrease in short-term financial assets at amortized cost		-	620,858	-	436,644
Net decrease (increase) in short-term financial assets at fair value through profit or loss		11,163	(9,735)	7,851	(6,847)
Disposal of long-term financial instruments		4,519,179	4,100,008	3,178,301	2,883,501
Acquisition of long-term financial instruments		(13,533,556)	(3,987,279)	(9,518,037)	(2,804,220)
Disposal of financial assets at fair value through other comprehensive income		851,834	389,680	599,088	274,059
Acquisition of financial assets at fair value through other comprehensive income		(129,636)	(185,876)	(91,172)	(130,725)
Disposal of financial assets at fair value through profit or loss		142,584	309,970	100,278	217,999
Acquisition of financial assets at fair value through profit or loss		(146,774)	(70,982)	(103,225)	(49,921)
Disposal of investment in associates and joint ventures		6,643	33,178	4,672	23,334
Acquisition of investment in associates and joint ventures		(325,146)	(11,710)	(228,672)	(8,236)
Disposal of property, plant and equipment		149,828	156,191	105,373	109,848
Acquisition of property, plant and equipment		(47,522,179)	(51,406,355)	(33,421,952)	(36,153,661)
Disposal of intangible assets		13,554	15,869	9,532	11,161
Acquisition of intangible assets		(4,630,970)	(2,335,284)	(3,256,923)	(1,642,386)
Receipt of government grants		1,722,357	-	1,211,319	-
Cash outflow from business combinations		(3,131,539)	(142,156)	(2,202,385)	(99,977)
Cash inflow from business divestiture		418,093	-	294,041	-
Cash inflow from disposal of held-for-sale assets		-	101,563	-	71,428
Cash inflow (outflow) from other investing activities		(226,491)	17,114	(159,289)	12,037
Net cash used in investing activities		**(68,512,206)**	**(85,381,702)**	**(48,184,063)**	**(60,048,239)**

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

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Samsung Electronics Co., Ltd. and its subsidiaries

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	2025	2024	2025	2024
		KRW	KRW	USD	USD
Financing activities					
Net increase in short-term borrowings	27	4,655,349	5,871,346	3,274,068	4,129,269
Increase in long-term borrowings	27	2,807,001	404,954	1,974,140	284,801
Repayment of debentures and long-term borrowings	27	(2,852,971)	(1,364,508)	(2,006,471)	(959,647)
Dividends paid		(9,897,183)	(10,888,749)	(6,960,606)	(7,657,966)
Purchase of treasury shares		(8,189,263)	(1,811,775)	(5,759,440)	(1,274,206)
Transactions with non-controlling interests		(973)	(8,511)	(684)	(5,987)
Net cash used in financing activities		**(13,478,040)**	**(7,797,243)**	**(9,478,993)**	**(5,483,736)**
Effect of foreign exchange rate changes		825,897	4,821,010	580,846	3,390,576
Net increase (decrease) in cash and cash equivalents		**4,150,799**	**(15,375,314)**	**2,919,222**	**(10,813,330)**
Cash and cash equivalents					
Beginning of the year		53,705,579	69,080,893	37,770,686	48,584,016
End of the year		**57,856,378**	**53,705,579**	**40,689,908**	**37,770,686**

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

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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 308 subsidiaries, including Samsung Display and Samsung Electronics America. The Company also applies the equity method of accounting for its 33 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of December 31, 2025 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
	Xealth Inc.	Digital health care	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
	RAINBOW ROBOTICS USA Co., Ltd.	Sale of robots	100.0

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

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Region	Subsidiaries	Business	Percentage of ownership (%)(*)
America	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
	SEMCO LLC	Manufacture and sale of air conditioning products	100.0
	SEMCO Duct & Acoustical Products Inc	Manufacture and sale of air conditioning products	100.0
	Woods Air Movement Ltd.	Manufacture and sale of air conditioning products	100.0
	Harman International Industries, Inc.	Management of overseas subsidiaries	100.0
	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products and R&D	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
	Viper Holdings Corporation	Management of overseas subsidiaries	100.0
	DEI Holdings, Inc.	Management of overseas subsidiaries	100.0
	DEI Sales, Inc.	Sale of audio products	100.0
	Sound United, LLC	Sale of audio products	100.0
	Sound United Canada Inc.	Sale of audio products	100.0
	Polk Audio, LLC	Sale of audio products	100.0
	D&M Holdings U.S. Inc.	Sale of audio products	100.0
	Boston Acoustics, Inc.	Sale of audio products	100.0
	D&M Premium Sound Solutions, LLC	Sale of audio products	100.0
	Denon Electronics (USA), LLC	Sale of audio products	100.0
	Digital Networks North America Inc.	Sale of audio products	100.0
	Marantz America, LLC	Sale of audio products	100.0
	D&M Sales & Marketing Americas, LLC	Sale of audio products	100.0
	The Speaker Company	Sale of audio products	100.0
	Definitive Technology, LLC	Sale of audio products	100.0
	Equity International, 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.

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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
	AKG Acoustics GmbH	Manufacture and sale of audio products	100.0

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

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Region	Subsidiaries	Business	Percentage of ownership (%)(*)
Europe/CIS	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 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 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
	Harman Connected Services OOO	Connected service provider	100.0
	Harman RUS CIS LLC	Sale of audio products	100.0
	D&M Europe B.V.	Sale of audio products	100.0
	D&M Audiovisual Ltd.	Sale of audio products	100.0
	D&M France SAS	Sale of audio products	100.0
	D&M Germany GmbH	Sale of audio products	100.0
	B&W Group Ltd	Sale of audio products	100.0
	B&W Group Belgium B.V.	Sale of audio products	100.0
	B&W Loudspeakers Nederland B.V.	Sale of audio products	100.0
	B&W Loudspeakers Group Espana S.A.	Sale of audio products	100.0
	B&W Loudspeakers Ltd.	Sale of audio products	100.0
	B&W Group (Schweiz) GmbH	Sale of audio products	100.0
	B&W Group (Logistics) Ltd.	Sale of audio products	100.0
	B&W Group Germany GmbH	Sale of audio products	100.0
	B&W Group France SARL	Sale of audio products	100.0
	B&W Group Finland Oy	Sale of audio products	100.0
	Marantz Italy Srl	Sale of audio products	51.0
	Bowers & Wilkins Ltd.	Sale of audio products	100.0

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

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Region	Subsidiaries	Business	Percentage of ownership (%)(*)
	FlaktGroup Austria GmbH	Sale of air conditioning products	100.0
	Flakt Woods SA	Sale of air conditioning products	100.0
	Flakt Elve NV	Sale of air conditioning products	100.0
	FlaktGroup Belgium N.V.	Sale of air conditioning products	100.0
	FlaktGroup Switzerland SA	Management of overseas subsidiaries	100.0
	FlaktGroup Czech Republic a.s.	Manufacture and sale of air conditioning products	100.0
	FlaktGroup Holding GmbH	Management of overseas subsidiaries	100.0
	FlaktGroup Deutschland GmbH	Sale of air conditioning products	100.0
	FlaktGroup Wurzen GmbH	Manufacture of air conditioning products	100.0
	SE Electronic GmbH	Manufacture and sale of air conditioning products	100.0
	Woods Air Movement GmbH	Sale of air conditioning products	100.0
	FlaktGroup A/S	Sale of air conditioning products	100.0
	FlaktGroup Eesti OU	Sale of air conditioning products	100.0
	Ventilation Holding Finland OY	Management of overseas subsidiaries	100.0
	FlaktGroup Finland OY	Manufacture and sale of air conditioning products	100.0
	FlaktGroup France SAS	Sale of air conditioning products	100.0
Europe/CIS	Woods Holdings Ltd.	Management of overseas subsidiaries	100.0
	Flakt Woods Ltd.	Manufacture and sale of air conditioning products	100.0
	FlaktGroup UK Ltd.	Sale of air conditioning products	100.0
	FlaktGroup Ireland Ltd.	Sale of air conditioning products	100.0
	FlaktGroup Italy S.r.l.	Sale of air conditioning products	100.0
	FlaktGroup Baltics UAB	Sale of air conditioning products	100.0
	Flakt Woods (Luxembourg) S.a.r.l.	Management of overseas subsidiaries	100.0
	Flakt Woods ACS S.a.r.l.	Management of overseas subsidiaries	100.0
	FlaktGroup Latvija SlA	Sale of air conditioning products	100.0
	FlaktGroup Netherlands B.V.	Sale of air conditioning products	100.0
	FlaktGroup Poland Sp. z.o.o.	Sale of air conditioning products	100.0
	FlaktGroup Romania s.r.l.	Sale of air conditioning products	100.0
	Ventilation Holding Sweden AB	Management of overseas subsidiaries	100.0
	Fusilli HoldCo AB	Management of overseas subsidiaries	100.0
	FlaktGroup Sweden AB	Manufacture and sale of air conditioning products	100.0
	Forvaltnings bolaget Ljungarum HB	Management of overseas subsidiaries	100.0
	Stromboli invetissements SAS	Management of overseas subsidiaries	100.0

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

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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
	FlaktWoods LLC	Sale of air conditioning products	100.0
	FlaktGroup Havalandirma Sanayi A.S.	Manufacture and sale of air conditioning products	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.

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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
	FläktGroup India Private Ltd.	Manufacture and sale of air conditioning products	100.0
	FlaktGroup Singapore Pte. Ltd.	Sale of air conditioning products	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
	D&M Holdings, Inc.	Manufacture and sale of audio products, R&D	100.0
	Sound United Australia Pty Ltd.	R&D	100.0
	Sound United Sales & Marketing Australia Pty Limited	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, and 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 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
	Sound United Hong Kong Limited	Management of overseas subsidiaries	100.0
	Sound Electronics (Shenzhen) Co. Ltd.	R&D	100.0

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

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Region	Subsidiaries	Business	Percentage of ownership (%)(*)
China	D&M Sales & Marketing (H.K) Ltd.	Sale of audio products	100.0
	D&M Digital Audio Trading (Shanghai) Ltd.	Management of overseas subsidiaries	100.0
	Marantz Shanghai Trading Ltd.	Management of overseas subsidiaries	100.0
	D&M Shanghai Electronics Ltd.	Sale of audio products	100.0
	D&M Sales & Marketing Taiwan Ltd.	Sale of audio products	100.0
	Bowers & Wilkins Trading Zhuhai Company Ltd.	Manufacture of audio products	100.0
	B&W Group Asia Limited	Sale of audio products	100.0
Domestic	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
	Rainbow Robotics Co., Ltd.	Manufacture and sale of robots and robot parts	35.0
	D&M Sales & Marketing Korea Ltd.	Sale of audio products	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
	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 #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
	Samsung Venture Capital Union #74	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #76	Venture capital investments in technology business	73.3
	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.

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1.3 Summary of Financial Data of Major Consolidated Subsidiaries

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

(1) 2025

(In millions of Korean won)	As of December 31, 2025		For the year ended December 31, 2025	
Major subsidiaries (*1)	**Assets**	**Liabilities**	**Sales**	**Profit (loss) for the year**
Samsung Display Co., Ltd.	76,710,079	8,779,728	25,993,317	5,522,684
Samsung Electronics America, Inc. (SEA)	52,966,362	20,138,323	41,064,994	1,475,163
Samsung Asia Pte. Ltd. (SAPL)	35,742,415	350,888	-	5,296,559
Samsung Austin Semiconductor LLC. (SAS)	29,787,509	18,505,380	3,755,810	24,977
Samsung Semiconductor, Inc. (SSI)	27,146,631	18,644,812	59,278,787	438,476
Harman and its subsidiaries(*2)	22,395,744	6,618,051	15,752,203	1,150,350
Samsung (China) Semiconductor Co., Ltd. (SCS)	16,042,066	1,114,773	8,635,744	1,105,878
Samsung (CHINA) Investment Co., Ltd. (SCIC)	14,604,846	13,562,847	2,717,013	168,077
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	14,049,410	4,454,771	36,928,373	2,382,125
Samsung India Electronics Private Ltd. (SIEL)	10,369,065	2,967,992	18,415,931	1,543,542
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	9,474,930	8,969,730	31,954,060	483,630
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,351,798	2,995,765	-	123,913
Samsung Display Vietnam Co., Ltd. (SDV)	7,996,205	2,551,991	20,027,552	877,997
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,975,597	2,450,249	23,759,446	1,555,475
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	5,263,351	886,695	7,609,150	415,907
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,815,175	1,617,379	7,288,189	(311,121)
Samsung Electronics (UK) Ltd. (SEUK)	3,174,054	2,025,539	6,521,190	205,612
Samsung International, Inc. (SII)	2,658,926	683,405	7,409,501	154,357
SEMES Co., Ltd.	2,637,216	768,123	2,457,516	210,584
Thai Samsung Electronics Co., Ltd. (TSE)	2,324,358	621,508	5,022,979	205,028
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,267,579	813,376	4,280,240	123,815
Samsung Electronics Taiwan Co., Ltd. (SET)	2,115,046	1,784,638	7,146,910	74,236
Samsung Electronics Europe Logistics B.V. (SELS)	2,072,011	1,816,197	16,169,338	(20,337)
Samsung Japan Corporation (SJC)	1,967,890	1,619,589	3,807,767	27,378
Samsung Electronics GmbH (SEG)	1,855,724	1,779,446	6,586,924	(1,692)

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

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

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1.4 Changes in Consolidation Scope

Changes in consolidation scope during the year ended December 31, 2025 are as follows:

Change	Region	Subsidiary	Description
Newly included	Domestic	Rainbow Robotics Co., Ltd.	Acquisition
		D&M Sales & Marketing Korea Ltd.	Acquisition
		Samsung Venture Capital Union #74	Establishment
		Samsung Venture Capital Union #76	Establishment
	America	RAINBOW ROBOTICS USA Co., Ltd.	Acquisition
		Harman Connected Services US Midco, LLC	Establishment
		Viper Holdings Corporation	Acquisition
		DEI Holdings, Inc.	Acquisition
		DEI Sales, Inc.	Acquisition
		Sound United, LLC	Acquisition
		Sound United Canada Inc.	Acquisition
		Polk Audio, LLC	Acquisition
		D&M Holdings U.S. Inc.	Acquisition
		Boston Acoustics, Inc.	Acquisition
		D&M Premium Sound Solutions, LLC	Acquisition
		Denon Electronics (USA), LLC	Acquisition
		Digital Networks North America Inc.	Acquisition
		Marantz America, LLC	Acquisition
		D&M Sales & Marketing Americas, LLC	Acquisition
		The Speaker Company	Acquisition
		Definitive Technology, LLC	Acquisition
		Equity International, LLC	Acquisition
		Xealth Inc.	Acquisition
		SEMCO LLC	Acquisition
		SEMCO Duct & Acoustical Products Inc	Acquisition
		Woods Air Movement Ltd.	Acquisition
	Europe/CIS	D&M Europe B.V.	Acquisition
		D&M Audiovisual Ltd.	Acquisition
		D&M France SAS	Acquisition
		D&M Germany GmbH	Acquisition
		B&W Group Ltd.	Acquisition
		B&W Group Belgium B.V.	Acquisition
		B&W Loudspeakers Nederland B.V.	Acquisition
		B&W Loudspeakers Group Espana S.A.	Acquisition
		B&W Loudspeakers Ltd.	Acquisition
		B&W Group (Schweiz) GmbH	Acquisition

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Change	Region	Subsidiary	Description
Newly included	Europe/CIS	B&W Group (Logistics) Ltd.	Acquisition
		B&W Group Germany GmbH	Acquisition
		B&W Group France SARL	Acquisition
		B&W Group Finland Oy	Acquisition
		Marantz Italy Srl	Acquisition
		Bowers & Wilkins Ltd.	Acquisition
		FläktGroup Austria GmbH	Acquisition
		Fläkt Woods SA	Acquisition
		Fläkt Elve NV	Acquisition
		FläktGroup Belgium N.V.	Acquisition
		FläktGroup Switzerland SA	Acquisition
		FläktGroup Czech Republic a.s.	Acquisition
		FläktGroup Holding GmbH	Acquisition
		FläktGroup Deutschland GmbH	Acquisition
		FläktGroup Wurzen GmbH	Acquisition
		SE Electronic GmbH	Acquisition
		Woods Air Movement GmbH	Acquisition
		FläktGroup A/S	Acquisition
		FläktGroup Eesti OU	Acquisition
		Ventilation Holding Finland OY	Acquisition
		FläktGroup Finland OY	Acquisition
		FläktGroup France SAS	Acquisition
		Woods Holdings Ltd.	Acquisition
		Fläkt Woods Ltd.	Acquisition
		FläktGroup UK Ltd.	Acquisition
		FlaktGroup Ireland Ltd.	Acquisition
		FlaktGroup Italy S.r.l.	Acquisition
		FläktGroup Baltics UAB	Acquisition
		Fläkt Woods (Luxembourg) S.a.r.l	Acquisition
		Fläkt Woods ACS S.a.r.l	Acquisition
		FlaktGroup Latvija SlA	Acquisition
		FläktGroup Netherlands B.V.	Acquisition
		FläktGroup Poland Sp. z.o.o.	Acquisition
		FläktGroup Romania s.r.l	Acquisition
		Ventilation Holding Sweden AB	Acquisition
		Fusilli HoldCo AB	Acquisition
		FläktGroup Sweden AB	Acquisition
		Förvaltnings bolaget Ljungarum HB	Acquisition
		Stromboli invetissements SAS	Acquisition

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Change	Region	Subsidiary	Description
Newly included	Middle East & Africa	FlaktWoods LLC	Acquisition
		FlaktGroup Havalandirma Sanayi A.S.	Acquisition
	Asia (Excluding China)	D&M Holdings, Inc.	Acquisition
		Sound United Australia Pty Ltd.	Acquisition
		Sound United Sales & Marketing Australia Pty Limited	Acquisition
		FläktGroup India Private Ltd.	Acquisition
		FlaktGroup Singapore Pte. Ltd.	Acquisition
	China	Sound United Hong Kong Limited	Acquisition
		Sound Electronics (Shenzhen) Co. Ltd.	Acquisition
		D&M Sales & Marketing (H.K) Ltd.	Acquisition
		D&M Digital Audio Trading (Shanghai) Ltd.	Acquisition
		Marantz Shanghai Trading Ltd.	Acquisition
		D&M Shanghai Electronics Ltd.	Acquisition
		D&M Sales & Marketing Taiwan Ltd.	Acquisition
		Bowers & Wilkins Trading Zhuhai Company Ltd.	Acquisition
		B&W Group Asia Limited	Acquisition
Excluded	Domestic	Samsung Venture Capital Union #37	Liquidation
	America	Harman Connected Services, Inc.	Sale
		Harman Connected Services Engineering Corp.	Sale
		Harman Connected Services US Midco, LLC	Sale
	Europe/CIS	Studer Professional Audio GmbH	Liquidation
		Harman Connected Services AB.	Sale
		Harman Connected Services UK Ltd.	Sale
	Middle East & Africa	Harman Connected Services Mauritius Pvt. Ltd.	Sale
		Harman Connected Services Morocco	Sale
	Asia (Excluding China)	Harman Connected Services Corp. India Pvt. Ltd.	Sale
	China	Harman Connected Services Solutions (Chengdu) Co., Ltd.	Sale

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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, 2025:

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

The amendments require that exchangeability of two currencies be assessed in order to clarify reporting of foreign currency transactions in the absence of normal-functioning foreign exchange market. The amendments also require applicable spot exchange rate should be determined when the assessment indicates two currencies lack exchangeability. The adoption of the amendments does not have a significant impact on the Company's consolidated financial statements.

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

The new and amended accounting standard that has been issued but not yet effective for the annual reporting period commencing on January 1, 2025 and has not been early adopted by the Company is as follows:

Amendments to Korean IFRS 1109, *Financial Instruments* and Korean IFRS 1107, *Financial Instruments: Disclosures*

The amendments have been implemented in order to respond to questions raised in practice and include new requirements. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted. The impact of the amendments on the financial statements is under review by the Company.

The amended standards:

- permit derecognition of a financial liability through an electronic payment system before cash is delivered on the settlement date, when specified criteria are met,
- clarify and enhance guidance on assessing whether the contractual cash flows of financial assets consist solely of payments of principal and interest,
- require disclosure of the impact of contractual terms that modify the timing and amount of contractual cash flows and the extent of the company's exposure, presented by category of financial instrument, and
- require additional disclosure regarding investments in equity instruments designated at fair value through other comprehensive income.

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Issue of Korean IFRS 1118, *Presentation and Disclosure in Financial Statements*

The Korean IFRS 1118 newly issued on December 19, 2025 will replace Korean IFRS 1001, *Presentation of Financial Statements*, and is effective for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted.

The new accounting standard introduces the following key requirements.

- The Company is required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, income tax categories and discontinued operations. The Company is also required to present a newly-defined operating profit subtotal.
- Management-defined Performance Measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, the Company is required to use the operating profit as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss and operating profit, the statement of cash flows and the additional disclosures required for management-defined performance measures. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labeled as 'other'.

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.

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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.

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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

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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’.

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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.

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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 ₩1,421.89 to $1, the average exchange rate for the year ended December 31, 2025. 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 28, 2026, and may be approved as amended at the Annual General Shareholders' Meetings.

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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.

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(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.

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4. Financial Instruments by Category

(A) Categorizations of financial assets and liabilities as of December 31, 2025 and 2024 are as follows:

(1) As of December 31, 2025

(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	57,856,378	-	-	-	57,856,378
Short-term financial instruments	67,965,021	-	-	-	67,965,021
Short-term financial assets at fair value through profit or loss	-	-	25,715	-	25,715
Trade receivables	51,127,642	-	-	-	51,127,642
Financial assets at fair value through other comprehensive income	-	16,295,005	-	-	16,295,005
Financial assets at fair value through profit or loss	-	-	1,280,501	-	1,280,501
Other	20,461,402	-	127,516	46,503	20,635,421
Total	197,410,443	16,295,005	1,433,732	46,503	215,185,683

(*) 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	13,039,380	-	-	13,039,380
Short-term borrowings	163,310	-	17,411,670	17,574,980
Other payables	19,913,847	-	-	19,913,847
Current portion of long-term liabilities	9,070	-	1,168,438	1,177,508
Debentures	7,134	-	-	7,134
Long-term borrowings	2,806,481	-	3,673,036	6,479,517
Long-term other payables	4,861,818	-	-	4,861,818
Other	14,278,526	52,293	55,518	14,386,337
Total	55,079,566	52,293	22,308,662	77,440,521

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

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(2) 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.

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(B) Net gains or losses on each category of financial assets and liabilities for the years ended December 31, 2025 and 2024 are as follows:

(1) 2025

(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, net of tax (other comprehensive income)	-	4,678,338	-	19,415	4,697,753
Gain (loss) on valuation/disposal (profit or loss)	(171,953)	-	750,795	(146)	578,696
Reclassification from other comprehensive income to profit or loss	-	-	-	405	405
Interest income	4,592,875	-	219	-	4,593,094
Foreign exchange differences (profit or loss)	(532,340)	-	-	-	(532,340)
Dividend income	-	121,773	1,199	-	122,972
Impairment	(166,402)	-	-	-	(166,402)

(*) 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, net of tax (other comprehensive income)	-	-	(37,056)	(37,056)
Gain on valuation/disposal (profit or loss)	-	(112,450)	278	(112,172)
Reclassification from other comprehensive income to profit or loss	-	-	(773)	(773)
Interest expense	(43,052)	-	(562,731)	(605,783)
Foreign exchange differences (profit or loss)	511,760	-	320,628	832,388

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

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(2) 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, net of tax (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	(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, net of tax (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.

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5. Transfer of Financial Assets

The Company discounted trade receivables through factoring arrangements with banks during the years ended December 31, 2025 and 2024. 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, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Carrying amount of the discounted trade receivables (*)	17,411,670	12,834,446
Carrying amount of the associated liabilities	17,411,670	12,834,446

(*) 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, 2025 and 2024 are as follows:

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

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Non-current		
Equity instruments	16,295,005	10,580,932

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

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Current		
Debt instruments	25,715	36,877
Non-current		
Equity instruments	591,468	544,374
Debt instruments	689,033	631,375
Subtotal	1,280,501	1,175,749
Total	**1,306,216**	**1,212,626**

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(B) Changes in financial assets at fair value for the years ended December 31, 2025 and 2024 are as follows:

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

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	10,580,932	7,481,297
Acquisition	127,710	182,655
Disposal	(837,772)	(409,434)
Fair value valuation gain	6,406,231	3,106,853
Other	17,904	219,561
Balance as of December 31	**16,295,005**	**10,580,932**

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

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	1,175,749	1,431,394
Acquisition	154,972	74,699
Disposal	(146,150)	(343,374)
Fair value valuation loss	128,314	(26,515)
Other	(32,384)	39,545
Balance as of December 31	**1,280,501**	**1,175,749**

(C) Changes in gain (loss) on valuation of financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	2,770,310	249,121
Fair value valuation gain	5,720,046	2,571,076
Reclassification to retained earnings due to disposals	(201,067)	(49,887)
Balance as of December 31	8,289,289	2,770,310
Income tax effects recognized directly in equity and non-controlling interests	(2,140,026)	(614,995)
Total	**6,149,263**	**2,155,315**

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(D) Details of listed equity securities of financial assets at fair value as of December 31, 2025 and 2024 are as follows:

	December 31, 2025				December 31, 2024
(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	3,230,057	1,514,508
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	89,410	73,974
iMarketKorea Inc.	647,320	1.9	324	5,101	5,179
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	171,343	8,972
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	251,357	82,737
Wacom Co., Ltd.	8,398,400	6.2	23,933	62,347	57,021
Corning Incorporated	68,000,000	7.9	3,383,540	8,543,509	5,169,226
Other			662,692	999,612	861,115
Total			5,079,853	13,352,736	7,772,732

(*) 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, 2025 and 2024 are as follows:

	December 31, 2025		December 31, 2024	
(In millions of Korean won)	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Receivables	52,166,513	8,352,407	44,071,714	10,491,746
Less: Loss allowance	(574,749)	(42,315)	(421,000)	(84,945)
Subtotal	51,591,764	8,310,092	43,650,714	10,406,801
Less: Non-current	(464,122)	(828,765)	(27,641)	(783,827)
Current	**51,127,642**	**7,481,327**	**43,623,073**	**9,622,974**

(B) Movements in the loss allowance for receivables for the years ended December 31, 2025 and 2024 are as follows:

	2025		2024	
(In millions of Korean won)	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Balance as of January 1	421,000	84,945	355,456	82,224
(Reversal of) bad debt expense	144,508	5,777	61,705	1,413
Write-off	(13,269)	(41,831)	(9,404)	(3,458)
Other	22,510	(6,576)	13,243	4,766
Balance as of December 31	**574,749**	**42,315**	**421,000**	**84,945**

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(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, 2025 and 2024 are as follows:

	December 31, 2025		December 31, 2024	
(In millions of Korean won)	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Receivables not past due	48,885,297	7,810,760	40,986,584	10,089,887
Past due:				
Less than 31 days past due(*)	2,712,433	410,646	2,619,575	253,962
31 days to 90 days past due	225,223	32,253	124,204	24,623
More than 90 days past due	343,560	98,748	341,351	123,274
Subtotal	3,281,216	541,647	3,085,130	401,859
Total	**52,166,513**	**8,352,407**	**44,071,714**	**10,491,746**

(*) 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, 2025. The Company has entered into insurance contracts with insurers for its major receivables.

8. Inventories

Inventories as of December 31, 2025 and 2024 are as follows:

	December 31, 2025			December 31, 2024		
(In millions of Korean won)	**Gross amount**	**Valuation allowance**	**Carrying amount**	**Gross amount**	**Valuation allowance**	**Carrying amount**
Finished goods	13,982,644	(1,703,543)	12,279,101	15,061,526	(1,219,250)	13,842,276
Work in process	26,775,342	(2,998,412)	23,776,930	24,808,183	(2,467,701)	22,340,482
Raw materials and supplies	16,411,422	(1,139,810)	15,271,612	15,442,327	(1,296,048)	14,146,279
Materials in transit	1,309,185	-	1,309,185	1,425,828	-	1,425,828
Total	**58,478,593**	**(5,841,765)**	**52,636,828**	**56,737,864**	**(4,982,999)**	**51,754,865**

Inventories recognized as an expense for the years ended December 31, 2025 and 2024 amount to ₩199,140,734 million and ₩181,242,363 million, respectively. The amount includes a loss on the valuation of inventories.

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9. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	12,592,117	11,767,444
Acquisition	388,764	11,710
Disposal	(5,567)	(33,208)
Share of profit	682,700	751,044
Other(*)	114,107	95,127
Balance as of December 31	**13,772,121**	**12,592,117**

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

(B) Major investments in associates and joint ventures as of December 31, 2025 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.(*2)(*3)	Investment in new business	31.2	Korea	December
Samsung Epis Holdings Co., Ltd.(*2)(*3)	Investment in new business	31.2	Korea	December
Samsung SDI Co., Ltd.(*4)(*5)	Manufacture and supply electronic parts including secondary cell batteries	19.4	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

(*1) Ownership represents the Company's ownership of the total ordinary shares issued by each entity.
(*2) The Company's ownership of ordinary shares outstanding is 31.3%.
(*3) Samsung Biologics Co., Ltd. carried out a spin-off of Samsung Epis Holdings Co., Ltd. with November 1, 2025 as the effective date of spin-off.
(*4) The Company's ownership of ordinary shares outstanding is 20.3%.
(*5) The Company's ownership of ordinary shares issued and outstanding decreased due to the Company's participation of a non-proportional paid-in capital increase.

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(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, 2025 and 2024 are as follows:

(1) Investments in associates

(In millions of Korean won)

Investee	December 31, 2025		
	Acquisition cost	Net asset value of equity shares(*)	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	2,234,671	2,249,353
Samsung SDS Co., Ltd.	147,963	2,239,882	2,253,776
Samsung Biologics Co., Ltd.	1,410,104	2,328,487	3,509,028
Samsung Epis Holdings Co., Ltd.	185,788	1,810,442	671,358
Samsung SDI Co., Ltd.	1,614,403	4,268,204	3,003,653
Cheil Worldwide, Inc.	506,162	450,813	752,070
Other	627,138	936,015	1,089,589
Total	**4,850,795**	**14,268,514**	**13,528,827**

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

(In millions of Korean won)

Investee	December 31, 2024		
	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.

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(2) Investments in joint ventures

(In millions of Korean won)	December 31, 2025		
Investee	**Acquisition cost**	**Net asset value of equity shares (*)**	**Carrying amount**
Samsung Corning Advanced Glass LLC	215,000	148,065	148,044
Other	259,994	85,408	95,250
Total	**474,994**	**233,473**	**243,294**

(*) 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, 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.

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(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, 2025

(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.	2,067,669	171,059	42,473	(31,848)	2,249,353
Samsung SDS Co., Ltd.	2,120,417	173,239	10,789	(50,669)	2,253,776
Samsung Biologics Co., Ltd.	3,406,062	556,529	(1,699)	(451,864)	3,509,028
Samsung Epis Holdings Co., Ltd.	-	2,464	218,531	450,363	671,358
Samsung SDI Co., Ltd.	2,923,991	(284,914)	6,240	358,336	3,003,653
Cheil Worldwide, Inc.	718,561	59,505	9,721	(35,717)	752,070
Samsung Corning Advanced Glass LLC	143,178	4,865	1	-	148,044
Other	1,212,239	(47)	50,909	(78,262)	1,184,839
Total	**12,592,117**	**682,700**	**336,965**	**160,339**	**13,772,121**

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

(2) 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.

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(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, 2025 and 2024 and for the years then ended are as follows:

	2025					
(In millions of Korean won)	**Samsung Electro-Mechanics Co., Ltd.**	**Samsung SDS Co., Ltd.**	**Samsung Biologics Co., Ltd.**	**Samsung Epis Holdings Co., Ltd.**	**Samsung SDI Co., Ltd.**	**Cheil Worldwide, Inc.**
1. Condensed financial information						
Condensed statements of financial position:						
Current assets	7,097,623	9,405,729	4,408,367	1,880,001	8,739,929	2,880,955
Non-current assets	7,498,273	4,047,975	6,652,375	5,835,583	33,515,410	706,862
Current liabilities	3,819,497	2,331,827	2,532,917	1,401,268	9,794,853	1,627,926
Non-current liabilities	979,054	858,977	1,076,714	525,244	8,890,373	371,841
Non-controlling interests	255,582	346,793	-	-	2,127,239	15,708
Condensed statements of comprehensive income:						
Revenue	11,314,459	13,929,868	5,701,873	243,752	13,266,731	4,546,895
Profit (loss) from continuing operations, net of tax (*1)	707,356	759,539	1,614,330	8,332	(939,434)	207,546
Profit (loss) from discontinued operations, net of tax (*1)	(1,242)	-	170,022	-	289,965	-
Other comprehensive income (loss) (*1)	182,615	46,319	(5,393)	2,336	746,802	38,901
Total comprehensive income(*1)	888,729	805,858	1,778,959	10,668	97,333	246,447
2. Reconciliation to the carrying amount of investments in associates						
Net assets (a)	9,541,763	9,916,107	7,451,111	5,789,072	21,442,874	1,572,342
Ownership percentage (b) (*2)	23.4%	22.6%	31.3%	31.3%	19.9%	28.7%
Net assets of equity shares (a x b)	2,234,671	2,239,882	2,328,487	1,810,442	4,268,204	450,813
Goodwill	7,081	26,801	3,221	424	-	298,779
Intercompany transactions and other (*3)	7,601	(12,907)	1,177,320	(1,139,508)	(1,264,551)	2,478
Carrying amount of associates	2,249,353	2,253,776	3,509,028	671,358	3,003,653	752,070
3. Dividends from associates						
Dividends	31,848	50,669	-	-	13,463	35,717

(*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.

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(In millions of Korean won)	2024				
	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.

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(2) Summary of condensed financial information of major joint ventures and dividends received from joint ventures as of December 31, 2025 and 2024 and for the years then ended are as follows:

	Samsung Corning Advanced Glass, LLC	
(In millions of Korean won)	**2025**	**2024**
1. Condensed financial information		
Condensed statements of financial position:		
Current assets	102,100	120,786
Non-current assets	224,966	199,017
Current liabilities	30,316	33,294
Non-current liabilities	621	113
Condensed statements of comprehensive income:		
Revenue	181,377	160,202
Profit from continuing operations, net of tax (*1)	9,730	8,778
Total comprehensive income(*1)	9,730	8,778
2. Reconciliation to the carrying amount of investments in joint ventures		
Net assets (a)	296,129	286,396
Ownership percentage (b)	50.0%	50.0%
Net assets of equity shares (a x b)	148,065	143,198
Intercompany transactions and other (*2)	(21)	(20)
Carrying amount of joint ventures	148,044	143,178
3. Dividends from joint ventures		
Dividends	-	-

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

(3) 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, 2025 and 2024 are as follows:

	2025		2024	
(In millions of Korean won)	**Associates**	**Joint ventures**	**Associates**	**Joint ventures**
Profit (loss) from continuing operations	(2,614)	2,567	48,408	2,420
Other comprehensive income	44,022	6,887	39,152	3,756
Total comprehensive income	**41,408**	**9,454**	**87,560**	**6,176**

(F) Fair value of marketable investments in associates as of December 31, 2025 and 2024 is as follows:

(In millions of Korean won and number of shares)	December 31, 2025		December 31, 2024
	Number of shares held	**Market value**	**Market value**
Samsung Electro-Mechanics Co., Ltd.	17,693,084	4,511,736	2,190,404
Samsung SDS Co., Ltd.	17,472,110	2,996,467	2,232,936
Samsung Biologics Co., Ltd.	14,449,944	24,492,655	21,084,226
Samsung Epis Holdings Co., Ltd.	7,767,364	5,771,151	-
Samsung SDI Co., Ltd.	15,663,968	4,221,439	3,332,012
Cheil Worldwide, Inc.	29,038,075	609,800	492,195

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(G) Other matters

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 W8,000 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 appeal. On June 11, 2025, Seoul High Court upheld the original decision in the appellate court, but the Korea Securities and Futures Commission appealed to the Supreme Court of Korea on June 30, 2025. On September 25, 2025, the Supreme Court of Korea dismissed the final appeal and reaffirmed the full cancellation of the first measure. Regarding the lawsuit seeking the cancellation of the second measure, the Seoul Administrative Court rendered a judgment on August 14, 2024, to revoke the administrative disposition imposed by the Korea Securities and Futures Commission. However, the Korea Securities and Futures Commission filed an appeal on August 28, 2024, and the case is currently pending before the 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 through 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 current period consolidated financial statements.

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10. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

	2025					
(In millions of Korean won)	**Land**	**Buildings and structures**	**Machinery and equipment**	**Construction in progress**	**Other**	**Total**
Balance as of January 1	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)
Acquisitions and capital expenditures(*1)	306,808	8,961,280	38,773,884	4,166,723	1,738,704	53,947,399
Acquisitions from business combinations	45,235	214,036	62,922	21,119	35,136	378,448
Depreciation	(48,917)	(4,622,802)	(37,251,068)	-	(1,682,953)	(43,605,740)
Disposals/scrap	(8,146)	(326,286)	(50,344)	(1,527)	(62,213)	(448,516)
Impairment	-	(781)	(55,243)	-	(2,866)	(58,890)
Other(*2)	(69,309)	(248,474)	36,521	(538,267)	(33,597)	(853,126)
Balance as of December 31	**10,473,899**	**51,008,918**	**92,423,245**	**56,765,303**	**4,633,419**	**215,304,784**
Acquisition cost	10,679,995	90,289,184	404,232,997	56,765,303	16,699,750	578,667,229
Accumulated depreciation and impairment	(206,096)	(39,280,266)	(311,809,752)	-	(12,066,331)	(363,362,445)

(*1) Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩557,852 million and the capitalization interest rate used to calculate the capitalized borrowing costs ranged from 4.2%~4.4%.
(*2) Other includes effects of changes in foreign currency exchange rates and others.

	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 from 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 and others.

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(B) Changes in the right-of-use assets included in the property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

	2025				
(In millions of Korean won)	**Land**	**Buildings and structures**	**Machinery and equipment**	**Other**	**Total**
Balance as of January 1	480,047	4,155,559	178,180	847,099	5,660,885
Acquisition	28,878	981,169	130,073	156,199	1,296,319
Acquisitions from business combinations	-	70,791	-	-	70,791
Depreciation	(48,817)	(967,652)	(64,546)	(187,349)	(1,268,364)
Cancellation of contracts	(7,713)	(296,725)	(289)	(16,011)	(320,738)
Other(*)	(39,405)	(15,359)	11,481	(6,903)	(50,186)
Balance as of December 31	**412,990**	**3,927,783**	**254,899**	**793,035**	**5,388,707**

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

	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 and others.

(C) Details of depreciation of property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Cost of sales	38,101,542	35,084,501
Selling and administrative expenses and other	5,504,198	4,565,481
Total	**43,605,740**	**39,649,982**

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11. Intangible Assets

(A) Changes in intangible assets for the years ended December 31, 2025 and 2024 are as follows:

	2025				
(In millions of Korean won)	**Intellectual property rights**	**Membership**	**Goodwill**	**Other**	**Total**
Balance as of January 1	4,789,366	272,898	7,168,541	11,507,761	23,738,566
Acquisitions	536,835	300	-	3,324,920	3,862,055
Acquisition from business combinations	87,170	214	3,973,926	1,371,271	5,432,581
Amortization	(299,988)	-	-	(3,020,864)	(3,320,852)
Disposals/scrap	(104,292)	-	(207,935)	(117,146)	(429,373)
Impairment	(17,746)	(1,789)	(248,491)	(3,233)	(271,259)
Other(*)	9,703	54	419,192	39,898	468,847
Balance as of December 31	**5,001,048**	**271,677**	**11,105,233**	**13,102,607**	**29,480,565**

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

	2024				
(In millions of Korean won)	**Intellectual property rights**	**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 from 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 effects of changes in foreign currency exchange rates and others.

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(B) Goodwill

Goodwill is allocated to each cash-generating unit. Details of goodwill as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
DX(*1)	5,442,473	1,463,566
DS(*1)	107,081	176,885
SDC	373,720	380,897
Harman(*2)	5,180,928	5,146,242
Other	1,031	951
Total	**11,105,233**	**7,168,541**

(*1) Due to declining business viability arising from changes in service and technological environment, the Company recognized impairment losses on goodwill related to the DX and DS divisions amounting to ₩6,871 million and ₩96,008 million, respectively, in 2025.

(*2) Impairment on goodwill amounting to ₩145,612 million was recognized in relation to the divestiture of DTS business.

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 five-year period.

(C) Details of amortization of intangible assets for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Cost of sales	2,243,754	2,019,693
Selling and administrative expenses and other	1,077,098	961,147
Total	**3,320,852**	**2,980,840**

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12. Borrowings

(A) Details of the carrying amounts of borrowings as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	Financial institutions	Interest rates (%) as of Dec 31, 2025	December 31, 2025	December 31, 2024
Short-term borrowings				
Collateralized borrowings(*1)	Woori Bank and others	1.2~16.5	17,411,670	12,834,446
Non-collateralized borrowings	Citibank and others	0.0~33.1	163,310	338,058
Total			**17,574,980**	**13,172,504**
Current portion of long-term borrowings				
Bank borrowings	BNP and others	4.4	1,977	510,756
Lease liabilities(*2)	CSSD and others	4.8	1,168,438	1,100,526
Total			**1,170,415**	**1,611,282**
Long-term borrowings				
Bank borrowings	Korea Development Bank and others	0.0~7.4	2,806,014	6,537
Lease liabilities(*2)	CSSD and others	4.8	3,673,503	3,929,323
Total			**6,479,517**	**3,935,860**

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

(*2) Interest expenses arising from the lease liabilities for the years ended December 31, 2025 and 2024 amount to ₩239,243 million and ₩223,938 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, 2025 and 2024 amount to ₩123,958 million and ₩159,262 million, respectively.

(B) Maturities of long-term borrowings outstanding as of December 31, 2025 are as follows:

(In millions of Korean won)	Bank-borrowings
Repayment in:	
2026	73,697
2027	73,873
2028	73,571
2029	72,797
2030 and thereafter	3,092,368
Total	**3,386,306**

(C) Maturities of lease liabilities outstanding as of December 31, 2025 are as follows:

(In millions of Korean won)	Lease liabilities
Repayment in:	
2026	1,364,674
2027	999,473
2028	783,444
2029	582,561
2030 and thereafter	1,819,149
Total	**5,549,301**

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13. Debentures

(A) Details of the carrying amounts of debentures as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	Issue date	Due date	Interest rate (%) as of Dec 31, 2025	December 31, 2025	December 31, 2024
US dollar denominated straight bonds(*1)	October. 2, 1997	October. 1, 2027	7.7	14,349 (US $ 10 million)	22,050 (US $ 15 million)
US dollar denominated debenture bonds(*2)	May 11, 2015	May 15, 2025	4.2	- -	588,000 (US $ 400 million)
Less: Discounts				(122)	(255)
Add: Premium				-	743
Less: Current portion				(7,093)	(596,008)
Total				**7,134**	**14,530**

(*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) US dollar-denominated debentures with a 10-year maturity, issued by Harman International Industries, Inc., were fully repaid at maturity during the year ended December 31, 2025.

(B) Repayment schedule of debentures outstanding as of December 31, 2025 are as follows:

(In millions of Korean won)	Debentures
Repayment in:	
2026	7,175
2027	7,174
Total	**14,349**

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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, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Present value of funded defined benefit obligations	16,370,236	16,965,629
Present value of unfunded defined benefit obligations	484,816	379,155
Subtotal	16,855,052	17,344,784
Fair value of plan assets	(20,568,079)	(19,912,945)
Total	**(3,713,027)**	**(2,568,161)**

(B) The components of defined benefit costs recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Current service cost	1,515,439	1,400,834
Net interest income	(131,162)	(259,108)
Past service cost	30,659	(676)
Other	11,693	47,897
Total	**1,426,629**	**1,188,947**

The amount recognized as expenses of defined contribution plans for the years ended December 31, 2025 and 2024 are ₩371,560 million and ₩382,391 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, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Cost of sales	559,718	462,180
Selling and administrative expenses and other	866,911	726,767
Total	**1,426,629**	**1,188,947**

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(D) Changes in the defined benefit obligations for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	17,344,784	15,723,665
Current service cost	1,515,439	1,400,834
Interest cost	842,475	840,271
Past service cost	30,659	(676)
Remeasurement:		
Changes in demographic assumptions	(192,373)	76,762
Changes in financial assumptions	(651,432)	595,095
Other	276,820	141,212
Benefits paid	(2,362,030)	(1,466,188)
Other(*)	50,710	33,809
Balance as of December 31	**16,855,052**	**17,344,784**

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

The Company is currently assessing the potential impact of the Supreme Court's ruling on the scope of average wages on its defined benefit obligation.

(E) Changes in the fair value of plan assets for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	19,912,945	20,172,327
Interest income on plan assets	973,637	1,099,379
Remeasurement of plan assets	(438,355)	(213,636)
Contributions made by the employer	2,264,779	114,173
Benefits paid	(2,146,344)	(1,267,778)
Other(*)	1,417	8,480
Balance as of December 31	**20,568,079**	**19,912,945**

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

The reasonable estimate of the employer contributions expected to be paid in 2026 in respect of the defined benefit plans as of December 31, 2025 is ₩2,048,285 million.

(F) Plan assets as of December 31, 2025 and 2024 consist of the following:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Principal guaranteed fixed income financial instruments and other	15,965,578	15,685,547
Indirect investment instruments	4,537,493	4,128,450
Other	65,008	98,948
Total	**20,568,079**	**19,912,945**

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(G) The principal actuarial assumptions as of December 31, 2025 and 2024 are as follows:

(In percentage)	**December 31, 2025**	**December 31, 2024**
Discount rate	4.0~5.5	4.0~5.1
Salary growth rate (including the effects of inflation)	2.0~5.9	2.0~5.9

(H) The sensitivity analysis of the defined benefit obligations as of December 31, 2025 and 2024 to changes in the principal assumptions is as follows:

	Defined benefit obligations	
(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Discount rate		
1% p increase	15,328,375	15,743,077
1% p decrease	18,591,031	19,203,081
Salary growth rate		
1% p increase	18,572,917	19,173,312
1% p decrease	15,315,012	15,736,900

The weighted average maturity of the defined benefit obligations is 9.68 years as of December 31, 2025.

15. Provisions

Changes in provisions for the year ended December 31, 2025 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	2,734,501	2,793,901	813,011	4,995,100	11,336,513
Charged to profit or loss	1,834,938	653,479	312,154	625,791	3,426,362
Payment	(2,044,993)	(1,102,664)	(237,577)	(613,798)	(3,999,032)
Other(*)	82,590	(125,718)	(105,326)	(24,419)	(172,873)
Balance as of December 31	**2,607,036**	**2,218,998**	**782,262**	**4,982,674**	**10,590,970**

(*) Other includes effects of changes in foreign currency exchange rates and ₩102,692 million reclassified to other components of equity pursuant to an agreement to settle portion of long-term incentives in ordinary shares.

(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.

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(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 future expenses expected to be incurred for products that have been discontinued from manufacturing and sales.

(E) The Company recognizes provisions for the emission in excess of the emission rights held by the Company for the applicable years.

(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, 2025 are as follows:

(In million metric tons)	**December 31, 2025**
Emission rights allocated free of charge	19.26
Estimated volume of emission	18.27

(2) Changes in the emission rights for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	3,137	3,137
Increase	-	-
Utilization	-	-
Balance as of December 31(*)	**3,137**	**3,137**

(*) The quantity of emission rights is 27.11 million metric tons and there is no emission rights provided as provision of collateral as of December 31, 2025.

(3) Changes in emissions liabilities for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Balance as of January 1	174	137
Charged to profit or loss	54	37
Utilization	(78)	-
Balance as of December 31	**150**	**174**

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16. Commitments and Contingencies

(A) Litigation

As of December 31, 2025, 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) Business combination

On December 23, 2025, the Company agreed to purchase ZF Friedrichshafen AG's ADAS (Advanced Driver Assistance System) business. The relevant acquisition procedures are expected to be completed in 2026.

(C) Other commitments

(1) As of December 31, 2025, the Company has entered into agreements for trade financing, working capital loans, and borrowings secured by trade receivables with 30 financial institutions, including Woori Bank, with a combined limit of ₩21,647,106 million. In addition, the Company has a trade financing agreement with 25 financial institutions, including Shinhan Bank, with a limit of ₩19,290,273 million, and agreements for borrowings secured by trade receivables, and general loan with 16 banks, including Woori Bank, with a limit of ₩1,662,247 million.

(2) As of December 31, 2025, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩10,334,366 million.

17. Contract Liabilities

The Company has recognized contract liabilities related to contracts with customers as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Contract liabilities(*)	13,978,566	13,523,368

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

The revenue recognized for the year ended December 31, 2025 in relation to the contract liabilities carried forward as of January 1, 2025 amounts to ₩1,711,741 million.

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18. Share Capital

As of December 31, 2025, 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 5,919,637,922 shares of ordinary shares and 815,974,664 shares of preference shares as of December 31, 2025, 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 ₩673,561 million (ordinary shares of ₩591,964 million and preference shares of ₩81,597 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, 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
As of January 1, 2025	5,940,082,550	818,836,700
Treasury shares purchased	(118,314,495)	(16,465,497)
Treasury shares granted	6,040,880	-
As of December 31, 2025	5,827,808,935	802,371,203

The Company retired 50,144,628 ordinary shares and 6,912,036 preference shares during the year ended December 31, 2025, with a total acquisition cost of ₩3,049,040 million, pursuant to the board of directors' resolution on February 18, 2025. The Company granted 6,040,880 treasury shares to its employees during the year ended December 31, 2025, with a total acquisition cost of ₩345,637 million, pursuant to the board of directors' resolutions on May 23, July 25, and October 30, 2025.

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19. Retained Earnings

(A) Retained earnings as of December 31, 2025 and 2024 consist of the following:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Discretionary reserve and other	238,481,469	224,424,501
Unappropriated retained earnings	163,654,131	146,088,687
Total	**402,135,600**	**370,513,188**

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

(1) Interim dividends (Record date: March 31, June 30 and September 30, 2025 and 2024)

(In millions of Korean won and number of shares)			**2025**	**2024**
1st Quarter	Number of shares eligible for dividends	Ordinary shares	5,892,637,922	5,969,782,550
		Preference shares	812,249,664	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	365%	361%
	Dividend amount	Ordinary shares	2,150,813	2,155,092
		Preference shares	296,471	297,062
		Total	**2,447,284**	**2,452,154**
2nd Quarter	Number of shares eligible for dividends	Ordinary shares	5,876,745,450	5,969,782,550
		Preference shares	809,337,676	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	367%	361%
	Dividend amount	Ordinary shares	2,156,766	2,155,092
		Preference shares	297,027	297,062
		Total	**2,453,793**	**2,452,154**
3rd Quarter	Number of shares eligible for dividends	Ordinary shares	5,828,224,765	5,969,782,550
		Preference shares	802,437,676	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	370%	361%
	Dividend amount	Ordinary shares	2,156,443	2,155,092
		Preference shares	296,902	297,062
		Total	**2,453,345**	**2,452,154**

(2) Year-end dividends (Record date: December 31, 2025 and 2024)

(In millions of Korean won and number of shares)		**2025**	**2024**
Number of shares eligible for dividends	Ordinary shares	5,827,808,935	5,940,082,550
	Preference shares	802,371,203	818,836,700
Dividend rate (based on par value)	Ordinary shares	566%	363%
	Preference shares	567%	364%
Dividend amount	Ordinary shares	3,298,540	2,156,250
	Preference shares	454,944	298,057
	Total	**3,753,484**	**2,454,307**

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20. Other Components of Equity

(A) Other components of equity as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Gain on valuation of financial assets at fair value through other comprehensive income	6,149,263	2,155,315
Share of other comprehensive income of associates and joint ventures	760,827	424,575
Foreign currency translation differences for foreign operations	19,618,086	18,614,960
Remeasurement of net defined benefit liabilities (assets)	(3,508,193)	(3,596,943)
Treasury shares	(6,606,360)	(1,811,775)
Share-based payment	365,810	-
Other	96,815	86,876
Total	**16,876,248**	**15,873,008**

(B) Treasury shares as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won and number of shares)		**2025**	**2024**
Number of treasury shares purchased	Ordinary shares	91,828,987	29,700,000
	Preference shares	13,603,461	4,050,000
Acquisition cost	Ordinary shares	5,892,428	1,625,252
	Preference shares	713,932	186,523

(C) Equity-settled performance incentive

The Company agreed to grant 1,176,383 ordinary shares as restricted stock awards (RSA) to executives to settle a part of their performance incentives in January 2026. Accordingly, ₩63,912 million was reclassified from accrued expenses to other components of equity.

(D) Share-based compensation for employees and executives

The Company agreed to grant 30 ordinary shares to each of all employees who were in service as of March 5, 2025, as agreed through labor-management negotiations. Accordingly, the Company recognized the fair value of 3,686,880 ordinary shares, amounting to ₩199,092 million as of the grant date, as wages and salaries and other components of equity, and the grant of shares was completed during the year ended December 31, 2025.

In addition, the Company agreed to grant a total of 3,149,370 ordinary shares to high-performing employees for retention and motivation purposes and recognized the fair value of ₩182,544 million as of the grant date, as welfare expense and other components of equity. Grant of shares was partially executed during the year ended December 31, 2025 and the grants of the remaining shares will be completed in 2026.

(E) Equity-settled long-term incentives

The Company agreed to grant shares for a portion of long-term incentives to executives and provision amounting to ₩102,692 million, which is the fair value of 1,558,299 ordinary shares as of the grant date, was reclassified to other components of equity. Grant of shares was partially executed during the year December 31, 2025 and the grants of the remaining shares will be completed in 2026.

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(F) Performance Stock Units

The Company has introduced a Performance Stock Units (PSU) plan for employees and executives of Samsung Electronics Co., Ltd. and Samsung Display Co., Ltd. In relation to this plan, the Company recognized expenses amounting to ₩166,614 million during the year ended December 31, 2025.

(*In Korean won*)	**Samsung Electronics Co., Ltd.**(*)	**Samsung Display Co., Ltd**
Grant date	October 14, 2025	December 9, 2025
Base date	October 14, 2025	October 14, 2025
Vesting date	October 13, 2028	October 13, 2028
Vesting conditions	Achievement of a minimum required base stock price increase rate	Achievement of a minimum required base stock price increase rate and business performance
Payment method	Equal installment payments over 3-years	Equal installment payments over 3-years
Settlement method	Equity (Treasury shares)	Cash (Virtual share)
Valuation model	Binomial model	Binomial model
Weighted-average fair value	51,760	116,542
Underlying asset's fair value	91,600	119,900
Expected volatility(%)	27.84%	30.13%
Expected dividend yield (%)	1.58%	2.39%
Risk-free rate (%)	2.53%	2.95%

(*) The target number of shares is 36 million which forms the basis for determining the actual number of shares to be issued. However, the actual number of shares to be granted to executives and employees may vary depending on the differentiated payout multiple determined by the rate of increase in the base share price.

Expected volatility of share price was determined based on the historical volatility of the parent company's share price over a period consistent with the expected vesting period.

21. Expenses by Nature

Expenses by nature for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Changes in finished goods, work in process, and other	126,727	571,892
Raw materials used, merchandise purchased, and other	102,992,621	93,861,545
Wages and salaries	37,094,712	32,877,167
Post-employment benefit	1,798,189	1,571,338
Depreciation	43,605,740	39,649,982
Amortization	3,320,852	2,980,840
Welfare	7,448,772	6,823,800
Utilities	9,248,950	8,403,851
Outsourcing	8,539,608	7,822,607
Advertising	6,003,350	5,428,555
Sales promotion	8,233,462	7,300,311
Other	61,591,905	60,853,054
Total(*)	**290,004,888**	**268,144,942**

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

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22. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Selling and administrative expenses		
Wages and salaries	9,243,455	8,647,408
Post-employment benefit	383,010	453,164
Commissions	9,819,555	8,807,740
Depreciation	1,739,289	1,689,079
Amortization	813,976	716,646
Advertising	6,003,350	5,428,555
Sales promotion	8,233,462	7,300,311
Transportation	2,512,121	2,960,237
Service	3,659,857	3,843,980
Other	7,620,907	6,737,412
Subtotal	50,028,982	46,584,532
Research and development expenses		
Research and development	37,740,392	34,998,142
Total	**87,769,374**	**81,582,674**

23. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Other non-operating income		
Dividend income	122,972	134,952
Rental income	149,828	155,928
Gain on disposal of property, plant and equipment	115,940	81,647
Other	1,878,343	1,587,811
Total	**2,267,083**	**1,960,338**

(In millions of Korean won)	**2025**	**2024**
Other non-operating expenses		
Loss on disposal of property, plant and equipment	57,404	124,018
Donations	211,720	216,219
Other	1,306,777	1,284,992
Total	**1,575,901**	**1,625,229**

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24. Financial Income and Expenses

Details of financial income and expenses for the years ended December 31, 2025 and 2024 are as follows:

(*In millions of Korean won*)	**2025**	**2024**
Financial income		
Interest income	4,593,094	4,819,128
Financial assets measured at amortized cost	4,592,875	4,818,923
Financial assets measured at fair value through profit or loss	219	205
Foreign exchange differences	10,232,265	10,997,621
Gain from derivatives	1,414,943	886,555
Total	**16,240,302**	**16,703,304**

(*In millions of Korean won*)	**2025**	**2024**
Financial expenses		
Interest expenses	605,783	903,918
Financial liabilities measured at amortized cost	43,052	176,503
Other financial liabilities	562,731	727,415
Foreign exchange differences	10,216,031	11,360,618
Loss from derivatives	911,950	721,148
Total	**11,733,764**	**12,985,684**

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

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25. Income Tax Expense

(A) Income tax expense for the years ended December 31, 2025 and 2024 consists of the following:

(In millions of Korean won)	**2025**	**2024**
Current taxes		
Current tax on profits for the year	8,951,271	6,302,022
Global minimum top-up tax	429,546	429,824
Adjustments recognized in the current year	(69,133)	642,014
Subtotal	9,311,684	7,373,860
Deferred taxes		
Changes in deferred taxes arising from unused tax credits	(5,632,185)	(5,228,946)
Changes in deferred taxes arising from temporary differences	162,725	(196,702)
Changes in deferred taxes arising from unused tax losses	(36,142)	1,023,962
Other	468,584	106,209
Subtotal	(5,037,018)	(4,295,477)
Income tax expense	**4,274,666**	**3,078,383**

(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)	**2025**	**2024**
Profit before income tax	49,481,471	37,529,734
Tax calculated at weighted average of applicable tax rates(*)	11,539,025	8,629,708
Adjustments:		
Permanent differences	(107,466)	(220,405)
Temporary differences for which no deferred income tax was recognized	(12,635)	(14,079)
Tax credits and exemptions	(8,375,175)	(6,566,360)
Additional taxes on subsidiaries' profits	949,242	759,731
Effect of changes in tax rates	(188,193)	(12,943)
Global minimum top-up tax	429,546	429,824
Other	40,322	72,907
Subtotal	(7,264,359)	(5,551,325)
Income tax expense	**4,274,666**	**3,078,383**

(*) 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, 2025 and 2024, which vary by tax jurisdictions.

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(C) The movement in deferred income tax assets and liabilities for the years ended December 31, 2025 and 2024 are as follows:

	2025			2024		
(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	(896,689)	36	(896,653)	(898,687)	1,998	(896,689)
Investments in subsidiaries, associates and joint ventures(*)	(5,877,850)	(527,580)	(6,405,430)	(4,902,607)	(975,243)	(5,877,850)
Accumulated depreciation and other	(1,142,466)	930,031	(212,435)	(1,883,690)	741,224	(1,142,466)
Provisions, accrued expenses, and other	7,391,766	474,620	7,866,386	7,142,616	249,150	7,391,766
Foreign currency translation	245,649	214,841	460,490	172,903	72,746	245,649
Asset impairment losses	236,584	5,840	242,424	235,745	839	236,584
Other	(414,835	(494,515)	(909,350)	(520,823)	105,988	(414,835)
Subtotal	(457,841)	603,273	145,432	(654,543)	196,702	(457,841)
Deferred tax arising from tax losses						
Unused tax losses	294,392	36,142	330,534	1,318,354	(1,023,962)	294,392
Deferred tax arising from unused tax credits						
Unused tax credits	13,322,033	5,632,185	18,954,218	8,093,087	5,228,946	13,322,033
Deferred tax recognized in equity						
Gain on valuation of financial assets at fair value through other comprehensive income and other	(770,820)	(1,808,624)	(2,579,444)	(206,835)	(563,985)	(770,820)
Remeasurement of net defined benefit liabilities	1,320,473	(39,880)	1,280,593	1,041,185	279,288	1,320,473
Subtotal	549,653	(1,848,504)	(1,298,851)	834,350	(284,697)	549,653
Net deferred tax assets	14,236,468	4,604,091	18,840,559	10,211,797	4,024,671	14,236,468
Deferred tax assets	(528,231)	(180,995)	(709,226)	(620,549)	92,318	(528,231)
Deferred tax liabilities	13,708,237	4,423,096	18,131,333	9,591,248	4,116,989	13,708,237

(*) 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.

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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, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Unused tax losses	707,996	583,820
Unused tax credits	1,021,022	75,679

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)	**2026**	**2027**	**2028**	**2029 and after**
Unused tax losses	27,999	27,999	27,999	623,999
Unused tax credits	12,983	996	61,998	945,045

(D) Details of the period when the deferred tax assets (liabilities) are expected to be recovered (settled) as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Deferred tax assets		
Deferred tax assets to be recovered within 12 months	141,364	219,670
Deferred tax assets to be recovered after 12 months	18,699,195	14,016,798
Subtotal	**18,840,559**	**14,236,468**
Deferred tax liabilities		
Deferred tax liabilities to be settled after 12 months	(709,226)	(528,231)
Total	**18,131,333**	**13,708,237**

(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 Pillar 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 Pillar Two corporate income tax as current tax expense, while subsidiaries in other countries are expected to have no or minimal impact under the Pillar Two. The Company has applied the temporary exemption for recognition and disclosure of the relevant deferred tax assets (liabilities).

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26. Earnings per Share

Earnings per share for the years ended December 31, 2025 and 2024 are calculated as follows:

(A) Ordinary shares

(1) Basic earnings per share

(In millions of Korean won and thousands of number of shares)	**2025**	**2024**
Profit for the year attributable to owners of the parent company	44,260,956	33,621,363
Profit for the year attributable to ordinary shares	38,901,477	29,547,625
Weighted-average number of ordinary shares outstanding	5,889,607	5,969,672
Basic earnings per ordinary share *(in Korean won)*	**6,605**	**4,950**

(2) Diluted earnings per share

(In millions of Korean won and thousands of number of shares)	**2025**	**2024**
Profit for the year attributable to owners of the parent company	44,260,956	33,621,363
Profit for the year attributable to ordinary shares	38,903,109	29,547,625
Weighted-average number of diluted ordinary shares outstanding(*)	5,891,373	5,969,672
Diluted earnings per ordinary share *(in Korean won)*	**6,603**	**4,950**

(*) The weighted-average diluted potential ordinary shares included are 1.767 million shares related to stock-based payment and nil for the years ended December 31, 2025 and 2024, respectively.

Diluted Earnings Per Share is calculated by adjusting for the weighted-average number of ordinary shares outstanding, assuming the conversion of all potentially dilutive securities into ordinary shares. Among the dilutive potential ordinary shares held by the Company, the number of shares rising from Performance Stock Units is calculated based on the number of shares to be granted to employees and executives, assuming that the share price as of December 31, 2025 is equal to the reference share price at the end of the three-year vesting period. Potentially dilutive instruments that have an anti-dilutive effect are excluded from the calculation of diluted earnings per share.

(B) Preference shares

(1) Basic earnings per share

(In millions of Korean won and thousands of number of shares)	**2025**	**2024**
Profit for the period attributable to owners of the parent company	44,260,956	33,621,363
Profit for the period attributable to preference shares	5,359,479	4,073,738
Weighted-average number of preference shares outstanding	811,381	822,871
Basic earnings per preference share *(in Korean won)*	**6,605**	**4,951**

(2) Diluted earnings per share

(In millions of Korean won and thousands of number of shares)	**2025**	**2024**
Profit for the period attributable to owners of the parent company	44,260,956	33,621,363
Profit for the period attributable to preference shares	5,357,847	4,073,738
Weighted-average number of diluted preference shares outstanding	811,381	822,871
Diluted earnings per preference share *(in Korean won)*	**6,603**	**4,951**

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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, 2025 and 2024 are as follows:

- Adjustments

(In millions of Korean won)	**2025**	**2024**
Adjustments:		
Income tax expense	4,274,666	3,078,383
Financial income	(7,249,614)	(7,412,419)
Financial expenses	3,501,882	3,879,286
Post-employment benefits	1,798,189	1,571,338
Depreciation	43,605,740	39,649,982
Amortization	3,320,852	2,980,840
Bad debt expense	144,508	61,705
Dividend income	(122,972)	(134,952)
Share of profit of associates and joint ventures	(682,700)	(751,044)
Gain on disposal of property, plant and equipment	(115,940)	(81,647)
Loss on disposal of property, plant and equipment	57,404	124,018
(Reversal of) loss on valuation of inventories and others	3,430,442	(527,092)
Other	433,159	508,681
Total	**52,395,616**	**42,947,079**

- Changes in assets and liabilities arising from operating activities

(In millions of Korean won)	**2025**	**2024**
Changes in assets and liabilities :		
Increase in trade receivables	(4,550,796)	(2,496,105)
Decrease (increase) in other receivables	2,015,904	(642,629)
Decrease (increase) in prepaid expenses	78,299	(369,269)
Decrease (increase) in inventories	(3,590,702)	2,541,364
Decrease in trade payables	(2,301,388)	(2,573,560)
Increase (decrease) in other payables	(955,589)	1,035,043
Increase (decrease) in advances received	(53,577)	235,827
Increase (decrease) in withholdings	(6,770)	65,954
Increase (decrease) in accrued expenses	3,680,388	(156,596)
Increase (decrease) in provisions	(80,282)	1,503,956
Payment of post-employment benefits	(2,620,180)	(1,697,139)
Decrease (increase) in external reserve assets	(118,435)	1,153,605
Other	(1,110,778)	(168,008)
Total	**(9,613,906)**	**(1,567,557)**

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(B) Significant non-cash investing and financing transactions for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Valuation of financial assets at fair value through other comprehensive income	6,406,231	3,106,853
Valuation of investments in associates and joint ventures	336,965	233,746
Reclassification of construction in progress to property, plant and equipment	49,820,150	48,452,108
Changes in assets and liabilities related to the acquisition of property, plant and equipment	5,128,901	2,239,745
Acquisition of right-of-use assets (new lease contracts established)	1,296,319	1,296,088
Reclassification of current portion of debentures and long-term borrowings	1,177,504	2,207,290

(C) Changes in liabilities arising from financing activities for the years ended December 31, 2025 and 2024 are as follows:

(1) 2025

(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	13,172,504	4,655,349	-	(252,873)	17,574,980
Debentures and long-term borrowings	6,157,680	(45,970)	1,296,319	256,130	7,664,159
Total	**19,330,184**	**4,609,379**	**1,296,319**	**3,257**	**25,239,139**

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

(2) 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.

For the years ended December 31, 2025 and 2024, cash outflows from repayment of the principal of lease liabilities (financial activities) amount to ₩1,284,792 million and ₩1,184,788 million, respectively, while cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩239,243 million and ₩223,938 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, 2025, most of the Company's cash and cash equivalents consist mainly of bank deposits.

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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, 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, 2025 and 2024, 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, 2025		December 31, 2024	
(In millions of Korean won)	**Increase**	**Decrease**	**Increase**	**Decrease**
USD	435,059	(435,059)	365,273	(365,273)
EUR	62,325	(62,325)	88,649	(88,649)

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(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, 2025 and 2024, the effect on profit or loss before tax of a 1%p change in interest rates on the Company's variable interest rate financial assets and liabilities is as follows:

	December 31, 2025		**December 31, 2024**	
(In millions of Korean won)	**Increase**	**Decrease**	**Increase**	**Decrease**
Financial assets	76,243	(76,243)	141,671	(141,671)
Financial liabilities	(33,597)	33,597	(5,702)	5,702
Net effect	**42,646**	**(42,646)**	**135,969**	**(135,969)**

(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, 2025 and 2024, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩132,067 million and ₩76,865 million, respectively, and changes in profit before tax of ₩1,460 million and ₩862 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.

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(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, 2025 and 2024, 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, 2025				
(In millions of Korean won)	**Less than 3 months**	**~ 6 months**	**~1 year**	**1 ~ 5 years**	**More than 5 years**
Financial liabilities	64,213,129	648,205	1,576,875	7,866,273	4,844,847

	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

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 ₩44,931 million (December 31, 2024: ₩36,795 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 36 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.

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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, 2025.

(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, 2025, the Company's derivative financial instruments designated as cash flow hedges are as follows:

	December 31, 2025		December 31, 2024	
(In millions of Korean won)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Currency forward exchange contracts				
Current	34,063	43,746	30,318	30,152
Non-current	12,440	11,772	13,944	27,612
Total	**46,503**	**55,518**	**44,262**	**57,764**

For the years ended December 31, 2025 and 2024, 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 gain of ₩1,706 million (after tax) and the loss of ₩38,946 million (after tax), respectively, and recognizes the gains relating to the ineffective portion in profit or loss, which amount to the gain of ₩162 million (before tax) and ₩1,063 million (before tax), respectively. For the years ended December 31, 2025 and 2024, gains and losses reclassified directly from other comprehensive income to profit or loss amount to the gain of ₩2,363 million (after tax) and ₩6,642 million (after tax), respectively, and the gains reclassified from other comprehensive income to the carrying amount of inventory amount to the loss of ₩18,806 million (after tax) and gain of ₩35,333 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, 2025 and 2024 are as follows:

(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Total liabilities	130,621,773	112,339,878
Total equity	436,320,337	402,192,070
Debt ratio	**29.9%**	**27.9%**

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29. Fair Value Measurement

(A) Carrying amounts and fair value of financial instruments by category as of December 31, 2025 and 2024 are as follows:

	December 31, 2025		December 31, 2024	
(In millions of Korean won)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Cash and cash equivalents	57,856,378	(*1)	53,705,579	(*1)
Short-term financial instruments	67,965,021	(*1)	58,909,334	(*1)
Short-term financial assets at fair value through profit or loss	25,715	25,715	36,877	36,877
Trade receivables	51,127,642	(*1)	43,623,073	(*1)
Financial assets at fair value through other comprehensive income	16,295,005	16,295,005	10,580,932	10,580,932
Financial assets at fair value through profit or loss	1,280,501	1,280,501	1,175,749	1,175,749
Other(*2)	20,635,421	174,019	14,898,880	520,656
Total financial assets	**215,185,683**		**182,930,424**	
Financial liabilities				
Trade payables	13,039,380	(*1)	12,370,177	(*1)
Short-term borrowings	17,574,980	(*1)	13,172,504	(*1)
Other payables	19,913,847	(*1)	17,390,861	(*1)
Current portion of long-term liabilities	1,177,508	7,556	2,207,290	594,010
- Long-term borrowing	1,170,415	(*1)(*3)	1,611,282	(*1)(*3)
- Debentures	7,093	7,556	596,008	594,010
Debentures	7,134	7,875	14,530	16,427
Long-term borrowings	6,479,517	(*1)(*3)	3,935,860	(*1)(*3)
Long-term other payables	4,861,818	(*1)	4,779,141	(*1)
Other(*2)	14,386,337	107,811	13,793,044	94,559
Total financial liabilities	**77,440,521**		**67,663,407**	

(*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 ₩20,461,402 million and ₩14,378,224 million as of December 31, 2025 and 2024, respectively, and liabilities measured at the cost of ₩14,278,526 million and ₩13,698,485 million of at December 31, 2025 and 2024, 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.

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(B) Fair value hierarchy classifications of the financial instruments that are measured at or only disclosed their fair value as of December 31, 2025 and 2024 are as follows:

	December 31, 2025			
(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	-	25,715	-	25,715
Financial assets at fair value through other comprehensive income	13,206,702	-	3,088,303	16,295,005
Financial assets at fair value through profit or loss	146,034	-	1,134,467	1,280,501
Other	-	116,860	57,159	174,019
Financial liabilities				
Current portion of debentures	-	7,556	-	7,556
Debentures	-	7,875	-	7,875
Other	-	107,811	-	107,811

	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

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.

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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.

(C) Valuation technique and the inputs

The Company utilizes a present value technique to discount future cash flows using proper interest rates for currency forward, 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, 2025.

(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	35,062	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	13.1%
MiCo Ceramics Co., Ltd.	64,679	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	11.2%
TCL China Star Optoelectronics Technology Co. Ltd. (CSOT)	1,680,823	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	8.9%
China Star Optoelectronics Semiconductor Display Technology Ltd (CSOSDT)	398,612	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	8.9%
Others				
Put option on equity instruments	57,159	Binomial model	Risk-free discount rate	3.5%~3.6%, 4.1%
			Price volatility	36.3%, 31.9%

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(D) Changes in Level 3 instruments for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	**2025**	**2024**
Financial assets		
Balance as of January 1	4,406,446	3,730,134
Acquisitions	282,682	250,695
Disposals	(316,873)	(133,546)
Amount recognized in profit or loss	660,343	23,415
Amount recognized in other comprehensive income	272,770	322,885
Other	(1,025,439)	212,863
Balance as of December 31	**4,279,929**	**4,406,446**

(E) 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(*1)	-	293,384	-	(185,543)
Other (*2)	11,226	-	(10,502)	-

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

(*2) Changes in fair value were calculated by increasing or decreasing price volatility (-5%~5%) of underlying asset, which is a significant unobservable input.

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30. 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, 2025

(In millions of Korean won)	DX	DS	SDC	Harman	Intercompany reconciliations	Total(*)
Revenue	187,967,346	130,128,162	29,841,661	15,783,325	(30,114,556)	333,605,938
Depreciation	2,670,815	37,957,308	2,442,593	357,912	-	43,605,740
Amortization	1,815,140	827,043	233,739	205,660	-	3,320,852
Operating profit	12,852,650	24,858,075	4,116,308	1,531,094	-	43,601,051

(*) Other operating segments are not separately disclosed.

Revenue by major product for the year ended December 31, 2025 are as follows:

(In millions of Korean won)	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total(*)
Revenue	30,860,880	126,474,386	104,081,179	29,841,661	333,605,938

(*) Other products are not separately disclosed.

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(2) 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.

(B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the years ended December 31, 2025 and 2024 are as follows:

(1) As of and for the year ended December 31, 2025

(In millions of Korean won)	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Consolidated
Revenue	46,641,151	133,274,793	53,327,193	53,047,987	47,314,814	-	333,605,938
Non-current assets(*)	182,111,025	32,989,995	7,614,552	9,884,452	9,850,058	2,335,267	244,785,349

(*) 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, 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.

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31. Related Party Transactions

(A) Sale and purchase transactions

Sale and purchase transactions with related parties for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025			
	Name of company(*1)	**Sales**	**Disposal of non-current assets**	**Purchases**	**Purchase of non-current assets**
Associates and joint ventures	Samsung SDS Co., Ltd.	110,512	61	2,218,940	283,952
	Samsung Electro-Mechanics Co., Ltd.	67,330	-	1,105,394	-
	Samsung SDI Co., Ltd.	96,962	-	714,082	11,460
	Cheil Worldwide Inc.	38,867	-	1,033,493	4,222
	Other	1,342,234	794	13,148,927	150,398
	Total	**1,655,905**	**855**	**18,220,836**	**450,032**
Other related parties	Samsung C&T Co., Ltd.	10,604	20	170,643	3,737,018
	Other	393,825	-	1,458,094	2,200,133
	Total	**404,429**	**20**	**1,628,737**	**5,937,151**
Other(*2)	Samsung E&A Co., Ltd.	5,021	-	33,665	2,141,123
	S-1 Corporation	17,876	-	561,277	71,008
	Other	236,438	-	550,843	587,827
	Total	**259,335**	**-**	**1,145,785**	**2,799,958**

(*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.

(In millions of Korean won)

		2024			
	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 Corporation	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.

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(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, 2025 and 2024 are as follows:

		December 31, 2025	
(In millions of Korean won)	**Name of company**(*1)	**Receivables**	**Payables**(*2)
Associates and joint ventures	Samsung SDS Co., Ltd.	26,493	652,534
	Samsung Electro-Mechanics Co., Ltd.	4,096	112,204
	Samsung SDI Co., Ltd.	121,347	76,659
	Cheil Worldwide Inc.	120	450,825
	Other	315,891	1,367,822
	Total	**467,947**	**2,660,044**
Other related parties	Samsung C&T Co., Ltd.	205,547	1,885,196
	Other	18,651	251,265
	Total	**224,198**	**2,136,461**
Other(*3)	Samsung E&A Co., Ltd.	296	1,217,432
	S-1 Corporation	1,644	62,500
	Other	19,622	288,498
	Total	**21,562**	**1,568,430**

(*1) Balances due to and from 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, 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 Corporation	2,660	66,988
	Other	16,848	626,382
	Total	**20,021**	**2,613,168**

(*1) Balances due to and from 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.

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(C) For the years ended December 31, 2025 and 2024, the Company invested ₩325,146 million and ₩11,710 million, respectively, in associates and joint ventures. In addition, the Company made a capital recovery of ₩6,643 million and ₩33,178 million from its investments in associates and joint ventures during the years ended December 31, 2025 and 2024, respectively.

(D) For the years ended December 31, 2025 and 2024, the Company declared dividends of ₩1,612,090 million and ₩1,610,832 million, respectively, to related parties. In addition, for the years ended December 31, 2025 and 2024, the Company declared dividends of ₩129,277 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, 2025 and 2024, there are no dividends payable to related parties.

(E) For the years ended December 31, 2025 and 2024, the Company entered into lease agreements with its related parties amounting to ₩33,949 million and ₩31,076 million, respectively, and the lease payments made to the related parties were ₩39,443 million and ₩41,800 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, 2025 and 2024 consists of:

(In millions of Korean won)	**2025**	**2024**
Short-term employee benefits	12,718	9,991
Post-employment benefits	493	600
Other long-term employee benefits	5,598	8,078

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32. 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, 2025 and 2024 are as follows:

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**2025**	**2024**
Percentage of non-controlling interests	15.2%	15.2%
Balance as of January 1	9,829,653	9,727,674
Profit for the year	891,927	779,506
Dividends	(8,245)	(1,022,540)
Other	443,604	345,013
Balance as of December 31	**11,156,939**	**9,829,653**

(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, 2025 and 2024 are as follows:

(1) Summarized consolidated statements of financial position

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**December 31, 2025**	**December 31, 2024**
Current assets	30,156,169	22,421,643
Non-current assets	52,175,754	50,635,008
Current liabilities	8,174,969	6,667,092
Non-current liabilities	841,339	1,501,348
Equity attributable to:	73,315,615	64,888,211
Owners of the parent company	73,276,247	64,849,566
Non-controlling interests	39,368	38,645

(2) Summarized consolidated statements of comprehensive income

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**2025**	**2024**
Sales	29,710,588	29,135,660
Profit for the year	5,378,716	5,087,437
Other comprehensive income	3,054,792	2,652,443
Total comprehensive income attributable to:	8,433,508	7,739,880
Owners of the parent company	8,426,682	7,730,156
Non-controlling interests	6,826	9,724

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(3) Summarized consolidated statements of cash flows

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**2025**	**2024**
Cash flows from operating activities	6,268,712	6,570,627
Cash flows used in investing activities	(7,128,939)	(5,907,733)
Cash flows provided by (used in) financing activities	302,848	(5,975,290)
Effect of exchange rate changes on cash and cash equivalents	(39,917)	183,925
Decrease in cash and cash equivalents	(597,296)	(5,128,471)
Cash and cash equivalents at beginning of the year	2,200,777	7,329,248
Cash and cash equivalents at end of year	1,603,481	2,200,777

33. Business Combination

Details of major business combinations during the year ended December 31, 2025 are as follows:

(A) Rainbow Robotics Co., Ltd.

(1) General information

The Company decided to exercise call options to acquire 3.94 million shares (20.3%) of Rainbow Robotics Co., Ltd. from its largest shareholder through the board of directors' resolution on December 31, 2024. The equity acquisition procedure was completed on March 12, 2025.

The Company reclassified Rainbow Robotics Co., Ltd. from investment in associates using equity method to consolidated subsidiary as it obtained the right to appoint the entire board of directors of Rainbow Robotics Co., Ltd. pursuant to the shareholders' agreement entered into after the share acquisition.

The Company will prepare for development of advanced future robots by combining the Company's technology in AI and software with Rainbow Robotics Co., Ltd.'s robot technology.

(2) Consideration transferred

Fair values of the consideration transferred by each category on the acquisition date are as follows:

(In millions of Korean Won)	
Cash	267,463
Derivatives (Call options of 3.94 million shares)	974,287
Previously-held equity (2.85 million shares)	900,480
Total	**2,142,230**

The remeasurement to fair value of the Company's previously held 2.85 million shares and the difference arising from the fair value measurement of 3.94 million call options as of the acquisition date, amounting to ₩847,696 million and ₩600,606 million, were recognized in the statement of profit or loss as other income and finance income, respectively.

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(3) Identifiable assets acquired and liabilities assumed

Identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

(In millions of Korean Won)	
Cash and cash equivalents	53,429
Short-term financial instruments	18,789
Trade receivable and other receivables	7,161
Inventories	9,342
Short-term financial assets at fair value through profit or loss	18,833
Property, plant and equipment	20,727
Intangible assets	231,164
Others	7,117
Total assets	**366,562**
Current liabilities	3,422
Non-current liabilities	49,289
Total Liabilities	**52,711**
Fair value of net identifiable assets	**313,851**

(4) Goodwill

Goodwill arising from the business combination has been determined as follows:

(In millions of Korean Won)	
Total consideration transferred	2,142,230
Fair value of net identifiable assets	(313,851)
Non-controlling interests	204,003
Goodwill	**2,032,382**

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(B) Sound United, LLC

(1) General information

Harman International Industries, Inc., the Company's subsidiary, acquired 100% of equity stake and voting rights of Sound United, LLC, which was Masimo Corporation's audio business unit, in order to enhance competitiveness of its audio business division.

(2) Consideration transferred

Fair value of the consideration transferred on the acquisition date is as follows:

(In millions of Korean Won)	
Cash and cash equivalents	457,250

(3) Identifiable assets acquired and liabilities assumed

Identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

(In millions of Korean Won)	
Cash and cash equivalents	43,633
Trade receivable and other receivables	135,772
Inventories	364,768
Property, plant and equipment	131,561
Intangible assets	86,428
Others	114,170
Total assets	**876,332**
Trade payable and other payables	177,005
Borrowings	108,402
Others	153,424
Total Liabilities	**438,831**
Fair value of net identifiable assets	**437,501**

(4) Goodwill

Goodwill arising from the business combination has been determined as follows:

(In millions of Korean Won)	
Total consideration transferred	457,250
Fair value of net identifiable assets	(437,501)
Non-controlling interests	(85)
Goodwill	**19,664**

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(C) FläktGroup

(1) General information

The Company acquired 100% of equity stake and voting rights of FläktGroup, a German air conditioning manufacturer, in order to expand global air conditioning business and nurture it as a new growth engine.

(2) Consideration transferred

Fair value of the consideration transferred on the acquisition date is as follows:

(In millions of Korean Won)	
Cash and cash equivalents	2,416,554

(3) Identifiable assets acquired and liabilities assumed

Identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

(In millions of Korean Won)	
Cash and cash equivalents	59,841
Trade receivable and other receivables	277,179
Inventories	105,440
Property, plant and equipment	226,153
Intangible assets	1,141,063
Others	26,586
Total assets	**1,836,262**
Trade payable and other payables	720,418
Deferred tax liabilities	290,504
Others	168,964
Total Liabilities	**1,179,886**
Fair value of net identifiable assets	**656,376**

(4) Goodwill

Goodwill arising from the business combination has been determined as follows:

(In millions of Korean Won)	
Total consideration transferred	2,416,554
Fair value of net identifiable assets	(656,376)
Goodwill	**1,760,178**

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34. Subsequent Events

On November 3, 2025, the Company is in the process of purchasing treasury shares pursuant to the board of director's resolutions on January 7 and January 28, 2026. The total expected purchase amount is estimated to be approximately ₩6,073,000 million (approximately 40 million shares).
The actual number of shares to be purchased is subject to change depending on future movements in the share price.

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