

SAMSUNG

SAMSUNG ELECTRONICS Co., Ltd.

2021 Interim Report

For the quarter ended March 31, 2021

Certain statements in the document, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements.” Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our financial reports available on our website.

See, also, 『Note on Forward-Looking Statements』 in preamble of 『II. Business Overview』.

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Certification

Letter of Certification

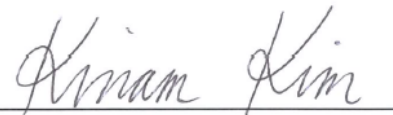
We, Ki-nam Kim and Yoon-ho Choi, as a CEO and the executive in charge of reporting, respectively, certify that we have thoroughly reviewed the interim business report of Samsung Electronics Co., Ltd. for the quarter ended March 31, 2021.

Based on our knowledge, this report does not contain any untrue statements of material facts or omit any material facts; and it does not contain any statements that are intentionally misleading for the users of the information in the report.

We confirm that Samsung Electronics operates the Internal Controls over Financial Reporting, as defined in Article 8 of the Act on External Audit of Stock Companies.


Date: May 17, 2021

Ki-nam Kim



Vice Chairman and CEO
Samsung Electronics Co., Ltd.

Executive responsible for reporting: Yoon-ho Choi



President and CFO
Samsung Electronics Co., Ltd.

I. Corporate Overview

1. Overview

A. Legal, commercial name:

- Samsung Electronics Co., Ltd.

B. Date of establishment:

- Samsung Electronics Co., Ltd. (“SEC” or “the Company”) was established as Samsung Electronics Industry Co., Ltd. on January 13, 1969, and held an initial public offering on June 11, 1975.
- SEC changed its name from Samsung Electronics Industry Co., Ltd. to Samsung Electronics Co., Ltd. following a resolution passed at the Annual General Meeting (AGM) of shareholders on February 28, 1984.

C. Address, phone number, and English language website of the corporate headquarters

- Address: 129, Samsung-ro, Yeongtong-gu, Suwon, Gyeonggi-do, Korea
- Phone Number: 82-31-200-1114
- Website: <https://www.samsung.com/sec>

D. The Company is not subject to Article 2 of the Framework Act on Small and Medium Enterprises.

E. Core businesses

- The Company (defined below) consists of business divisions that operate independently: CE (Consumer Electronics); IM (Information Technology & Mobile Communications); DS (Device Solutions); and Harman (Harman International Industries, Inc. and its subsidiaries), which produces automotive electronics components.

Key products in each Division are presented below:

Division	Key products
CE	TVs, monitors, refrigerators, washing machines, air conditioners, etc.
IM	HHPs, network systems, computers, etc.
DS	DRAM, NAND flash, mobile APs, OLED panels for smartphones, etc.
Harman	Digital cockpits, telematics, speakers, etc.

SEC is a global electronics firm comprising the headquarters in Korea and 238 subsidiaries (collectively, “Samsung Electronics” or the “Company”) across the world, including 9 regional headquarters for the CE and IM Divisions, 5 regional headquarters for the DS Division, and Harman’s subsidiaries.

[CE Division]

The CE Division satisfies customers’ needs and leads the global digital era by continuously offering new products featuring innovative technology, unique designs, and enhanced value propositions.

TV is the core product of CE. The Company has maintained its position as the market leader for 15 consecutive years by leveraging competitive advantages in hardware such as LCD/LED TVs as well as software driven product features within our Smart TV product portfolio. We will continue to expand our market leadership based on our competitive edge in the premium segment through our 8K QLED and ultra-large products to name a few.

[IM Division]

The IM Division operates the Mobile Communication Business, which produces and sells smart mobile devices such as smartphones, tablets, and wearables. For smartphones, a key product of the business, we have developed a lineup ranging from low-end right through to premium models, and have achieved growth in both advanced and emerging markets with the Galaxy series.

We will lead growth of the smartphone market and deliver exceptional user experiences by: 1) offering innovative hardware features such as new form factors (based on flexible OLED technology), high-definition cameras, biometric sensors, and battery charger technologies; 2) improving software capabilities of mobile payment service Samsung Pay and AI platform Bixby; and 3) investing in future growth drivers such as Cloud, IoT, healthcare, AR, and VR. At the same time, we will lead the global 5G market based on our end-to-end solutions, which encompass handsets, chipsets, as well as our commercialization experience in initial 5G markets.

[DS Division]

The Memory Business, System LSI Business, Foundry Business, and Display Panel (“DP”) Business make up the DS Division. The Memory Business manufactures and sells DRAM and NAND products; the System LSI Business designs and sells mobile application processors (“mobile APs” or “APs”) and camera sensor chips; the Foundry Business is in charge of consignment production of semiconductors; and the DP Business manufactures and sells display panels.

The Company constantly works to increase its influence on end-product manufacturers and create new demand through technological breakthroughs and the development of high quality components as it has done with APs—which serve as the brains of mobile products—and with memory components like DRAM via enhanced capacity and density.

The Memory Business has maintained its position at the top of the global memory market by sustaining cost competitiveness and applying the latest advanced process technology in each technological iteration. The System LSI Business has not been complacent, expanding its focus from mobile to include automotive chips, and it will stay at the forefront of the market by offering differentiated products such as APs and CISs and strengthening competitiveness via its advanced manufacturing process technology. The Foundry Business is expanding by securing technology competitiveness via adopting enabling technologies and new structures, strengthening its manufacturing capacity in a timely manner to address demand, enhancing its IP and infrastructure for customer support, and diversifying its product portfolio using legacy processes, which include CISs, DDIs, and PMICs.

In the Display division, the mobile panel business’s differentiated technology is a main factor behind the increased adoption of OLED panels, while its release of products in new applications—such as foldable devices, rollable devices, and automotives—has expanded the overall market. Meanwhile, the large panel business is focusing on premium products such as high-definition, ultra-large, QD TVs and is enhancing its competitiveness through continuous improvements in technology and productivity.

[Harman Division]

Harman designs and develops connected products and solutions for automakers, consumers, and companies worldwide and is a global leader in the market for connected car systems, audio and visual products, professional solutions, and connected services. Harman has established an internationally renowned brand and employs both internal development and strategic acquisitions to expand its lineup of quality products.

☞ See 『II. Businesses Overview』, for more details about each Division.

F. Affiliates

SEC is an affiliate of the Samsung Group as defined under Korea’s Monopoly Regulation and Fair Trade Act (“Samsung Group”).

As of March 31, 2021, the Samsung Group had a total of 59 domestic affiliates—the total unchanged from December 31, 2020. Among the Samsung Group’s domestic affiliates, 16 (including Samsung Electronics) are listed and 43 are unlisted.

[As of Mar 31, 2021]

Type	Number	Affiliate
Listed	16	Samsung C&T; Samsung Electronics; Samsung SDI; Samsung Electro-Mechanics (Semco); Samsung Fire & Marine Insurance; Samsung Heavy Industries; Samsung Life Insurance; Multicampus; Samsung Securities; Samsung SDS; Samsung Card; Samsung Engineering; S1; Cheil Worldwide; Hotel Shilla; Samsung Biologics
Unlisted	43	Seoul Lakeside CC; Samwoo Architects & Engineers; CVnet Corporation; Samsung Bioepis; Samsung Display; Samsung Corning Advanced Glass; SU Materials; STECO; SEMES; Samsung Electronics Service; Samsung Electronics Sales; Samsung Electronics Logitech; Suwon Samsung Bluewings FC; Samsung Medison; Samsung Claim Adjustment Service; Samsung Fire & Marine Insurance Service; Samsung Fire & Marine Insurance Financial Service; Samsung Electronics Service CS; Samsung Futures; Samsung Asset Management; Samsung Life Service; Samsung SRA Asset Management; Samsung Life Financial Service; SD Flex; Cheil Fashion Retail Co., Ltd.; Samsung Welstory; SECUI; STM; S-Core; OpenHands; Miracom; Samsung Card Customer Service; Human TSS; S-1CRM; Shilla Stay; HDC Shilla Duty Free Ltd; Samsung Economic Research Institute (SERI); Samsung Lions; Samsung Venture Investment Corporation; Samsung Active Asset Management; Samsung Hedge Asset Management; Harman International Korea; SBTM
Total	59	

Samsung Corning Advanced Glass incorporated in October 2020 (previously an LLC) and in February 2021 changed from a corporation to an LLC.
 ☞ See 『IX. Affiliates and Subsidiaries』 for more details about domestic and overseas affiliates.

G. Subsidiaries subject to consolidated financial statements

As of March 31, 2021, Samsung Electronics' consolidated subsidiaries numbered 238 with the addition of 1 subsidiary and reduction of 4 subsidiaries when compared to totals as of December 31, 2020. Below is the list of consolidated subsidiaries.

[As of Mar 31, 2021]

(KRW mil)

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
Americas: 52					
Samsung Electronics America, Inc. (SEA)	Jul 1978	Electronic goods sales	36,765,070	Over 50%	Y
Samsung International, Inc. (SII)	Oct 1983	Electronic goods production	1,224,995	Over 50%	Y
Samsung Mexicana S.A. de C.V (SAMEX)	Mar 1988	Electronic goods production	52,823	Over 50%	N
Samsung Electronics Home Appliances America, LLC (SEHA)	Aug 2017	Home appliance production	624,107	Over 50%	Y
Samsung Research America, Inc (SRA)	Oct 1988	R&D	612,015	Over 50%	Y
Samsung Next LLC (SNX)	Aug 2016	Subsidiary management (overseas)	108,806	Over 50%	Y
Samsung Next Fund LLC (SNXF)	Aug 2016	Venture firm and new technology investments	116,257	Over 50%	Y
NeuroLogica Corp.	Feb 2004	Medical device production and sales	185,235	Over 50%	Y
Samsung HVAC America, LLC	Jul 2001	Air conditioner sales	45,827	Over 50%	N
Prismview, LLC	Oct 2007	LED display panel production and sales	51,605	Over 50%	N
Joyent, Inc.	Mar 2005	Cloud services	178,187	Over 50%	Y
Dacor Holdings, Inc.	Dec 1998	Subsidiary management (overseas)	32,027	Over 50%	N
Dacor, Inc.	Mar 1965	Home appliance production and sales	32,006	Over 50%	N
Dacor Canada Co.	Jun 2001	Home appliance sales	7	Over 50%	N
SmartThings, Inc.	Apr 2012	Smart home platform	171,461	Over 50%	Y
TeleWorld Solutions, Inc. (TWS)	May 2002	Network equipment installation and optimization	10,003	Over 50%	N
TWS LATAM B, LLC	Jul 2019	Subsidiary management (overseas)	0	Over 50%	N
TWS LATAM S, LLC	Jul 2019	Subsidiary management (overseas)	0	Over 50%	N
SNB Technologies, Inc. Mexico, S.A. de C.V	Oct 2019	Network equipment installation and optimization	0	Over 50%	N
Zhilabs Inc.	Feb 2017	Network solution sales	34	Over 50%	N
Samsung Semiconductor, Inc. (SSI)	Jul 1983	Semiconductor and display panel sales	9,669,349	Over 50%	Y
Samsung Austin Semiconductor LLC. (SAS)	Feb 1996	Semiconductor production	6,912,610	Over 50%	Y
Samsung Oak Holdings, Inc. (SHI)	Jun 2016	Subsidiary management (overseas)	307,373	Over 50%	Y
SEMES America, Inc.	Oct 1998	Semiconductor equipment services	1,852	Over 50%	N
Samsung Electronics Canada, Inc. (SECA)	Jul 1980	Electronic goods sales	1,539,360	Over 50%	Y
AdGear Technologies Inc.	Aug 2010	Digital advertising platform	72,955	Over 50%	N
Samsung Eletronica da Amazonia Ltda. (SEDA)	Jan 1995	Electronic goods production and sales	6,280,131	Over 50%	Y
Samsung Electronics Mexico S.A. De C.V. (SEM)	Jul 1995	Electronic goods sales	1,166,317	Over 50%	Y
Samsung Electronics Digital Appliance Mexico, SA de CV (SEDAM)	Dec 2012	Home appliance production	573,111	Over 50%	Y

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Latinoamerica(Zona Libre), S. A. (SELA)	Apr 1989	Electronic goods sales	451,092	Over 50%	Y
Samsung Electronics Latinoamerica Miami, Inc. (SEMI)	May 1995	Electronic goods sales	368,616	Over 50%	Y
Samsung Electronica Colombia S.A. (SAMCOL)	Mar 1997	Electronic goods sales	546,013	Over 50%	Y
Samsung Electronics Argentina S.A. (SEASA)	Jun 1996	Marketing and services	45,396	Over 50%	N
Samsung Electronics Chile Limitada (SECH)	Dec 2002	Electronic goods sales	623,743	Over 50%	Y
Samsung Electronics Peru S.A.C. (SEPR)	Apr 2010	Electronic goods sales	235,626	Over 50%	Y
Samsung Electronics Venezuela, C.A. (SEVEN)	May 2010	Marketing and services	53	Over 50%	N
Samsung Electronics Panama. S.A. (SEPA)	Jul 2012	Consulting	2,188	Over 50%	N
Harman International Industries, Inc.	Jan 1980	Subsidiary management (overseas)	15,417,811	Over 50%	Y
Harman Becker Automotive Systems, Inc.	Jun 1981	Audio product R&D, production, and sales	6,224,304	Over 50%	Y
Harman Connected Services, Inc.	Feb 2002	Connected Service Provider	1,996,984	Over 50%	Y
Harman Connected Services Engineering Corp.	Sep 2004	Connected Service Provider	422	Over 50%	N
Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Jul 2005	Audio product production and sales	38,399	Over 50%	N
Harman de Mexico, S. de R.L. de C.V.	Feb 1997	Audio product production	114,442	Over 50%	Y
Harman do Brasil Industria Eletronica e Participacoes Ltda.	Nov 1958	Audio product R&D and sales	203,382	Over 50%	Y
Harman Financial Group LLC	Jun 2004	Management Company	610,931	Over 50%	Y
Harman International Industries Canada Ltd.	May 2005	Audio product sales	96	Over 50%	N
Harman International Mexico, S. de R.L. de C.V.	Dec 2014	Audio product sales	13,291	Over 50%	N
Harman KG Holding, LLC	Mar 2009	Subsidiary management (overseas)	0	Over 50%	N
Harman Professional, Inc.	Jul 2006	Audio product R&D and sales	735,105	Over 50%	Y
RT SV CO-INVEST, LP	Feb 2014	Venture firm investments	7,170	Over 50%	N
Beijing Integrated Circuit Industry International Fund, L.P	Dec 2014	Venture firm investments	24,984	Over 50%	N
China Materialia New Materials 2016 Limited Partnership	Sep 2017	Venture firm investments	6,274	Over 50%	N
Europe/CIS: 74					
Samsung Electronics (UK) Ltd. (SEUK)	Jul 1995	Electronic goods sales	2,767,563	Over 50%	Y
Samsung Electronics Ltd. (SEL)	Jan 1999	Subsidiary management (overseas)	6,512	Over 50%	N
Samsung Semiconductor Europe Limited (SSEL)	Apr 1997	Semiconductor and display panel sales	87,256	Over 50%	Y
Samsung Electronics GmbH (SEG)	Dec 1984	Electronic goods sales	2,687,535	Over 50%	Y
Samsung Electronics Holding GmbH (SEHG)	Feb 1982	Subsidiary management (overseas)	993,490	Over 50%	Y
Samsung Semiconductor Europe GmbH (SSEG)	Dec 1987	Semiconductor and display panel sales	887,060	Over 50%	Y
Samsung Electronics France S.A.S (SEF)	Jan 1988	Electronic goods sales	1,688,580	Over 50%	Y
Samsung Electronics Italia S.P.A. (SEI)	Apr 1991	Electronic goods sales	1,287,050	Over 50%	Y
Samsung Electronics Iberia, S.A. (SESA)	Jan 1989	Electronic goods sales	1,094,002	Over 50%	Y
Samsung Electronics Portuguesa. Unipessoal. Lda. (SEP) (Formerly Samsung Electronics Portuguesa S.A.)	Sep 1982	Electronic goods sales	222,273	Over 50%	Y
Samsung Electronics Hungarian Private Co. Ltd. (SEH)	Oct 1989	Electronic goods production and sales	2,230,457	Over 50%	Y

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Europe Logistics B.V. (SELS)	May 1991	Logistics	1,700,033	Over 50%	Y
Samsung Electronics Benelux B.V. (SEBN)	Jul 1995	Electronic goods sales	2,145,488	Over 50%	Y
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	Oct 2008	Subsidiary management (overseas)	11,495,430	Over 50%	Y
Samsung Electronics Nordic Aktiebolag (SENA)	Mar 1992	Electronic goods sales	1,315,256	Over 50%	Y
Samsung Electronics Slovakia s.r.o (SESK)	Jun 2002	TV and monitor production	1,428,228	Over 50%	Y
Samsung Display Slovakia s.r.o. (SDSK)	Mar 2007	Display panel processing	38,086	Over 50%	N
Samsung Electronics Polska, SP.Zo.o (SEPOL)	Apr 1996	Electronic goods sales	979,474	Over 50%	Y
Samsung Electronics Poland Manufacturing SP.Zo.o (SEPM)	Feb 2010	Home appliance production	415,727	Over 50%	Y
Samsung Electronics Romania LLC (SEROM)	Sep 2007	Electronic goods sales	302,523	Over 50%	Y
Samsung Electronics Austria GmbH (SEAG)	Jan 2002	Electronic goods sales	455,973	Over 50%	Y
Samsung Electronics Switzerland GmbH (SESG)	May 2013	Electronic goods sales	301,953	Over 50%	Y
Samsung Electronics Czech and Slovak s.r.o. (SECZ)	Jan 2010	Electronic goods sales	254,632	Over 50%	Y
Samsung Electronics Baltics SIA (SEB)	Oct 2001	Electronic goods sales	127,453	Over 50%	Y
Samsung Electronics Greece S.M.S.A (SEGR)	Apr 2010	Electronic goods sales	102,008	Over 50%	Y
Samsung Electronics Air Conditioner Europe B.V. (SEACE)	Apr 2017	Air conditioner sales	101,242	Over 50%	Y
Samsung Nanoradio Design Center (SNDC)	Feb 2004	R&D	29,495	Over 50%	N
Samsung Denmark Research Center ApS (SDRC)	Sep 2012	R&D	26,942	Over 50%	N
Samsung Cambridge Solution Centre Limited (SCSC)	Sep 2012	R&D	147,315	Over 50%	Y
Zhilabs, S.L.	Nov 2008	Network solution R&D and sales	10,010	Over 50%	N
Foodient Ltd.	Mar 2012	R&D	3,103	Over 50%	N
Samsung Electronics Rus Company LLC (SERC)	Oct 2006	Electronic goods sales	1,244,802	Over 50%	Y
Samsung Electronics Rus Kaluga LLC (SERK)	Jul 2007	TV production	1,124,492	Over 50%	Y
Samsung Electronics Ukraine Company LLC (SEUC)	Sep 2008	Electronic goods sales	274,305	Over 50%	Y
Samsung Electronics Central Eurasia LLP (SECE)	Sep 2008	Electronic goods sales	191,721	Over 50%	Y
Samsung Electronics Overseas B.V. (SEO)	Jan 1997	Electronic goods sales	93,508	Over 50%	Y
Samsung R&D Institute Rus LLC (SRR)	Nov 2011	R&D	45,548	Over 50%	N
Samsung Electronics Caucasus Co. Ltd (SECC)	Oct 2014	Marketing	1,985	Over 50%	N
AKG Acoustics GmbH	Mar 1947	Audio product production and sales	337,305	Over 50%	Y
AMX UK Limited	Mar 1993	Audio product sales	0	Over 50%	N
A&R Cambridge Limited	Dec 1993	Audio product sales	0	Over 50%	N
Harman Audio Iberia Espana Sociedad Limitada	Nov 2012	Audio product sales	414	Over 50%	N
Harman Automotive UK Limited	Oct 2012	Audio product production	0	Over 50%	N
Harman Becker Automotive Systems GmbH	Jul 1990	Audio product R&D, production, and sales	3,787,210	Over 50%	Y
Harman Becker Automotive Systems Italy S.R.L.	Dec 2005	Audio product sales	1,179	Over 50%	N
Harman Becker Automotive Systems Manufacturing Kft	Aug 1994	Audio product R&D and production	2,923,599	Over 50%	Y

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
Harman Belgium SA	Apr 1967	Audio product sales	2,440	Over 50%	N
Harman Connected Services AB.	Oct 1984	Connected Service Provider	28,428	Over 50%	N
Harman Finland Oy	Jul 1998	Connected Service Provider	506	Over 50%	N
Harman Connected Services GmbH	Dec 2005	Connected Service Provider	45,711	Over 50%	N
Harman Connected Services Limited	Dec 1992	Connected Service Provider	0	Over 50%	N
Harman Connected Services Poland Sp.zoo	Jun 2007	Connected Service Provider	8,992	Over 50%	N
Harman Connected Services UK Ltd.	Sep 2008	Connected Service Provider	60,783	Over 50%	N
Harman Consumer Nederland B.V.	Dec 1995	Audio product sales	420,982	Over 50%	Y
Harman Deutschland GmbH	Mar 1998	Audio product sales	16,097	Over 50%	N
Harman Finance International GP S.a.r.l	Apr 2015	Subsidiary management (overseas)	0	Over 50%	N
Harman France SNC	Nov 1995	Audio product sales	151,704	Over 50%	Y
Harman Holding GmbH & Co. KG	Jun 2002	Management Company	4,833,116	Over 50%	Y
Harman Hungary Financing Ltd.	Jun 2012	Financing Company	34,400	Over 50%	N
Harman Inc. & Co. KG	Jun 2012	Subsidiary management (overseas)	3,898,359	Over 50%	Y
Harman International Estonia OU	May 2015	R&D	95	Over 50%	N
Harman International Industries Limited	Mar 1980	Audio product R&D and sales	90,302	Over 50%	Y
Harman International Romania SRL	Feb 2015	R&D	22,223	Over 50%	N
Harman Finance International, SCA	Apr 2015	Financing Company	485,628	Over 50%	Y
Harman International s.r.o	Feb 2015	Audio product production	19	Over 50%	N
Harman Management GmbH	Apr 2002	Subsidiary management (overseas)	0	Over 50%	N
Harman Professional Kft	Dec 2014	Audio product R&D and production	58,925	Over 50%	N
Martin Manufacturing (UK) Ltd	May 1985	Audio product production	0	Over 50%	N
Harman Professional Denmark ApS	Jul 1987	Audio product R&D and sales	46,116	Over 50%	N
Red Bend Software Ltd.	Aug 2004	Software design	0	Over 50%	N
Red Bend Software SAS	Oct 2002	Software design	7,190	Over 50%	N
Studer Professional Audio GmbH	Nov 2003	Audio product R&D and sales	8,988	Over 50%	N
Harman Connected Services OOO	Nov 1998	Connected Service Provider	12,683	Over 50%	N
Harman RUS CIS LLC	Aug 2011	Audio product sales	124,474	Over 50%	Y
MEA • Africa: 20					
Samsung Gulf Electronics Co., Ltd. (SGE)	May 1995	Electronic goods sales	1,092,268	Over 50%	Y
Samsung Electronics Turkey (SETK)	Dec 1984	Electronic goods sales	610,865	Over 50%	Y
Samsung Electronics Industry and Commerce Ltd. (SETK-P)	Feb 2021	Electronic goods production	-	Over 50%	N
Samsung Electronics Levant Co.,Ltd. (SELV)	Jul 2009	Electronic goods sales	336,819	Over 50%	Y
Samsung Electronics Maghreb Arab (SEMAG)	Nov 2009	Electronic goods sales	237,299	Over 50%	Y
Samsung Electronics Egypt S.A.E (SEEG)	Jul 2012	Electronic goods production and sales	751,563	Over 50%	Y

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Israel Ltd. (SEIL)	Sep 2012	Marketing	18,594	Over 50%	N
Samsung Electronics Tunisia S.A.R.L (SETN)	Sep 2012	Marketing	4,744	Over 50%	N
Samsung Electronics Pakistan(Private) Ltd. (SEPAK)	Nov 2012	Marketing	2,665	Over 50%	N
Samsung Electronics Saudi Arabia Ltd. (SESAR)	Nov 2019	Electronic goods sales	251,516	Over 50%	Y
Samsung Semiconductor Israel R&D Center, Ltd. (SIRC)	Oct 2007	R&D	90,163	Over 50%	Y
Corephotonics Ltd.	Jan 2012	R&D	10,963	Over 50%	N
Samsung Electronics South Africa(Pty) Ltd. (SSA)	Jun 1994	Electronic goods sales	434,304	Over 50%	Y
Samsung Electronics South Africa Production (pty) Ltd. (SSAP)	Jul 2014	TV and monitor production	85,433	Over 50%	Y
Samsung Electronics West Africa Ltd. (SEWA)	Mar 2010	Marketing	22,737	Over 50%	N
Samsung Electronics East Africa Ltd. (SEEA)	Dec 2011	Marketing	15,275	Over 50%	N
Global Symphony Technology Group Private Ltd.	Jan 2002	Subsidiary management (overseas)	41,320	Over 50%	N
Harman Connected Services Morocco	Apr 2012	Connected Service Provider	2,879	Over 50%	N
Harman Industries Holdings Mauritius Ltd.	Oct 2009	Subsidiary management (overseas)	80,469	Over 50%	Y
Red Bend Ltd.	Feb 1998	Audio product production	93,757	Over 50%	Y
Asia (ex China): 30					
Samsung Asia Pte. Ltd. (SAPL)	Jul 2006	Subsidiary management (overseas)	9,552,755	Over 50%	Y
Samsung Electronics Singapore Pte. Ltd. (SESP)	Oct 2020	Electronic goods sales	0	Over 50%	N
Samsung Malaysia Electronics Sdn. Bhd. (SME)	May 2003	Electronic goods sales	397,704	Over 50%	Y
Samsung Electronics Display (M) Sdn. Bhd. (SDMA)	Mar 1995	Electronic goods production	23,975	Over 50%	N
Samsung Electronics (M) Sdn. Bhd. (SEMA)	Sep 1989	Home appliance production	213,160	Over 50%	Y
Samsung Vina Electronics Co., Ltd. (SAVINA)	Jan 1995	Electronic goods sales	299,818	Over 50%	Y
Samsung Electronics Vietnam Co., Ltd. (SEV)	Mar 2008	Electronic goods production	12,623,956	Over 50%	Y
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	Mar 2013	Telecom product production	15,500,024	Over 50%	Y
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	Feb 2015	Electronic goods production and sales	2,609,150	Over 50%	Y
Samsung Display Vietnam Co., Ltd. (SDV)	Jul 2014	Display panel production	7,400,563	Over 50%	Y
PT Samsung Electronics Indonesia (SEIN)	Aug 1991	Electronic goods production and sales	966,723	Over 50%	Y
PT Samsung Telecommunications Indonesia (STIN)	Mar 2003	Electronic goods sales and service	49,717	Over 50%	N
Thai Samsung Electronics Co., Ltd. (TSE)	Oct 1988	Electronic goods production and sales	2,920,299	Over 50%	Y
Laos Samsung Electronics Sole Co., Ltd (LSE)	Sep 2016	Marketing	666	Over 50%	N
Samsung Electronics Philippines Corporation (SEPCO)	Mar 1996	Electronic goods sales	289,076	Over 50%	Y
Samsung Electronics Australia Pty. Ltd. (SEAU)	Nov 1987	Electronic goods sales	596,587	Over 50%	Y
Samsung Electronics New Zealand Limited (SENZ)	Sep 2013	Electronic goods sales	122,711	Over 50%	Y
Samsung India Electronics Private Ltd. (SIEL)	Aug 1995	Electronic goods production and sales	6,250,492	Over 50%	Y
Samsung Display Noida Private Limited (SDN)	Jul 2019	Display panel production	346,865	Over 50%	Y
Samsung R&D Institute India-Bangalore Private Limited (SRI-Bangalore)	May 2005	R&D	399,137	Over 50%	Y

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
Samsung R&D Institute BanglaDesh Limited (SRBD)	Aug 2010	R&D	18,640	Over 50%	N
Samsung Nepal Services Pvt, Ltd (SNSL)	Nov 2017	Services	305	Over 50%	N
Samsung Japan Corporation (SJC)	Dec 1975	Semiconductor and display panel sales	1,668,902	Over 50%	Y
Samsung R&D Institute Japan Co. Ltd. (SRJ)	Aug 1992	R&D	162,609	Over 50%	Y
Samsung Electronics Japan Co., Ltd. (SEJ)	Sep 2008	Electronic goods sales	1,222,552	Over 50%	Y
Harman Connected Services Corp. India Pvt. Ltd.	Apr 2002	Connected Service Provider	314,232	Over 50%	Y
Harman International (India) Private Limited	Jan 2009	Audio product R&D and sales	237,749	Over 50%	Y
Harman International Industries PTY Ltd.	Dec 2014	Subsidiary management (overseas)	0	Over 50%	N
Harman International Japan Co., Ltd.	Jun 1991	Audio product R&D and sales	67,816	Over 50%	N
Harman Singapore Pte. Ltd.	Aug 2007	Audio product sales	9,514	Over 50%	N
China: 33					
Samsung (CHINA) Investment Co., Ltd. (SCIC)	Mar 1996	Electronic goods sales	15,438,819	Over 50%	Y
Samsung Electronics Hong Kong Co., Ltd. (SEHK)	Sep 1988	Electronic goods sales	1,377,388	Over 50%	Y
Samsung Electronics Taiwan Co., Ltd. (SET)	Nov 1994	Electronic goods sales	1,580,003	Over 50%	Y
Samsung Electronics Huizhou Co., Ltd. (SEHZ)	Dec 1992	Electronic goods production	1,428,868	Over 50%	Y
Tianjin Samsung Electronics Co., Ltd. (TSEC)	Apr 1993	TV and monitor production	417,423	Over 50%	Y
Suzhou Samsung Electronics Co., Ltd. (SSEC)	Apr 1995	Home appliance production	570,871	Over 50%	Y
Samsung Suzhou Electronics Export Co., Ltd. (SSEC-E)	Apr 1995	Home appliance production	499,221	Over 50%	Y
Samsung Electronics Suzhou Computer Co., Ltd. (SESC)	Sep 2002	Electronic goods production	830,015	Over 50%	Y
Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)	Mar 2001	Telecom product production	581,611	Over 50%	Y
Shenzhen Samsung Electronics Telecommunication Co., Ltd. (SSET)	Feb 2002	Telecom product production	42,469	Over 50%	N
Beijing Samsung Telecom R&D Center (SRC-Beijing)	Sep 2000	R&D	125,807	Over 50%	Y
Samsung Electronics China R&D Center (SRC-Nanjing)	May 2004	R&D	68,937	Over 50%	N
Samsung Mobile R&D Center China- Guangzhou (SRC-Guangzhou)	Jan 2010	R&D	90,436	Over 50%	Y
Samsung R&D Institute China-Shenzhen (SRC-Shenzhen)	Mar 2013	R&D	36,475	Over 50%	N
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	Oct 2001	Semiconductor and display panel sales	7,678,989	Over 50%	Y
Samsung (China) Semiconductor Co., Ltd. (SCS)	Sep 2012	Semiconductor production	14,348,735	Over 50%	Y
Samsung SemiConductor Xian Co., Ltd. (SSCX)	Apr 2016	Semiconductor and display panel sales	779,561	Over 50%	Y
Samsung Electronics Suzhou Semiconductor Co., Ltd. (SESS)	Dec 1994	Semiconductor processing	1,197,268	Over 50%	Y
Tianjin Samsung LED Co., Ltd. (TSLED)	May 2009	LED production	536,956	Over 50%	Y
Samsung Semiconductor (China) R&D Co., Ltd. (SSCR)	Apr 2003	R&D	56,016	Over 50%	N
Samsung Display Dongguan Co., Ltd. (SDD)	Nov 2001	Display panel production	1,767,663	Over 50%	Y
Samsung Display Tianjin Co., Ltd. (SDT)	Jun 2004	Display panel production	1,262,887	Over 50%	Y
Samsung Suzhou Module Co., Ltd. (SSM)	Sep 2002	Display panel production	634,239	Over 50%	Y
Samsung Suzhou LCD Co., Ltd. (SSL)	Jul 2011	Display panel production	1,288,820	Over 50%	Y

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
SEMES (XIAN) Co., Ltd.	Jul 2013	Semiconductor equipment services	2,358	Over 50%	N
Harman (China) Technologies Co., Ltd.	Mar 2011	Audio product production	114,676	Over 50%	Y
Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.	Mar 2013	Audio product sales	11,901	Over 50%	N
Harman Automotive Electronic Systems (Suzhou) Co., Ltd.	Sep 2006	Audio product R&D and production	273,657	Over 50%	Y
Harman Commercial (Shanghai) Co., Ltd.	Oct 2010	Audio product sales	417	Over 50%	N
Harman Connected Services Solutions (Chengdu) Co., Ltd.	Aug 2007	Connected Service Provider	21,854	Over 50%	N
Harman Holding Limited	May 2007	Audio product sales	467,068	Over 50%	Y
Harman International (China) Holdings Co., Ltd.	Jun 2009	Audio product R&D and sales	575,708	Over 50%	Y
Harman Technology (Shenzhen) Co., Ltd.	Sep 2004	Audio product R&D and sales	48,692	Over 50%	N
Domestic: 29					
Samsung Display	Apr 2012	Display panel production and sales	50,039,755	Over 50%	Y
SU Materials	Aug 2011	Display panel component production	34,845	Over 50%	N
STECO	Jun 1995	Semiconductor component production	164,027	Over 50%	Y
SEMES	Jan 1993	Semiconductor/FPD manufacturing equipment production and sales	1,596,649	Over 50%	Y
Samsung Electronics Service	Oct 1998	Electronics goods repair services	514,221	Over 50%	Y
Samsung Electronics Service CS	Oct 2018	Customer management services	21,200	Over 50%	N
Samsung Electronics Sales	Jul 1996	Electronic goods sales	1,135,295	Over 50%	Y
Samsung Electronics Logitech	Apr 1998	Total logistics services	349,516	Over 50%	Y
Samsung Medison	Jul 1985	Medical device production and sales	370,529	Over 50%	Y
Mirero System	Jan 1994	Semiconductor software development and supply	26,030	Over 50%	N
Dowoo Insys	Mar 2010	Display panel component production	50,518	Over 50%	N
GF Co., Ltd.	Oct 2015	Display panel component production	3,173	Over 50%	N
Harman Korea	Jan 2005	Semiconductor software development and supply	18,843	Over 50%	N
SVIC #21 Venture Capital Union	Nov 2011	Venture firm and new technology investments	100,891	Over 50%	Y
SVIC #22 Venture Capital Union	Nov 2011	Venture firm and new technology investments	81,530	Over 50%	Y
SVIC #26 Venture Capital Union	Nov 2014	Venture firm and new technology investments	83,941	Over 50%	Y
SVIC #27 Venture Capital Union	Sep 2014	Venture firm and new technology investments	42,249	Over 50%	N
SVIC #28 Venture Capital Union	Feb 2015	Venture firm and new technology investments	366,921	Over 50%	Y
SVIC #29 Venture Capital Union	Apr 2015	Venture firm and new technology investments	56,642	Over 50%	N
SVIC #32 Venture Capital Union	Aug 2016	Venture firm and new technology investments	291,176	Over 50%	Y
SVIC #33 Venture Capital Union	Nov 2016	Venture firm and new technology investments	342,053	Over 50%	Y
SVIC #37 Venture Capital Union	Nov 2017	Venture firm and new technology investments	40,056	Over 50%	N
SVIC #40 Venture Capital Union	Jun 2018	Venture firm and new technology investments	37,697	Over 50%	N
SVIC #42 Venture Capital Union	Nov 2018	Venture firm and new technology investments	8,558	Over 50%	N
SVIC #43 Venture Capital Union	Dec 2018	Venture firm and new technology investments	2,106	Over 50%	N

Subsidiary	Date established	Major business	Assets as of Dec 31, 2019	Ownership	Classified as major subsidiary (Y/N)
SVIC #45 Venture Capital Union	May 2019	Venture firm and new technology investments	101,781	Over 50%	Y
SVIC #48 Venture Capital Union	Dec 2019	Venture firm and new technology investments	55,235	Over 50%	N
Private Equity Fund for Semiconductor Growth	Mar 2017	Semiconductor investments	75,082	Over 50%	Y
Private Equity Fund for Co-existence of System Semiconductor Firms	Apr 2020	Semiconductor investments	40,036	Over 50%	N

See 『II. Businesses Overview』 for additional information about major business segments.

Companies with over KRW 75 billion in total assets as of December 31, 2020 are classified as major subsidiaries.

(Changes in subsidiaries)

	Americas	Europe/ CIS	MEA/ Africa	Asia ex China	China	Domestic	Total	Increase	Decrease
As of Dec 31, 2018	56	79	21	35	36	25	252	-	-
Changes in 2019	(2)	(4)	(2)	(5)	(2)	3	(12)	<p>[Europe/CIS: 1] Foodient Ltd.</p> <p>[MEA/Africa: 2] Corephotronics Ltd. Samsung Electronics Saudi Arabia Ltd. (SESAR)</p> <p>[Asia ex China: 1] Samsung Display Noida Private Limited(SDN)</p> <p>[Domestic: 4] SVIC #45 Venture Capital Union SVIC #48 Venture Capital Union Dowoo Insys GF Co., Ltd.</p>	<p>[Americas: 2] Harman Investment Group, LLC Red Bend Software Inc.</p> <p>[Europe/CIS: 5] Samsung France Research Center SARL(SFRC) Innoetics E.P.E. Duran Audio B.V. Harman International SNC Harman Professional France SAS</p> <p>[MEA/Africa: 4] BroadSense Ltd. iOnRoad Ltd iOnRoad Technologies Ltd Towersec Ltd.</p> <p>[Asia ex China: 6] Harman Connected Services Japan Co., Ltd. Red Bend Software Japan Co., Ltd. Studer Japan Ltd. Harman International Singapore Pte. Ltd. AMX Products And Solutions Private Limited Samsung Medison India Private Ltd.(SMIN)</p> <p>[China: 2] Samsung Electronics (Beijing) Service Company Limited (SBSC) Harman Connected Services Solutions (Beijing) Co., Ltd.</p> <p>[Domestic: 1] Red Bend Software Inc.</p>
As of Dec 31 2019	54	75	19	30	34	28	240	-	-
Changes in 2020	1	-	-	-	(1)	1	1	<p>[Americas: 4] TeleWorld Solutions, Inc. (TWS) TWS LATAM B, LLC TWS LATAM S, LLC SNB Technologies, Inc. Mexico, S.A. de C.V</p> <p>[Asia ex China: 1] Samsung Electronics Singapore Pte. Ltd. (SESP)</p> <p>[Domestic: 1] Private Equity Fund for Co-existence of System Semiconductor Firms</p>	<p>[Americas: 3] Harman Connected Services South America S.R.L. EverythingDacor.com, Inc. Distinctive Appliances of California, Inc.</p> <p>[Asia ex China: 1] Martin Professional Pte. Ltd.</p> <p>[China: 1] Samsung Tianjin Mobile Development Center (SRC-Tianjin)</p>
As of Dec 31 2020	55	75	19	30	33	29	241	-	-

	Americas	Europe/ CIS	MEA/ Africa	Asia ex China	China	Domestic	Total	Increase	Decrease
Changes in 2021	(3)	(1)	1	-	-	-	(3)	[MEA/Africa: 1] Samsung Electronics Industry and Commerce Ltd. (SETK-P)	[Americas: 3] Viv Labs, Inc. Stellus Technologies, Inc. SigMast Communications Inc. [Europe/CIS: 1] Arcam Limited
As of Mar 31 2021	52	74	20	30	33	29	238	-	-

(1Q21: Changes in subsidiaries)

Type	Region	Name	Changes	Notes
Newly consolidated	MEA/Africas	Samsung Electronics Industry and Commerce Ltd. (SETK-P)	Established	-
No longer consolidated	Americas	Viv Labs, Inc.	Merged	-
		Stellus Technologies, Inc.	Liquidated	-
		SigMast Communications Inc.		-
	Europe/CIS	Arcam Limited	Liquidated	-

H. Credit rating

SEC's credit rating is assessed by two external credit ratings agencies. As of March 31, 2021, SEC's credit ratings were Aa3 with a stable investment outlook as rated by Moody's (US); and AA- with a stable investment outlook as rated by S&P (US).

Securities	Date	Ratings	Credit rating agency	Note
Corporate bond (USD denominated; issued in 1997 and expire in 2027)	May 2019	Aa3	Moody's	Annual review
	Jul 2019	AA-	S&P	
	Aug 2019	Aa3	Moody's	
	Jul 2020	AA-	S&P	
	Sep 2020	Aa3	Moody's	

Credit rating range: Moody's (Aaa-C), S&P (AAA-D)

[Credit ratings definitions]

	Moody's	Definition	S&P	Definition
Investment grade	Aaa	Superior ability to repay debt obligations; lowest level of credit risk	AAA	Extremely strong ability to meet financial commitments; highest rating
	Aa1/Aa2/Aa3	High ability to repay debt obligations; very low credit risk	AA+/AA/AA-	Very strong capacity to meet financial commitments
	A1/A2/A3	Upper-medium ability to repay debt obligations; low credit risk	A+/A/A-	Strong capacity to meet financial commitments; susceptible to adverse effects of changes in economic conditions
	Baa1/Baa2/Baa3	Medium ability to repay debt obligations; moderate credit risk, speculative factors	BBB+/BBB/BBB-	Adequate capacity to meet financial commitments; relatively more susceptible to adverse economic conditions
Speculative grade	Ba1/Ba2/Ba3	Speculative; substantial credit risk	BB+/BB/BB-	Major ongoing uncertainties; exposure to adverse business, financial, or economic conditions can impair ability to meet financial commitments
	B1/B2/B3	Speculative; high credit risk	B+/B/B-	More vulnerable to nonpayment than those rated BB; has capacity to meet financial commitments but adverse financial or economic conditions are likely to impair ability to continue doing so
	Caa	Speculative; very high credit risk	CCC	Vulnerable to nonpayment; dependent upon favorable business, financial, and economic conditions
	Ca	Highly speculative; likelihood of being in or near default; some prospect for recovery of principal and interest	CC	Highly vulnerable to nonpayment; default has not yet occurred but expected to be a virtual certainty
	C	Typically in default; little prospect for recovery of principal or interest	C	Highly vulnerable to nonpayment; obligation is expected to have lower ultimate recovery vis-à-vis higher rated obligations
				D

I. Whether the Company is listed (or registered or designated) and matters related to special listed companies

Listed (or registered or designated)	Date listed (or registered or designated)	Special listed company	Subject to regulations for special exception companies
Stock market (KOSPI)	June 11, 1975	No	No

2. Company history

(Company history)

Jan 13, 1969	Samsung Electronics Manufacturing Incorporated
Jun 11, 1975	Listed on the Korea Stock Exchange
Feb 28, 1984	Renamed as Samsung Electronics
Nov 1, 1988	Merged with Samsung Semiconductor and Communications
Aug 1, 1992	Developed 64M DRAM, a world's first
Mar 23, 2010	Unveiled Galaxy S
Sep 2, 2010	Unveiled Galaxy Tab
Feb 11, 2011	Launched Exynos, the first mobile AP brand
Sep 1, 2011	Unveiled Galaxy Note
Apr 1, 2012	Spun off the LCD division (established Samsung Display)
Jun 26, 2013	Launch of S4 LTE-A, the world's first LTE-A smartphone
Aug 6, 2013	Mass production of the world's first 3D V-NAND flash memory chips
Sep 24, 2013	Development of ISOCELL, an industry-first next generation CMOS image sensor technology
Mar 5, 2017	Released advanced Quantum dot-based QLED TV
Mar 10, 2017	SEA acquired shares of Harman International Industries, Inc. (100%)
Jul 4, 2017	Started operations at semiconductor production fab in Pyeongtaek, the largest such facility in the world
Nov 1, 2017	Sold Printing Solution business
Aug 30, 2018	Launched QLED 8K TVs with Quantum Dot technology
Nov 7, 2018	Unveiled foldable display at the Samsung Developer Conference
Apr 3, 2019	Launched 5G smartphone, Galaxy S10 5G
Apr 24, 2019	Announced "Semiconductor Vision 2030"—a vision to invest KRW 133 trillion through 2030 in system semiconductor and employ 15,000 persons
Sep 4, 2019	Unveiled Exynos 980, 5G mobile processor
Sep 6, 2019	Unveiled Galaxy Fold, a foldable phone with a new form factor
Jan 29, 2020	Launched AI-technology-based Grande AI washer/dryer
Feb 4, 2020	Launched world's first ultra-high speed DRAM for AI and next-generation super computers
Feb 11, 2020	Unveiled Galaxy Z Flip, a foldable model with a new form factor
Aug 30, 2020	Started operation of Pyeongtaek Line 2, the world's largest semiconductor line
Jan 7, 2021	Unveiled Neo QLED TV

(Company location changes)

The Company's head office is located at 129, Samsung-ro, Yeongtong-gu, Suwon, Gyeonggi-do. There were no changes in the Company's head office location over the past five fiscal years.

(Important changes in management executives)

Following the AGM on March 23, 2018, Sang-hoon Lee, Ki-nam Kim, Hyun-suk Kim, and Dong-jin Koh were newly appointed as Executive Directors and Jeong Kim, Sun-uk Kim, Byung-gook Park were newly appointed as Independent Directors. In addition, Executive Director Oh-hyun Kwon and Independent Directors Han-joong Kim and Byeong-gi Lee retired as terms expired. Executive Directors Boo-keun Yoon and Jong-kyun Shin resigned.

On March 23, 2018, Executive Directors Ki-nam Kim, Hyun-suk Kim, and Dong-jin Koh were newly appointed as CEOs.

Following the AGM on March 20, 2019, Independent Director Jae-wan Bahk was reappointed and Independent Directors Han-jo Kim and Curie Ahn were newly appointed. Independent Directors In-ho Lee and Kwang-soo Song retired.

On October 26, 2019, Jae-yong Lee retired from his position of Executive Director.

On February 14, 2020, Sang-hoon Lee resigned from his position of Executive Director; and on March 18, 2020 at the AGM, Jong-hee Han and Yoon-ho Choi were appointed as Executive Directors.

Following the AGM on March 17, 2021, Ki-nam Kim, Hyun-suk Kim, and Dong-jin Koh were reappointed as Executive Directors; Byung-gook Park and Jeong Kim were reappointed as Independent Directors; and Sun-uk Kim was reappointed as an Independent Director for Audit Committee.

As of March 31, 2021, SEC's Board consisted of five Executive Directors (Ki-nam Kim, Hyun-suk Kim, Dong-jin Koh, Jong-hee Han, and Yoon-ho Choi) and six Independent Directors (Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, and Han-jo Kim).

(Changes in the major shareholder)

There were no changes over the past five fiscal years.

* The major shareholder on April 29, 2021 (after the reporting date) changed to Samsung Life Insurance as the shares of Kun-hee Lee (who passed away on October 25, 2020) were inherited by Jae-yong Lee and three others. Since the total number of affiliated companies' shares owned by each shareholder is the same, Samsung Life Insurance, which has the highest number of shares on a separate basis was announced as the major shareholder. For detailed information, please refer to 'Change of the largest shareholder' and 'Report on changes to share ownership, including the largest shareholder', disclosed on April 30, 2021, on the electronic public disclosure system (<http://dart.fss.or.kr>).

☞ Please refer to 『VII. Information on Shareholders』 for details on the major shareholder.

(Company name changes)

In 2017, Quietside LLC, NewNet Communication Technologies (Canada), Inc., and Martin Professional ApS changed their names to Samsung HVAC America, LLC, SigMast Communications Inc., and Harman Professional Denmark ApS, respectively.

In 2018, Harman Connected Services Finland OY, and Harman Professional Singapore Pte. Ltd changed their names to Harman Finland Oy, and Harman Singapore Pte. Ltd., respectively.

In 2019, Samsung Electronics Greece S.A. (SEGR) changed its name to Samsung Electronics Greece S.M.S.A. (SEGR).

In 2021, Samsung Electronics Portuguesa S.A. (SEP) changed its name to Samsung Electronics Portuguesa, Unipessoal, Lda. (SEP).

☞ Details are for SEC and major subsidiaries of SEC. See G. Subsidiaries subject to consolidated financial statements in 『I. Corporate Overview』 for details.

(Mergers and acquisitions)

In 2017, Samsung Electronics America, Inc. (SEA) acquired full ownership of Harman International Industries, Inc.

In 2018, Samsung Electronics America, Inc. (SEA) merged with Samsung Pay, Inc.; and Harman Connected Services, Inc. merged with Harman Connected Services Holding Corp. In the same year, SEA sold its full stake in NexusDX, Inc.

In 2019, Samsung Electronics Benelux B.V. (SEBN) acquired shares of Corephotonics Ltd. In the same year, SEC acquired a PLP business from affiliate Samsung Electro-Mechanics. In addition, Harman Becker Automotive Systems Manufacturing Kft merged with Duran Audio B.V.; and Samsung (China) Investment Co., Ltd. (SCIC) merged with Samsung Electronics (Beijing) Service Company Limited (SBSC).

In the first quarter of 2021, Viv Labs, Inc. merged with Samsung Research America, Inc. (SRA).

☞ Details are for SEC and major subsidiaries of SEC. See G. Subsidiaries subject to consolidated financial statements in 『I. Corporate Overview』 for details.

(Important changes in the Company's business)

There were no changes over the past five fiscal years.

(Changes in organizational structure)

In June 2017, the System LSI business was divided into Foundry and System LSI businesses.

[As of June 2017]

	Before	After
Business organization	CE Division (Visual Display, Digital Appliances, Medical Devices)	CE Division (Visual Display, Digital Appliances, Medical Devices)
	IM Division (Mobile, Network)	IM Division (Mobile, Network)
	DS Division (Memory, System LSI, DP)	DS Division (Memory, System LSI, Foundry, DP)
	-	Harman Division
Regional headquarters	Korea, North America, Latin America, Europe, CIS, Southwest Asia, Southeast Asia, China, Middle East, Africa	Korea, North America, Latin America, Europe, CIS, Southwest Asia, Southeast Asia, China, Middle East, Africa
	Americas (DS), Europe (DS), China (DS), Southeast Asia (DS), Japan (DS)	Americas (DS), Europe (DS), China (DS), Southeast Asia (DS), Japan (DS)

Harman Division was added on the acquisition of Harman International Industries, Inc. in March 2017.

Health & Medical Equipment Business was excluded from the CE Division in 1Q18 and included again from 1Q20.

3. Changes in paid-in capital

No changes were reported during the past five fiscal years.

4. Stock information

A. Total number of shares

As of March 31, 2021, SEC's issued shares on a cumulative basis totaled 7,780,466,850 registered common shares and 1,194,671,350 registered, non-voting preferred shares; and the Company had canceled 1,810,684,300 common shares and 371,784,650 preferred shares in accordance with resolutions of the Board of Directors ("the Board"). As of the same date, issued shares and shares outstanding totaled 5,969,782,550 for common shares and 822,886,700 for preferred shares.

[As of Mar 31, 2021]

(Shares)

Classification	Type of stocks			Note
	Common	Preferred	Total	
I. Authorized shares	20,000,000,000	5,000,000,000	25,000,000,000	-
II. Issued shares (cumulative)	7,780,466,850	1,194,671,350	8,975,138,200	-
III. Decrease in number of shares (cumulative)	1,810,684,300	371,784,650	2,182,468,950	-
1. Capital reduction	-	-	-	-
2. Cancellation	1,810,684,300	371,784,650	2,182,468,950	Treasury shares
3. Redemption	-	-	-	-
4. Other	-	-	-	-
IV. Issued shares as of Dec 31, 2020 (II-III)	5,969,782,550	822,886,700	6,792,669,250	-
V. Treasury shares as of Dec 31, 2020	-	-	-	-
VI. Outstanding shares as of Dec 31, 2020 (IV-V)	5,969,782,550	822,886,700	6,792,669,250	-

Post-split basis; SEC conducted a 50:1 stock split effective from May 3, 2018, lowering par value of every common and preferred share from KRW 5,000 to KRW 100.

B. Treasury shares

In 2018, SEC completed the cancellation of all shares held in treasury as a part of its shareholder return policy.

[As of Mar 31, 2021]

(Shares)

Acquisition method	Share type	Period-start	Change			Period-end
			Acquisition (+)	Disposal (-)	Cancellation (-)	
Intra-market direct acquisition (within dividend related capital gains limit)	Common	-	-	-	-	-
	Preferred	-	-	-	-	-
Total	Common	-	-	-	-	-
	Preferred	-	-	-	-	-

C. Types of registered stock

SEC has two types of registered equity securities: 1) common stock; 2) non-voting and non-cumulative preferred stock.

The shareholders of preferred stock are entitled to dividend payments of an additional 1% of par value compared to shareholders of common stock.

As of March 31, 2021, the number of issued non-cumulative and non-voting preferred stock totaled 822,886,700.

5. Voting shares

As of March 31, 2021, SEC has 5,969,782,550 issued shares of common stock, and 822,886,700 issued shares of preferred stock with no voting rights. There are 597,541,337 shares of common stock with limited voting rights under relevant laws. Thus, the total number of shares with full voting rights is 5,372,241,213.

[As of March 31, 2021]

Classification	Share type	Number of shares	Note
Number of issued shares (A)	Common	5,969,782,550	-
	Preferred	822,886,700	-
Shares with no voting rights (B)	Common	-	-
Shares with no voting rights according to Articles of Incorporation (C)	Preferred	822,886,700	-
Shares with limited voting rights under relevant laws (D)	Common	596,959,200 ¹⁾	508,157,148 shares held by Samsung Life Insurance & 88,802,052 shares held by Samsung Fire & Marine Insurance
	Common	582,137	Restricted by the Insurance Business Act: Shares held by Samsung Life Insurance in certain special accounts
Shares with voting rights (F = A - B - C - D)	Common	5,372,241,213	-
	Preferred	-	-

1) Pursuant to Korea's Monopoly Regulation and Fair Trade Act, owners can exercise certain rights on some shares in accordance with related laws, including the right to vote on agendas such as the appointment or dismissal of directors and revisions to the Articles of Incorporation.

6. Dividends

We continue to work to enhance shareholder value alongside our efforts to strengthen competitiveness of our products and businesses. We utilized 50% of the free cash flow as the shareholder return pool for 2018 to 2020 as part of our shareholder return policy for 2018 to 2020 and paid annual, regular dividends of KRW 9.6 trillion. A special cash dividend of KRW 10.7 trillion was paid out at the same time as the 2020 end-year, regular dividend. The shareholder return policy for 2021 to 2023 was announced in January 2021. For this term, we kept the shareholder return pool at 50% of the free cash flow, but increased the annual, regular dividend to KRW 9.8 trillion. Any remaining portion of the 50% of the free cash flow will be paid out to shareholders.

Dividends paid in the three most recent fiscal years are as follows:

Classification		1Q21	2020	2019
Par value per share (KRW)		100	100	100
Net profit ¹⁾ (KRW mil)		7,092,786	26,090,846	21,505,054
EPS ²⁾ (KRW)		1,044	3,841	3,166
Total cash dividend (KRW mil)		2,452,154	20,338,075	9,619,243
Total stock dividend (KRW mil)		-	-	-
Dividend payout ratio (%)		34.6	78.0	44.7
Cash dividend yield (%)	Common	0.4	4.0	2.6
	Preferred	0.5	4.2	3.1
Stock dividend yield (%)	Common	-	-	-
	Preferred	-	-	-
Cash dividend per share (KRW)	Common	361	2,994	1,416
	Preferred	361	2,995	1,417
Stock dividend per share (share)	Common	-	-	-
	Preferred	-	-	-

Dividends were KRW 2,452,154 million or KRW 361 per share in the first quarter of 2021, and KRW 2,404,605 million or KRW 354 per share in each of the first three quarters of 2019 and 2020. For further information relating to total cash dividend, see retained earnings in 『3. Note to Consolidated Financial Statements』 in 『III. Financial Affairs』.

1) Equity attributable to owners of the parent on a consolidated basis.

2) Basic earnings per common share on a consolidated basis. For further information relating to the calculation of basic EPS, see Earnings Per Share in 『3. Note to Consolidated Financial Statements』 in 『III. Financial Affairs』.

History of dividend payouts is as follows:

Number of continuous dividend payments ¹⁾		Average dividend yield	
Quarterly/biannual dividends	End-year dividends	Past 3 years ²⁾	Past 5 years ²⁾
31	40	3.4%	2.7%

Dividend payments have been continuous since 1981—*n.b.*, dividends were paid at end-year from 1981, biannually from 1999, and quarterly from 2017.

Average dividend yield is dividend yield for common stock. Dividend yield for preferred stock averaged 4.0% over the past three years and 3.2% over the past five years.

1) Includes 1Q21 dividend and end-year dividend for 2020.

2) Past 3 years refers to 2018 to 2020 and past 5 years refers to 2016 to 2020. Please refer to the table above on “Dividends paid in the three most recent fiscal years” for 1Q21 dividend yield(Common: 0.4%, Preferred: 0.5%).

7. Changes to Articles of Incorporation

The most recent changes to the Articles of Incorporation took place on March 23, 2018. There were no other changes in the Articles of Incorporation in the past three fiscal years, in 1Q21, or in 2021 as of the disclosure date.

II. Businesses Overview

1. Overview

Note on forward-looking statements

This report includes forward-looking statements that relate to future events and can be generally identified by phrases containing words such as “believes,” “expects,” “anticipates,” “foresees,” “forecasts,” “estimates” or other words or phrases of similar meaning. These forward-looking statements are not guarantees of future performance and may involve known and unknown risks, uncertainties and other factors that may affect the Company’s actual results, performance, achievements or financial position, making them materially different from the actual future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Uncertain events that could positively or negatively affect the Company’s management condition and financial performance include:

- *Trends of financial markets domestically and abroad, including changes in exchange rates and interest rates*
- *The Company’s strategic decision making, including disposals and purchases of businesses*
- *Unexpected sudden changes in core businesses such as CE, IM, Semiconductor, DP, and Harman*
- *Other changes domestically and abroad that can affect management condition and financial performance*

The Company assumes no obligation to revise or update this report to reflect risks or uncertainties that arise after the reporting period.

A. Business overview, by division

In addition to our headquarters in Korea, Samsung Electronics comprises 238 subsidiaries across the world responsible for sales and production. There are 9 regional headquarters for CE and IM Divisions, 5 regional headquarters for the DS Division, and Harman’s subsidiaries.

The Company’s business divisions are organized in a two-pronged framework consisting of set (brand products) and component businesses. The set business is comprised of the CE and IM Divisions, and the component business consists of the Semiconductor and DP Business Units. The CE Division is responsible for the production and sales of TVs, monitors, refrigerators, washing machines, and air conditioners; and the IM Division focuses on the production and sales of HHPs, which includes smartphones, as well as network systems, and computers. The DS Division comprises the Semiconductor business which manufactures and sells DRAMs, NAND Flash, mobile APs, and other semiconductor-related products, and the DP Business, which manufactures and sells OLED and TFT-LCD display panels for mobile devices, TVs, monitors, and laptops. The Harman Division (acquired in 2017) manufactures and sells products such as Digital cockpit, telematics, and speakers.

<Major products, by business division>

Business division		Major products
CE Division		TVs, monitors, refrigerators, washing machines, air conditioners, etc.
IM Division		HHPs, network systems, computers, etc.
DS Division	Semiconductor	DRAM, NAND Flash, Mobile AP, etc.
	DP	OLED panels for smartphones, LCD panels for TVs and monitors, LCD monitor panels, etc.
Harman Division		Digital cockpit, telematics, speakers, etc.

The Company maintains its corporate headquarters and 29 consolidated subsidiaries in Korea.

The Company's corporate headquarters is divided along Divisions and/or Businesses, which are situated in Suwon, Gumi, Gwangju, Giheung, Hwaseong, Pyeongtaek, etc. The Company's 29 unlisted domestic subsidiaries include Samsung Display for display panel production, Samsung Electronics Sales for domestic retail sales, Samsung Electronics Service for after-sales services, and Samsung Electronics Logitech for logistics.

We have 209 unlisted overseas subsidiaries for product manufacturing, sales, and R&D, with locations in the US, Europe/CIS, Middle East/Africa and Asia.

We have 52 subsidiaries in North America, including SEA (New Jersey; responsible for the sales of set products including TV and HHPs), SII (California; manufacturing TVs), SAS (Texas; manufacturing semiconductor products), and Harman (Connecticut, Automotive component) in the US.

In Europe and CIS, we operate 74 subsidiaries. These include SEUK (UK), SEG (Germany), SEF (France), SEI (Italy) for sales of set products; SEH (Hungary) and SESK (Slovakia) for manufacturing TVs, and SEPM (Poland) for manufacturing home appliances such as refrigerators.

We have 20 subsidiaries in Middle East and Africa for product manufacturing and sales.

We have 30 subsidiaries in Asia (ex China), including SAPL (Singapore), SEAU (Australia), SEPCO (Philippines), and SME (Malaysia), which are responsible for regional sales. In addition, we operate numerous production sites including SIEL (India) for HHPs among other products, SEV and SEVT (Vietnam) for HHPs, SEHC (Vietnam) for TVs, and SDV (Vietnam) for DPs.

We operate 33 subsidiaries in China, including SCIC (Beijing) and SEHK (Hong Kong) for the sales of set products in those regions; and SSS (Shanghai) and SSCX (Xian) for semiconductors and DPs sales. Production sites for set products include SSEC (Suzhou) and semiconductor production facilities are located in SCS (Xian) among others.

☞ See G. Subsidiaries subject to consolidated financial statements in 『I. Corporate Overview』 for names of subsidiaries.

[CE Division]

□ Industry overview

Since the first public demonstration of a true television system in 1926 and later mass production of color TVs, technological developments have led to the creation of products such as the Trinitron CRT (1967) and flat CRT (1996). As the penetration rate in major countries reached over 90%, the CRT TV business stagnated. The industry regained strong growth momentum following the launch of flat panel TVs (“FPTVs”) like LCDs and PDPs, especially with the expansion of digital broadcasting. FPTVs replaced CRT sets on the back of their enhanced design, picture quality, etc., combined with a sharp decline in prices.

The year 2010 saw the launch of 3D TVs, and the rise of internet video services along with increased consumer interest in smart devices from 2011 to 2012 led to the birth of the smart TV market. The evolution continued with the launches of Quantum Dot QLED TVs in 2017, boasting significantly enhanced resolution and picture quality, and with commercialization of 8K and MicroLED TVs.

□ Market condition

In 2020, market players continued to strive for innovations in picture quality, sound, and form factor to create demand for premium TVs. In addition, TV demand in 2020 increased slightly to 225.35 million, despite the global spread of COVID-19, due to the stay-at-home trend and 2H release of pent-up demand. In 2021, TV demand is projected at approximately 224 million units (Source: *Omdia*; 4Q20 data).

< Market share of the CE Division’s key product >

Product	1Q21	2020	2019
TV	32.0%	31.9%	30.9%

Global market share in revenue; data from research firm *Omdia*. (1Q21 market share is Company estimate.)

□ Business condition

We have maintained the top position in the overall TV market for fifteen straight years since claiming the number one spot in 2006.

In 2019, we released world’s first 8K TV in the global market, once again leading the premium segment in the TV industry. Our QLED lineup includes sizes ranging from mid-sized to ultra-large screens, giving customers a variety of choices. In addition, the significantly improved picture quality was well received by consumers and experts alike. We achieved solid results by introducing ultra-large screens in the UHD lineup as well as in the QLED lineup.

In 2020, we enhanced our leadership and dominance in the market with 4K and 8K QLED TVs and new Lifestyle TVs such as The Premier and The Sero despite a global economic crisis due to COVID-19.

In 2021, we will enhance our premium product lineup by launching 80”–110” Neo QLED TVs featuring significantly enhanced contrast and picture quality as well MicroLED TVs for homes. Moreover, we will increase the portion of Lifestyle products and sound bars, diversify smart functions including TV plus, home training, games, and expand partnership with various companies. We will also strengthen our efforts toward becoming an eco-friendly business, from raw materials to packaging, and we will enhance accessibility to support the use of our products by the visually impaired and hearing impaired.

[IM Division]

□ Industry overview

Mobile phones are the key product of the IM Division, and the mobile phone industry started with first generation analogue devices in the early 1980s and evolved to second generation digital ones, using technology such as CDMA and

GSM, where users could send voice and text messages. Third generation mobile communication standards such as WCDMA allowed users to send photos and videos. Today, fourth generation LTE mobile communication technology with ultra-high-speed data transmission is becoming commonplace and was used in 59% of phones sold in 2020 (*Strategy Analytics*, March 2021). Fifth generation mobile communication services, which will lead innovation alongside the fourth industrial revolution, were successfully commercialized in Korea and the US and are expanding to Europe and Australia. As a result, sales of 5G smart phones are projected to increase sharply to 600 million units in 2021 from 270 million units in 2020 (*Strategy Analytics*, March 2021).

The smartphone industry has grown significantly since 2007. In 2021, the smartphone portion of total HHPs is projected to be approximately 77%, and the feature phone portion of the total is expected to be approximately 23%, with the latter related to demand in developing nations (*Strategy Analytics*, March 2021). In 2021, the penetration rate of smartphones will reach 52%, slightly increasing from 50% in 2020 (*Strategy Analytics*, December 2020).

Also, as the smartphone market shows high saturation, the importance of competitive software—such as applications, UX, games, media, advertisements, mobile payments, AI, and AR—is rising alongside that of competitive hardware, which includes high-performance APs, AMOLED displays, foldable form factors, multiple cameras, sensors, waterproof & dustproof features, biometric recognition, and more.

□ Market Condition

With the acceleration of 5G expansion, the smartphone market is projected to grow from 1.30 billion units in 2020 to 13.9 billion units in 2021. Meanwhile, the tablet market that experienced a contraction due to weak replacement demand, increased from 160 million units in 2019 to 190 million in 2020 due to COVID-19, however, it is expected to be approximately 180 million units in 2021. (*Strategy Analytics*; March 2021).

< Market share of the IM Division’s key product >

Product	1Q21	2020	2019
Smartphone	21.8%	19.6%	20.9%

Global market share in sales volume; data from research firm *Strategy Analytics*.

Market share for 2019 and 2020 changed as key product of the IM Division changed from HHP to smartphone in 2021.

□ Business condition

SEC has always been at forefront of the HHP market, and for smartphones in particular, we have maintained leadership in the global market for ten consecutive years since 2011. To solidify our status in the overall mobile market, we are striving to improve our current products—including tablets, wearables, and accessories—while growing businesses in areas with high potential, such as the service, online, and B2B sectors.

For smartphones, we are establishing optimal portfolios for each region, accounting for varying market conditions and the competitive environment, offering a wide smartphone lineup ranging from mass-market to premium devices. We have been providing premium smartphones and delivering differentiated user experiences that can meet customer needs via our cutting-edge technology, which includes Dynamic AMOLED 2X (120Hz) displays and innovative Contour Cut designs as well as large-screen Infinity Displays, digital key and content sharing using UWB, water- and dust-proofing, high-speed cable and wireless charging, ultrasonic fingerprint-on-display (FoD), high-resolution and optical zoom camera with AI technology, 8k video recording, among others. In 2019, we secured early leadership in the 5G market with the release of the world's first 5G smartphone while also creating a new market with Galaxy Fold, enabled by foldable displays. In 2020, we continued to lead the mainstreaming of foldable phones with the launch of Galaxy Z Flip, a new form factor that folds from top down, and a further evolved edition Galaxy Z Fold 2.

To respond to an ever-changing market as well as customer needs, we are strengthening product competitiveness by introducing innovative features such as 5G, quad cameras, large infinity displays, and high-capacity batteries even to mid-range-and-below products.

We provide our smartphone users with a wider and more convenient experience via our other products, which include premium tablets (Galaxy Tab S), wearable devices (smart watch, Bluetooth earphone), and other Device Eco products, including wireless quick charging stands.

Not content to dwell on our achievements in hardware, we have been focusing on delivering new and helpful services like Samsung Pay, Samsung Health, and SmartThings. To deliver a consistent and high-quality Multi-Device Experience, we are adding Bixby features to a suite of products in addition to smartphones, including TVs, refrigerators, air conditioners, etc.

Moreover, we are strengthening strategic partnerships to expand our ecosystem. As always, we will continue to invest in any field that has growth potential, with current targets including but not limited to 5G, AI, IoT, cloud, AR, blockchain, and mobile B2B, while leveraging our superior R&D capabilities to keep delivering new value to customers.

[DS Division]

- Semiconductor

□ Industry overview

In general, our Semiconductor business is divided into Memory (storage) and System LSI (logical processing). Memory semiconductor is divided into RAM products (random access memory, ones that can be both written on and read) and ROM products (read only memory).

RAM is called volatile memory as the information is deleted when the power is turned off. It is used for temporary loading and storage of application programs. ROM is nonvolatile and holds memory even when power is removed; it is used in input/output system, IC cards, and more. For System LSI products, there are many categories for various applications, with CPUs (central processing units) for PCs, mobile devices, and servers forming the largest market. System LSI products are used in myriad areas, such as household electronics, networks, and games. The Company manufactures image sensors as well as mobile APs for smartphones and tablets.

The Foundry Business makes customized semiconductors for other companies based on customer designs. The business resembles OEMs in the traditional manufacturing industry in the sense that companies consign the manufacturing of their products to fabrication plants, also called foundries or fabs. Due to increasing difficulty in semiconductor process and growing investment cost, the number of fabless semiconductor companies is growing.

□ Market condition

The memory market is showing solid demand in overall application areas, including PC demand mainly for Chromebook and Gaming laptops amid an accelerating digital transformation due to the prolonged pandemic, demand for advanced purchasing in preparation for the launch of new CPUs, and mobile demand due to a higher portion of 5G products.

In 1Q21, overall memory demand was strong, with solid mobile demand driven by product launches of our major customers along with an increase in PC demand connected to the growing '1 person 1 PC trend'. In 2Q21, strong server demand due to new CPU launches and solid PC demand, backed by strong seasonality for educational products including Chromebook, is expected to continue.

< Market share of the Semiconductor Business's key product >

Product	1Q21	2020	2019
DRAM	42.0%	42.7%	43.7%

Global market share in revenue; data from research firm *DRAMeXchange*.

□ Business condition

We continue to strengthen the cost and product competitiveness of the memory business. We will preemptively offer products to the IT industry, including the world's first DRAM featuring full-fledged application of multi-step EUV and a next-generation lineup of SSDs with 7th-generation V-NAND, which will enter the solution market in 2H21, by closely cooperating with major global customers. The Company maintains its price competitiveness via technology leadership and capabilities to supply products that customers want in a timely manner. In addition, we will preemptively establish a mass production system for EUV processes, a next-generation patterning technology, build a relevant ecosystem, and strengthen competitiveness for advanced nodes. Moreover, we will expand differentiated advanced-node-based products, utilize a wide range of product lineups, optimize responses for each application area, and lead the market as the top memory company.

System LSI is seeing solid demand from strong sales of new products at major customers due to the prolonged pandemic and intense competition to secure components to gain early dominance in the market. In particular, SoC and LSI products achieved higher-than-targeted growth. In 1Q21, the overall market showed solid demand from early product launches and strengthened promotions run by major customers and a continuation of solid consumer sentiment amid effects of COVID-19. We will continue responding to such demand by strengthening SCM to expand sales and support stable, future growth.

In the Foundry business, we expect growth to stay solid as demand grows in various application areas, including the expansion of 5G in major markets such as the US and Europe, accelerated growth of AI technology, and innovations in mobility. Also, demand should continue to be strong as a contactless lifestyle becomes the norm due to COVID-19 and as finished product companies compete for demand to respond to such a trend, thus creating competition to secure capacity ahead of others. We will respond to such demand by preemptively managing risk via strengthening manufacturing capacity of existing lines and shipment pull-in from mass production of new lines in Pyeongtaek in the second half. For advanced nodes, as we continue to compete with TSMC as the two strongest players, we will focus on ramping-up yield of 5-nano 1st-generation products that began supply in 4Q20, as well as developing 5-nano 2nd-generation and 4-nano products scheduled to start mass production in 2H21 with innovation in development, manufacturing, infrastructure in mind. We aim to lead future technology and enhance leadership at an inflection point of technology by developing the Gate All Around (GAA) next-generation process in a timely manner. Based on our technology leadership, we will continue to win orders from large-scale customers and solidify the foundation for mid- to long-term business growth. For legacy processes, we are working to improve our business structure in terms of customers and application areas, from mobile-focused to HPC, consumer, network, and automotive. We will achieve stable growth by diversifying process portfolios that include CIS, DDI, and PMIC, as well as by simplifying nodes and maximizing operational efficiency of manufacturing lines. Moreover, we are working to create added value for technologies to secure sustained sales growth by enhancing technologies via developing derivative processes and securing price competitiveness. The 8-inch foundry will secure stable revenue and maximize profitability by operating an optimal product mix that accounts for internal resources and focuses on high-profit products.

□ Industry overview

Display refers to screens in electronic devices. Active matrix technology is most commonly used in displays, including OLED (organic light emitting diode) panels and TFT-LCD (thin film transistor liquid crystal display).

OLED panels use organic materials, which offer sharp contrast and color, high color gamut, and fast response rates. Such differentiating features provide advantages for use in smartphones where display features (multimedia contents, online experience, etc.) are important, and as a result, OLED adoption in the smartphone market is growing rapidly.

The market had raised concerns over the production of high-resolution, durable panels, but we overcame various technological challenges and advanced the business. OLED panels make up for the shortcomings of LCD panels, and they can be adopted in other applications such as foldable, rollable, and automotive. Growth of the OLED market is widely expected to keep accelerating.

A TFT-LCD panel is a liquid crystal based display that features a thinner and lighter profile while offering high resolution. It has a wide range of potential applications in devices of all sizes and functionality, from portable mobile devices to large-size TVs featuring bright, high-resolution images. The market for large-panel TFT-LCD grew rapidly as their use moved from laptops initially to monitors and then to TVs. Recently however, high saturation has caused growth to slow.

□ Market condition

In 2021, the smartphone display panel market is expected to be approximately 1.57 billion units (0.99 billion LCD and 0.58 OLED), a slight increase year-on-year from the base effect of weak demand in 2020 caused by COVID-19 as well as rising replacement demand induced by 5G models. (*Omdia*, March 2021).

In the large display market, demand for IT products is sharply increasing year-on-year due to growing demand for ultra-large, ultra-high resolution TVs, as contactless services expand due to COVID-19.

< Market share of the DP Business's key product >

Product	1Q21	2020	2019
Smartphone panels	50.0%	44.8%	43.6%

Global market share in revenue; data from research firm *Omdia* (data for 1Q21 is an estimate).

□ Business condition

The Company has continued to stay atop the mobile OLED market in terms of market share since it successfully commercialized OLED products in 2007, marking a world's first. We diversified our product group to include displays for foldable products, tablets, watches, laptops, and automotive applications, solidifying our position as the top player in the OLED display market.

With both flexible and rigid OLED, our optimal smartphone product portfolio ranges from mass-market to premium devices as we proactively address customers' specific needs; and we are recognized as having best-in-class technology through our introduction of foldable and OLED IT products with differentiated technologies and designs.

In 2021, smartphone demand, which had been weakened by the pandemic, is expected to recover gradually due to an acceleration of 5G services. However, we expect uncertainties to linger due to shifting dynamics among players in the finished smartphone market and changes in competition between panel manufacturers. We will apply new technologies that enhance power-efficiency and running speed and enhance cost competitiveness to increase adoption of OLED panels. In addition, we will fortify our leadership by diversifying the mobile panel business, which is currently concentrated on smartphones, and expand our product portfolio to include foldable and IT devices.

In the large panel business, we will ensure a timely transition to QD display with differentiated technology and secure a strong foothold in the premium product group.

[Harman Division]

□ Industry overview

The automotive component and lifestyle audio business are highly competitive and growing rapidly.

For the connectivity and entertainment-solution market in the automotive industry (digital cockpit, telematics, car audio, etc.), competition is very fierce between dominant players (eg, Alpine, Aptiv, Continental, Mitsubishi, Panasonic and Visteon) as consumers expect car makers to deliver the latest technologies, including car sharing and autonomous driving.

Car audio is another segment where several major players (eg, Bose, Pioneer, and Panasonic) are competing fiercely, which is expected to drive technological advances as each player introduces unique sound-management solutions. As such, competition is expected to remain intense.

Lifestyle audio business has two segments: consumer audio and professional audio solutions. Consumer audio (smart audio, headphones, connected audio solutions, etc.) is fragmented and a handful of companies (Amazon, Apple, Beats, Bose, Ultimate Ears, etc.) are showing early signs of dominance. We expect competition to remain intense as new players try to make inroads, given the saturated market for connected homes and smart speakers. In particular, for Bluetooth headsets, for which smartphone manufacturers dominate market share, is expected to grow explosively.

The professional audio solution industry (commercial audio, audio for large venues, etc., special lighting, video control solutions, etc), led by QSC and Yamaha, is segmented by product and has seen the entrance of numerous companies offering a wide range of products and applications. We expect competition to keep intensifying as connected homes and smart speakers gain popularity and on the entrance of new players from other industries.

□ Market condition

In 2020, global automobile production, which directly influences the automotive component business, decreased by 16% compared to 2019. Although production volume in 1H20 declined due to the pandemic, it rebounded slightly in 2H20 and is expected to normalize in 2021 and result in 16% year-on-year growth. (*LMC Global Production Forecast*, March 2021). However, semiconductor shortages for automobiles pose an additional risk factor to car production in 1H21.

< Market share of Harman Business's key product >

Product	1Q21	2020	2019
Digital cockpits	25.0%	27.5%	24.8%

Digital cockpits refer to the digital automotive component which enables safe driving environment via infotainment system, etc.
Company estimates based on *Omdia* and LMC data (by unit).

□ Business condition

Harman is positioned to stay atop the automotive market and plans to continue to leverage its wide variety of brands to outfit vehicles ranging from mass-market thorough to luxury models, while also maintaining the quality that is synonymous with Harman brands. Additionally, Harman's relentless pursuit of innovation in the audio and connectivity spaces will help ensure the development of thriving relationships with automakers.

Additionally, Harman has continued to develop its Connected Services business with industry leading OTA (Over the Air) and software servicing products.

The same factors that Harman relies on within the automotive market will also be used in the consumer audio and professional audio solution market. Having won three Grammy Awards and two Academy Awards, Harman's brands have earned a strong reputation amongst everyday consumers and audiophiles alike. New offerings in up-and-coming segments such as connected wireless and smart audio continue to help bring in new consumers and further enhance brand reputation.

In 2020, the COVID-19 pandemic created a challenging business environment, marked by halt in automobile production, a decline in daily travel and thus potential consumers, the closing of retailers, etc. The professional audio solution business of the Harman Division, in particular, is expected to feel the impact of a reduction in the number of large-scale gatherings and events. We have adopted various ways to reduce costs, and we will redirect savings to other investments to compete more effectively in the market.

B. Financial Summary, by Division

(KRW 100 mil)

Division	Classification	1Q21		2020		2019		
		Amount	Portion of corresponding total	Amount	Portion of corresponding total	Amount	Portion of corresponding total	
CE	Sales	129,873	19.9%	481,733	20.3%	453,228	19.7%	
	Operating profit	11,154	11.9%	35,615	9.9%	25,090	9.0%	
	Total asset	746,375	13.6%	602,487	11.4%	680,244	13.5%	
IM	Sales	292,060	44.7%	995,875	42.1%	1,072,662	46.6%	
	Operating profit	43,926	46.8%	114,727	31.9%	92,725	33.4%	
	Total asset	1,688,417	30.8%	1,682,692	31.8%	1,432,804	28.5%	
DS	Semi-conductor	Sales	190,062	29.1%	728,578	30.8%	649,391	28.2%
		Operating profit	33,660	35.9%	188,050	52.2%	140,163	50.5%
		Total asset	1,945,748	35.5%	1,863,977	35.3%	1,791,177	35.6%
	DP	Sales	69,230	10.6%	305,857	12.9%	310,539	13.5%
		Operating profit	3,644	3.9%	22,369	6.2%	15,813	5.7%
		Total asset	633,414	11.6%	661,929	12.5%	642,264	12.8%
	Total	Sales	258,238	39.5%	1,030,361	43.5%	955,180	41.5%
		Operating profit	37,489	40.0%	211,202	58.7%	155,817	56.1%
		Total asset	2,804,857	51.1%	2,741,270	51.9%	2,451,438	48.8%
Harman	Sales	23,673	3.6%	91,837	3.9%	100,771	4.4%	
	Operating profit	1,131	1.2%	555	0.2%	3,223	1.2%	
	Total asset	148,923	2.7%	147,020	2.8%	156,091	3.1%	

Sales for each business unit includes intersegment sales.

In 1Q21 by Division, CE reported net sales of KRW 12,987.3 billion (19.9% of total net sales) and IM reported net sales of KRW 29,206.0 billion (44.7%). DS contributed approximately 39.5% of net sales: KRW 19,006.2 billion (29.1%) by the semiconductor sub-division and KRW 6,923.0 billion (10.6%) by the DP Business Unit. The Harman Division reported net sales of KRW 2,367.3 billion (3.6%).

In 1Q21, the CE Division accounted for 11.9% of total operating profit with an operating profit of KRW 1,115.4 billion; the IM Division accounted for 46.8% with KRW 4,392.6 billion; and the DS Division accounted for 40.0% with KRW 3,748.9 billion. The Harman Division posted an operating profit of KRW 113.1 billion.

□ Reasonable allocation of common SG&A (selling general & administrative) expenses and assets

(1) For common SG&A expenses, specific expenses that are allocable to a specific product/model are allocated to such product/model. However, common expenses that cannot be attributed to a specific product/model category are reasonably allocated throughout the Company based on an allocation standard (expense-to-sales ratio, number of personnel, etc.).

(2) For common assets, assets that can be directly allocated (inventory assets, fixed assets, investment assets, etc.) are allocated to the corresponding organizational unit. Assets that are commonly managed and cannot be directly allocated are allocated to each Division based on an allocation standard (expense-to-sales ratio, pre-tax profit, etc.).

2. Key products and service

A. Revenue

SEC is involved in production and sales of set products, including TVs, refrigerators, washers, air conditioners, HHPs and components such as semiconductors (DRAM, NAND Flash, mobile APs) and display panels. Through Harman, the Company also produces and sells products such as digital cockpits and telematics.

In 1Q21, CE reported revenue of KRW 12,987.3 billion (19.9% of total net sales) and IM reported revenue of KRW 29,206.0 billion (44.7%). DS contributed approximately 39.5% of revenue, reporting KRW 25,823.8 billion. The Harman Division reported net sales of KRW 2,367.3 billion (3.6%).

(KRW 100 mil)

Division		Major products	Revenue	Portion
CE		TVs, monitors, refrigerators, washing machines, air conditioners, etc.	129,873	19.9%
IM		HHPs, network systems, computers, etc.	292,060	44.7%
DS	Semiconductor	DRAM, NAND flash, mobile APs, etc.	190,062	29.1%
	DP	OLED smartphone panels, LCD TV panels, LCD monitor panels, etc.	69,230	10.6%
	Others	-	(1,054)	(0.2%)
	DS total		258,238	39.5%
Harman		Digital cockpit, telematics, speakers, etc.	23,673	3.6%
Others		-	(49,959)	(7.6%)
Total			653,885	100.0%

Revenue includes sales between Divisions.

☞ See 『5. Sales and distribution』 for sales by each product.

B. Average selling price changes

In 1Q21, the ASP of TVs increased approximately 13% and that of HHPs increased approximately 5% year-on-year. The ASP of memory products fell by approximately 14% year-on-year, and display panel ASP decreased approximately 16%. The ASP of digital cockpits declined approximately 4% year-on-year.

3. Key production materials

A. Key production materials

For the CE Division, key materials include display panels, which are supplied by CSOT and other companies. For the IM Division, key materials include camera modules and mobile AP, which are supplied by Semco, Qualcomm and others. For the DS Division, key materials include Wafer, chemicals, FPCAs, windows with suppliers including SK Siltron, Soulbrain, BH, Apple, etc. For the Harman division, key materials include SoC products and memory products for in-vehicle solutions, which are supplied by Nvidia, Avnet, etc.

(KRW 100 mil)

Division	Item	Specific usage	Purchase price	Portion ¹⁾	Main supplier(s)	
CE	Display panel	Color picture signaler for TV, Monitor	18,624	28.1%	CSOT, AUO, etc.	
	Steel	Digital appliance Out-Case	3,395	5.1%	POSCO, Dongkuksteel Mill, etc.	
	Others	-	44,249	66.8%		
	Division total		66,268	100.0%		
IM	Camera module	Camera for Mobile	15,566	17.1%	Semco, Partron, etc.	
	Mobile AP	CPU	12,152	13.4%	Qualcomm, MediaTek, etc.	
	Display panel	Color picture signaler for Mobile	5,679	6.2%	BOE, CSOT, etc.	
	Others	-	57,607	63.3%		
	Division total		91,004	100.0%		
DS	Semiconductor	Wafer	Semiconductor disk	5,117	8.5%	SK Siltron, SUMCO etc.
		Chemical	Disk processing	3,781	6.3%	Soulbrain, DongWoo Fine-Chem, etc.
		Others	-	23,676	39.4%	
		Business Total		32,574	54.3%	
	DP	FPCA	Circuit	7,198	12.0%	BH, Apple, etc.
		Window	Tempered glass	6,186	10.3%	Apple, Biel, etc.
		Others	-	13,371	22.3%	
		Business Total		26,755	44.6%	
	Others	-	-	705	1.2%	
	Division Total		60,034	100.0%		
Harman	SoC	Chips for vehicles	1,337	9.2%	Nvidia, Renesas, etc.	
	Automotive memory chip	Chips for vehicles	996	6.9%	Avnet, Microchip, etc.	
	Others	-	12,188	83.9%		
	Division total		14,521	100.0%		
Others	-	-	116	-		
Total		231,943	-			

Purchase price does not include sales between Divisions.

Semco is a subsidiary.

Portion of purchase price of each item compared to total purchase price for the Division's raw materials.

B. Production material price trends

The price of TV and monitor display panels, which are the major production materials for the CE Division, increased approximately 51% year-on-year. For the IM Division, compared to last year, the price of camera modules and display panels for mobile decreased approximately 36% and 21% respectively. The price of mobile AP also decreased, falling approximately 1%. For the DS Division, the price of wafers for semiconductor disks increased approximately 2%, while the price of FPCAs decreased approximately 17% year-on-year. Prices of tempered glass windows decreased approximately 15% year-on-year. For the Harman division, the prices of SoC stayed approximately the same, and memory for vehicles decreased by about 2%.

4. Production and facilities

A. Production capacity, output, utilization rate

(Capacity)

(1,000 units)

Division	Item	Capacity		
		1Q21	2020	2019
CE	Image devices	14,096	51,538	51,418
IM	HHP	80,700	321,600	346,960
DS	Memory	370,362,093	1,230,287,321	988,104,491
	Display panel	1,276	7,274	8,236
Harman	Digital cockpit	2,065	9,362	7,921

Production capacity for major product categories on a consolidated basis.

The CE and IM Divisions' production capacity, by major product, is calculated as follows:

- the average number of lines (x) the average output per hour (x) the average operation hours per day (x) standard days of operation

Memory production capacity for the DS Division is calculated as follows:

- converted output (after packaging, 1Gb equivalent) ÷ the utilization rate

Display panel production capacity is calculated as follows:

- the total producible panel surface area ÷ the dimensions of eighth generation glass (2200x2500mm)

Harman's production capacity for Digital cockpit is calculated as follows:

- the number of production (assembly and test) cells for each customer/product (x) the average production capacity per hour by production cell (x) the average operation hours per day (x) standard days of operation

(Output)

In 1Q21, the CE Division's output of image devices was 11,011 thousand units (major production sites: Mexico, Vietnam, Brazil, and Hungary). The IM Division's output of HHPs was 70,429 thousand units (major production sites: Korea [Gumi], Vietnam, India, and Brazil). The DS Division's memory output (1Gb equivalent) was 370,362 million (major production sites: Korea [Hwaseong, Pyeongtaek] and China). The DP Division's output of display panels was 963 thousand units (major production sites: Korea [Cheonan, Asan], China). The Harman Division's Digital cockpit output was 1,741 thousand units.

(1,000 units)

Division	Item	Output		
		1Q21	2020	2019
CE	Image devices	11,011	48,244	43,964
IM	HHP	70,429	249,218	318,635
DS	Memory	370,362,093	1,230,287,321	988,104,491
	Display panel	963	5,977	6,567
Harman	Digital cockpit	1,741	6,116	6,459

Output for major product categories on a consolidated basis.

(Utilization rate)

In 1Q21, CE and IM utilization rates were calculated as actual output relative to production capacity. The utilization rates were 78.1% for Image devices and 87.3% for HHPs.

(1,000 units)

Division	Item	1Q21		Utilization rate
		Production capacity	Output	
CE	Image devices	14,096	11,011	78.1%
IM	HHP	80,700	70,429	87.3%

The DS Division operates memory and display panel production in three shifts (24 hours a day). Cumulative operating days including holidays were 90 days in 1Q21. The utilization rate was calculated as actual hours [operating days (x) number of production lines (x) 24 hours] relative to production capacity.

(Hours)

Division	Item	1Q21		Utilization rate
		Potential production time	Actual production time	
DS	Memory	19,440	19,440	100.0%
	Display Panel	14,736	14,736	100.0%

In 1Q21, Harman's utilization rate was 84.3% and was calculated as actual output relative to production capacity.

(1,000 units)

Division	Item	1Q21		Utilization rate
		Production capacity	Output	
Harman	Digital cockpit	2,065	1,741	84.3%

B. Production facilities and investment

(Key facilities for production and operation)

The Company's operational activities include manufacturing, development, marketing, and sales. In Korea, operations are located in Suwon, Gumi, Gwangju, Hwaseong, Pyeongtaek, and Asan. Overseas operations in North America, Europe, and China include a total of include nine regional headquarters under the CE and IM Divisions, five regional headquarters under the DS Division, and Harman and its subsidiaries.

[Operations]

Region	Operations	Location
Korea (12)	Suwon	Suwon
	Secho	Seoul
	Woomyeon	Seoul
	Giheung	Yongin
	Hwaseong	Hwaseong
	Pyeongtaek	Pyeongtaek
	Cheonan	Cheonan
	Onyang	Onyang
	Asan	Asan
	Gumi1	Gumi
	Gumi2	Gumi
	Gwangju	Gwangju
Overseas (CE and IM Divisions - nine regional headquarters)	North America	New Jersey, US
	Europe	Surrey, UK
	China	Beijing, China
	Southeast Asia	Singapore, Singapore
	Southwest Asia	Haryana, India
	CIS	Moscow, Russia
	Middle East	Dubai, UAE
	Africa	Johannesburg, South Africa
	Latin America	Sao Paulo, Brazil
Overseas (DS Division - five regional headquarters)	Americas	San Jose, US
	Europe	Eschborn, Germany
	China	Shanghai, China
	Southeast Asia	Singapore, Singapore
	Japan	Tokyo, Japan
Harman	North America HQ	Connecticut, US

Harman's automotive business is mainly based in the US (Novi, MI) and in Germany (Garching), and its Lifestyle business is located in the US (Northridge, CA)

The Company's property, plant and equipment include land, buildings and structures, machinery and equipment, and construction in progress. As of March 31, 2021, their total book value was KRW 132,747.7 billion, which is an increase of KRW 3,794.8 billion from year-end 2020.

(KRW mil)

Classification		Land	Buildings and structures	Machinery and equipment	Under construction	Other tangible assets	Total
Dec 31, 2020	Book value	97,722	345,520	609,941	201,759	34,587	1,289,529
	- Acquisition cost	98,509	550,264	2,330,565	201,759	104,966	3,286,063
	- Accumulated depreciation (including impairment loss)	(787)	(204,744)	(1,720,624)	-	(70,379)	(1,996,534)
Change	General acquisition and capital expenditure	722	6,094	31,797	60,010	3,138	101,761
	Depreciation ¹⁾	(117)	(7,723)	(60,056)	-	(3,581)	(71,477)
	Disposal/discard/impairment	(281)	(967)	64	-	(146)	(1,330)
	Others ²⁾	144	3,566	3,845	521	918	8,994
Mar 31, 2021	Book value	98,190	346,490	585,591	262,290	34,916	1,327,477
	- Acquisition cost	99,064	559,408	2,371,051	262,290	108,881	3,400,694
	- Accumulated depreciation (including impairment loss)	(874)	(212,918)	(1,785,460)	-	(73,965)	(2,073,217)

Market value of major tangible assets is omitted as objective assessment is difficult.

1) Land-depreciation is depreciation expense of right-of-use asset as per K-IFRS 1116 (Lease).

2) Includes effects of FX rates and government subsidies.

(Capex)

The Company's capex in 1Q21 was KRW 9.7 trillion, which included establishing, adding, and upgrading production lines of the semiconductor and DP businesses. Capex in 2021 will be flexibly managed in accordance with changes in the market and we will enhance competitiveness of our major businesses by investing in areas such as infrastructure and memory node migration as well as capacity expansions in memory, system semiconductor, and display.

[Capex, by division]

(KRW 100 mil)

Business	Purpose	Period	Assets	Investment
Semiconductor	Establishment, addition, upgrade	January–March 2021	Buildings, facilities, etc.	84,828
DP	Establishment, addition, upgrade	January–March 2021	Buildings, facilities, etc.	7,395
Other	Establishment, addition, upgrade	January–March 2021	Buildings, facilities, etc.	4,915
Total				97,138

5. Sales and distribution

A. Sales

In 1Q21, the Company recorded total revenue of KRW 65,388.5 billion, an increase of 18% year-on-year. By Division, when compared to the previous year, revenue of the CE Division and DS increased by 28% and 7%, respectively, and IM Division and Harman division also increased by 12% and 13%.

(KRW 100 mil)

Division		Sales types	Product categories	1Q21	2020	2019
CE		Goods, products, services, other	TVs, monitors, refrigerators, washing machines, air conditioners, etc.	129,873	481,733	453,228
IM		Goods, products, services, other	HHPs, Network systems, computers, etc.	292,060	995,875	1,072,662
DS	Semiconductor	Goods, products, services, other	DRAM, NAND flash, mobile APs, etc.	190,062	728,578	649,391
	DP	Goods, products, services, other	OLED panels for smartphones, LCD panels for TVs and monitors	69,230	305,857	310,539
	Others	-	-	(1,054)	(4,074)	(4,750)
	DS total			258,238	1,030,361	955,180
Harman		Goods, products, services, other	Digital cockpit, telematics, speakers, etc.	23,673	91,837	100,771
Others		-	-	(49,959)	(231,736)	(277,832)
Total				653,885	2,368,070	2,304,009

Includes sales between Divisions.

(1) Sales, by major product (on a consolidated basis)

(KRW 100 mil)

Classification	1Q21	2020	2019
Image devices	72,204	277,118	261,775
Mobile devices	282,031	960,217	1,023,318
Memory	144,349	555,442	502,163
Display panels	69,230	305,857	310,539

Includes sales between Divisions

(2) Sales, by type

(KRW 100 mil)

Classification	1Q21	2020	2019
Products	620,829	2,235,963	2,188,604
Services and other sales	33,056	132,107	115,405
Total	653,885	2,368,070	2,304,009

Other sales consists of royalty income, etc.

(3) Sales, by region (on a separate basis)

(KRW 100 mil)

Classification	1Q21	2020	2019
Domestic	57,007	198,331	203,009
Export	Americas	122,676	476,768
	Europe	63,974	235,012
	Asia and Africa	88,247	315,598
	China	118,520	437,403
Total	450,424	1,663,112	1,547,729

Domestic consumption and exports on a separate basis.

B. Sales channels

(1) Domestic

Seller	Sales channel	Consumer
Manufacturer and buyer	Exclusive agencies	Consumer
	Distributor (general merchandise stores, discount stores, department stores, home-shopping, online, etc.)	
	Telecommunication service provider (SKT Co., Ltd., KT Corp., LG Uplus Corp.)	
	B2B and online channels	

(2) Overseas

Seller	Sales channel			Consumer	
Production subsidiaries	Regional sales office	Retailer		Consumer	
		Dealer	Retailer		
		Distributor	Dealer		Retailer
		Telecommunication service provider, automotive OEM			
		Direct sales (B2B and online channels)			
	Regional distribution office	Regional sales office	Retailer		
			Dealer		Retailer
			Distributor		Dealer

(3) Sales ratio (global), by Channel

Channel	Wholesale	Retail	Special/direct sales	Others
Ratio	19%	28%	47%	6%

C. Sales methods and conditions

(1) Domestic

Classification	Channel	Collection	Incidental expense sharing
Exclusive	Retailer	Credit specific	Case specific cost sharing as determined by mutual agreement
Distributor	General merchandise store, discount store, department store, home shopping, online, etc.	Case specific and contract specific	Case specific cost sharing as determined by mutual agreement
Telecommunication service provider	SKT Co., Ltd., KT Corp. LG Uplus Corp.	Case specific and contract specific	Case specific cost sharing as determined by mutual agreement (joint marketing)
B2B and online channels	Corporate clients, etc.	Case specific and contract specific	N/A

(2) Overseas

Classification	Channel	Collection	Incidental expense sharing
Retailer	Retail store	Case specific and contract specific	Case specific cost sharing as determined by mutual agreement
Dealer	General merchandise store, discount store, department store	Case specific and contract specific	Case specific cost sharing as determined by mutual agreement
Distributor	Direct sales to local distributors	Case specific and contract specific	Case specific cost sharing as determined by mutual agreement
B2B and online channels	Corporate clients, etc.	Case specific and contract specific	N/A

D. Sales strategy

- Expand market leadership based on premium products such as smart devices
- Provide differentiated value to customers through brand, products, and services
- Strengthen marketing activities to boost demand from customer/market

E. Major customers

In 1Q21, major customers included Apple, AVP Electronics, Best Buy, Deutsche Telekom, and Verizon (listed alphabetically). Sales to the five major customers accounted for approximately 14% of total sales.

6. Long-term contracts

As of March 31, 2021, there were no long-term contracts that have a significant impact on the Company's financial statement.

7. Financial risk management

A. Financial risk management policy

The Company's financial risk management focuses on minimizing market risk, credit risk, and liquidity risk arising from operating activities. To mitigate these risks, the Company closely monitors each risk factor and operates corresponding financial risk management policies and program. The Company's use of derivative instruments for hedging risks are included in this program.

The finance team mainly carries out the Company's financial risk management. After implementing the global financial risk management policies, the finance team periodically measures, evaluates, and hedges financial risks.

Meanwhile, the Company manages exchange rate risk via monitoring exchange rates and conducting transactions through local finance centers in each major region (United States, United Kingdom, Singapore, China, Brazil, and Russia). Liquidity risk is managed by managing capital as a whole by each region.

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

B. Major financial risks

(1) Market risk

(Foreign exchange risk)

The Company operates internationally and is exposed to foreign exchange risks as it conducts transactions in currencies other than the functional currency. Major currencies that are exposed to foreign exchange risk include USD, EUR, INR, and others.

The Company focuses on minimizing the impact of foreign exchange fluctuation by maintaining the equal amount of assets and liabilities denominated in each foreign currency, irrespective of foreign exchange fluctuation considerations. To prevent 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 for the cash-in currency to be matched up with the cash-out currency.

In order to effectively manage foreign exchange risk, the Company periodically monitors and evaluates exchange rate risk and strictly prohibits speculative foreign exchange transactions.

(Interest rate risk)

Risk of changes in interest rates for floating interest rate financial instruments is defined as the risk that the fair value of components of the consolidated statement of financial position, and future cash flows of interest income (expenses) of a financial instrument, will fluctuate because of changes in market interest rates. The Company's position with regard to interest rate risk exposure is mainly driven by its floating interest rate debt obligations and interest-bearing deposits. The Company implemented policies and operates to minimize uncertainty arising from changes in interest rates and financial expenses.

(Price risk)

The Company's investment portfolio consists of direct and indirect investments in equity securities 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 1Q21, a price fluctuation in relation to marketable equity instruments (listed shares) by 1% would result in changes in other comprehensive income (before income tax effects) of KRW 65,800 million (2020: KRW 36,038 million), and in profit or loss (before income tax effects) of KRW 3,333 million (2020: KRW 1,743 million).

(2) Credit risk

Credit risk arises during the normal course of transactions and investing activities where clients or other parties fail to discharge an obligation. The Company sets and manages the client's and counterparty's credit limit, and evaluates their financial credit rating on a periodic basis based on the client's and counterparty's financial conditions, default history and other important 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 which include financial instrument transactions such as cash and cash equivalents, savings, and derivative instruments. To minimize such risk, the Company transacts only with banks which have strong international credit rating (S&P A and above), and all new transactions with financial institutions with no prior transaction history are approved, managed and monitored by the Company's finance team and the local finance center. The Company generally enters into a financial agreement with no restrictions, such as debt ratio covenants, provision of collateral, and loans or borrowings repayment. The Company requires separate approval for contracts with restrictions.

The Company estimates that its maximum exposure to credit risk is the carrying amount of its financial assets, net of impairment losses.

(3) Liquidity risk

Due to the nature of the Company's business that requires making large investments, maintaining adequate level of liquidity risk is crucial. The Company maintains and manages adequate level of liquidity by periodically forecasting its capital balances, estimating required cash, managing income and expenses, and others.

The Company efficiently manages its liquidity risk by periodically forecasting projected cash flows and by utilizing regional cash pooling, which allows for the use of internal funds when there is a shortage of cash in a region. The cash pooling program allows sharing of surplus funds among entities and contributes to minimizing liquidity risk and strengthening the Company's competitive position by reducing capital operation expenses and financial expenses.

In addition, the Company's headquarters provides payment guarantees to overseas subsidiaries to secure credit limit to brace for a potential large-scale liquidity need.

(4) Capital risk

The purpose of capital management is to protect our capability of continuously providing profit to our shareholders and stakeholders and to maintain a sound capital structure. To this end, the Company monitors capital on the basis of credit rating and the ratio of total liabilities to total equity.

As of March 31, 2021, the Company has an AA- and Aa3 credit rating from S&P and Moody's, respectively, and the figures for total liabilities and total equity are as follows:

	(KRW mil, %)	
	Mar 31, 2021	Dec 31, 2020
Total liabilities	118,557,683	102,287,702
Total equity	274,268,591	275,948,016
Total liabilities to equity ratio	43.2%	37.1%

8. Derivative instruments and put options

The company holds convertible preferred shares of Corning Incorporated and its value as of March 31, 2021 is as follows.

(KRW mil)

	Purchasing price	Fair value	Valuation gain	Valuation loss
Convertible preferred shares	2,434,320	5,839,672	3,405,352	-

Fair value is determined using Trinomial Tree model; valuation gains reflected in equity (other components of equity).

Valuation conducted by Earnest & Young Global Limited

To manage foreign exchange risk, SEC's subsidiaries hedge their foreign currency positions by trading currency forward contracts of currencies other than won. Overseas subsidiaries buy or sell currency forwards through a bank in the purpose of trade and hedging.

As of March 31, 2021, the Company had 2,472 currency forward contracts involving 35 foreign currencies including USD/EUR/JPY. Currency forwards as of March 31, 2021 were as follows:

(KRW mil)

	Asset	Liabilities	Valuation gain	Valuation loss
Currency forwards	87,187	61,353	198,633	162,931

9. Major contracts

Account	Contract information	Contents
Google	Type	Patent cross-license agreement
	Date	Jan 25, 2014 / indefinite term
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing
	Others	Permanent license contract (including patent applications in the next 10 years)
Cisco	Type	Patent cross-license agreement
	Date	Jan 23, 2014
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing
Global Foundries Inc.	Type	Process technology license agreement
	Date	Feb 28, 2014
	Purpose and contents	Expand customer base of 14nm process
InterDigital	Type	Patent license agreement
	Date	Jun 3, 2014
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through patent licensing
Qualcomm	Type	Patent cross-license agreement
	Date	Jan 1, 2018–Dec 31, 2023
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing and signing of covenant not to sue
	Others	-
Apple	Type	Withdrawal of lawsuit agreement
	Date	Jun 26, 2018
	Purpose and contents	Withdraw from all lawsuits in the United States
	Others	-
Nokia	Type	Patent license agreement
	Date	Oct 19, 2018
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through patent licensing
	Others	-
Huawei	Type	Patent cross-license agreement
	Date	Feb 28, 2019
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing

Account	Contract information	Contents
	Others	-
Microsoft	Type	Patent cross-license agreement
	Date	Feb 11, 2019
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing
	Others	-
Google	Type	EMADA
	Date	Feb 27, 2019–Dec 31, 2021 (extended)
	Purpose and contents	Licensing agreement for using Google apps (Play Store, YouTube, etc.) in 31 European countries (EEA)
	Others	-
AMD	Type	Technology licensing agreement
	Date	May 30, 2019
	Purpose and contents	Secure mobile graphics design for mobile products and other applications
	Others	-
Sharp	Type	Patent cross-license agreement
	Date	July 30, 2019
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing
	Others	-
Ericsson	Type	Patent cross-license agreement
	Date	May 7, 2021
	Purpose and contents	Eliminate risk of patent disputes and lawsuits through mutual patent licensing
	Others	-

Information that may be referenced or used in other IP disputes, including contract amount, is excluded.

10. Research and development activities

A. Summary of activities and R&D expenditures

The Company is leading the global market by continuously developing creative and innovative products and the future technology through shifting its way of thinking and understanding customer demand. The Company is doing its utmost to cement its position in the global IT industry and become a worldwide leader in industrial technology by creating and securing next-generation technology.

As of March 31, 2021, the Company's R&D expenses in 2021 were KRW 5,542.4 billion. Among this, KRW 5,440.5 billion was recognized as expenditures, excluding government subsidies and capitalized expenses.

[R&D expenses]

(KRW mil, %)

	1Q21	2020	2019	
Total R&D expenditure	5,542,360	21,229,200	20,207,612	
(Government subsidies)	(239)	(8,228)	(14,677)	
R&D expenditure	5,542,121	21,220,972	20,192,935	
Accounting	Capitalization of development expenses (intangible asset)	(101,577)	(109,482)	(285,699)
	R&D costs (expenses)	5,440,544	21,111,490	19,907,236
R&D expenses/sales ratio ¹⁾		8.5%	9.0%	8.8%

On a consolidated basis.

1) Calculated using total R&D expenditure, which includes government subsidies.

B. R&D organization and operations

(Domestic)

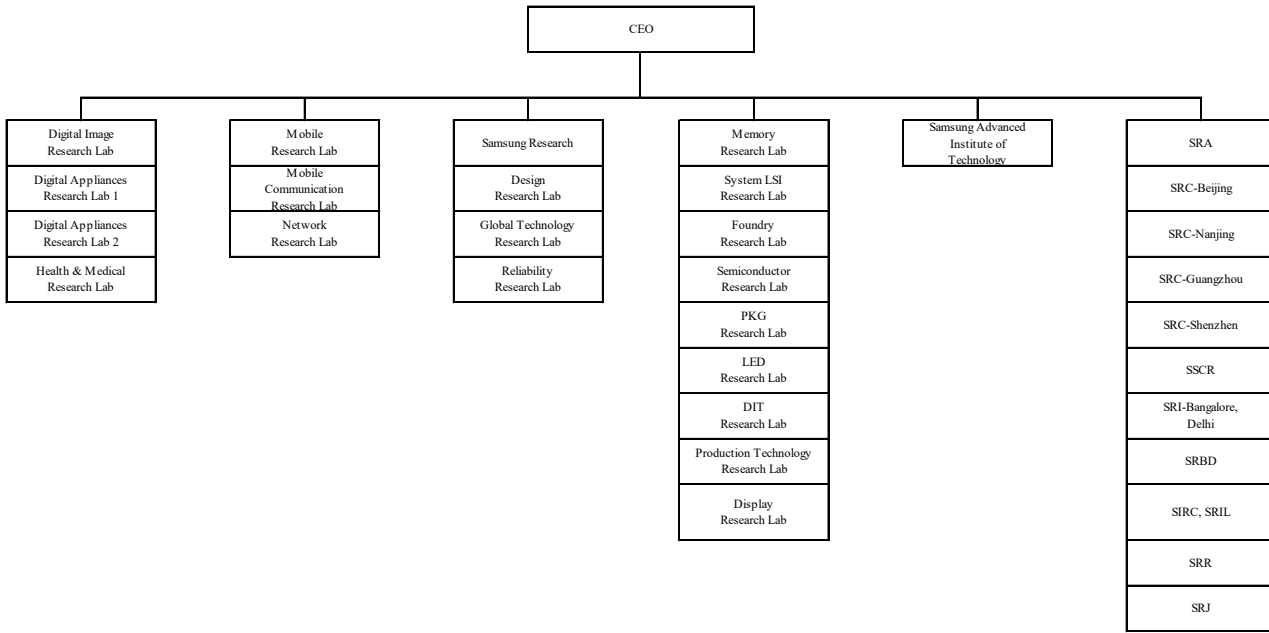
The Company operates three levels of R&D organizations; a business unit development team under each Division that develops market ready technologies with a 1–2 year outlook, a research institute under each business unit that develops mid- to long-term technology with a 3–5 year outlook, and the Samsung Advanced Institute of Technology that develops core technology as seeds for future growth engines.

Samsung Advanced Institute of Technology is the central research institute of Samsung Electronics that has been established to lead the Company into the future and serve as an incubator of cutting-edge technology. It has a creative R&D system and provides R&D direction for promising growth sectors at the Company level, exploring future growth engines and strengthening technological competitiveness of core businesses.

(Overseas)

The Company operates R&D organizations in the US (SRA), China (SRC-Beijing, SRC-Nanjing, SRC-Guangzhou, SRC-Shenzhen, and SSCR), India (SRI-Bangalore and SRI-Delhi), Bangladesh (SRBD), Israel (SRIL and SIRC), Russia (SRR), Japan (SRJ), to carry out research activities for product development and basic technological research.

The Company has established AI centers in Cambridge (United Kingdom), Moscow (Russia), Toronto (Canada), Montreal (Canada), and New York (United States), so our global team of researchers can collaborate with international experts to strengthen capabilities in AI technology.



As of March 31, 2021.

Refer to 『G. Subsidiaries subject to consolidated financial statements』 in 『I. Corporate Overview』 for more details about overseas R&D organizations.

C. R&D results

CE Division	
Research project	Details
Visual Display	
QLED 8K TV February 2019–June 2020	<ul style="list-style-type: none"> □ Flat QLED 8K TV (65/75/85") <ul style="list-style-type: none"> - Blends well with walls: flat design and Infinity screen; no border between screen and bezel—a world's first. - Innovative form factor: metal stand which gives a floating impression - QLED 8K enables picture quality close to real life, high resolution via AI upscaling, True Reality picture quality in any given environment - Multi-sound channel and Object Tracking Sound+ synchronize video and sound, maximizing surround sound experience - Wide range of content, multimedia experiences, and entertainment-specific functions provide convenient and colorful experiences
Neo QLED 8K March 2021	<ul style="list-style-type: none"> □ Ultra high-resolution, slim 8K TV based on Mini LED technology (65 · 75 · 85") <ul style="list-style-type: none"> - Q900 (65 · 75 · 85") / Q800 (65 · 75 · 85") - QLED 8K resolution offers viewing experience as if looking at real-life objects, with enhanced contrast of sophisticated Mini LED
Neo QLED 4K March 2021	<ul style="list-style-type: none"> □ Mini LED-based products come in 3 series and up to 5 sizes (50 · 55 · 65 · 75 · 85") <ul style="list-style-type: none"> - Q85 (55 · 65 · 75 · 85") - Q90 (50 · 55 · 65 · 75 · 85") - Q95 (55 · 65 · 75 · 85") □ Slim design by adopting Mini LED, premium look with bezel-less/metal design <ul style="list-style-type: none"> - New LED with Quantum Nano-Layer Multi-Cell structure, enabling slim design, high luminance efficiency, luminance profile control
QLED 4K TV -March 2021	<ul style="list-style-type: none"> □ Flat QLED 4K TV (43 · 50 · 55 · 60 · 65 · 70 · 75 · 82 · 85") □ Specs and features <ul style="list-style-type: none"> - Flagship QLED maximizes viewing experience with the highest picture quality within 4K (AI/brightness/viewing angle) and sound quality (OTS) - Maximizes immersive experience with the highest level of brightness contrast, free viewing angle, life-like color, and optimal brightness - Optimal viewing experience by identifying user context based on voice recognition and AI technologies
UHD TV -March 2021	<ul style="list-style-type: none"> □ Flat UHD TV (43/50/55/58/65/70/75/82/85") □ Specs and features <ul style="list-style-type: none"> - UHD Smart TV with slim, bezel-less design provides colors close to real-life - UHD picture quality expresses picture quality of original content through Dynamic Crystal Color and Dual LED - Provides a multi-media screen experience, rich content, and complete smart experience via smart home experience
Lifestyle TV -March 2021	<ul style="list-style-type: none"> □ The SERO (43") <ul style="list-style-type: none"> - Simple, modern vertical screen that rotates 360 degrees with flat-type speaker - Easily installed in any living space, mobile floor stand included □ The Frame (43/50/55/65/75") <ul style="list-style-type: none"> - Design resembles a real picture frame; completes a picture frame experience - Exhibit various famous paintings and pictures; adopted lifestyle design which blends in with the interior □ The Serif (43/49/55") <ul style="list-style-type: none"> - I-shaped serif font design; distinct from other products; works as beautiful interior design object □ Outdoor TV (55/65/75") <ul style="list-style-type: none"> - Differentiated product tailored to a lifestyle of relaxing and enjoying entertainment outdoors □ The Premiere (100–130") <ul style="list-style-type: none"> - Ultra-short-throw laser projector with high-resolution, providing the best Smart UX/OTT experience in the industry - Complements any environment with blended design, can be placed directly in front of a wall and has an easily adjustable screen size. - Complete experience of our TV models including the differentiated picture quality and sound
Sound Bar -March 2020	<ul style="list-style-type: none"> □ Soundbar <ul style="list-style-type: none"> - Bar-shaped audio product well suited to TVs - Adopted AI solution enabling voice recognition - Adopted 3D surround system, creating enriching sounds close to first-hand experiences

CE Division

Research project	Details
LCD monitor January 2021–March 2021	<ul style="list-style-type: none"> □ Space monitor <ul style="list-style-type: none"> - Requires minimal space to allow extra space for the user - Integrated arm stand minimizes space need for monitor and frame design that blends into the surroundings □ Gaming monitor <ul style="list-style-type: none"> - Gaming graphics that are comfortable to the eye and, at the same time, highly immersive - High scan ratio provides smooth images without burn-in - Smooth graphics without screen tearing via refresh rate sync supported by Free-Sync □ Introduced high-resolution monitor S65UA 34" <ul style="list-style-type: none"> - Intelligent Eye Care solution: Offers picture solution comfortable to the eye by combining Adaptive picture, Flicker free, and Eye saver mode technologies - USB-C Power Boost: Offers up to 90W charging, enhancing charging speed for high-performance laptops □ LCD Smart monitor <ul style="list-style-type: none"> - Enjoy VOD service without a PC using Smart TV services (Netflix, YouTube, etc.) - Remote Access enables PC experience anywhere a user desires
Signage October 2019-March 2021	<ul style="list-style-type: none"> □ LCD-based B2B Smart Signage (LFD, Video Wall, etc.) (49/55/65/75/85/98") □ Indoor/outdoor signage using LED □ All-in-one Kisok (24"), all additional equipment embedded <ul style="list-style-type: none"> - Payment platform for developing Tizen payment module and ordering app, antibacterial finishing □ Flip-edu (75") interactive feature for education
Home appliances	
Refrigerators May 2019, June 2020, October 2020	<ul style="list-style-type: none"> □ Bespoke refrigerator <ul style="list-style-type: none"> - T-Type · SBS · Kimchi · BMF · Ladder 1Door (24" R/F/Kimchi) · 18" New 1Door - Customers can configure designs in many ways, easy design changes - Can set up combinations of fridge/freezer/kimchi refrigerators between similar models, Kitchen Fit models available □ Chef Collection refrigerator <ul style="list-style-type: none"> - High-end, premium refrigerator - Premium Bespoke design and new CMF - Features water & ice solution: Auto fill pitcher, auto ice maker (dual mode: cocktail Ice, standard Ice) - FDSR energy efficiency grade 1 □ Cube refrigerator <ul style="list-style-type: none"> - Multi Cube refrigerator: customized design and storage (different temperatures for storing wine, beer, and cosmetic products) - Peltier System identifies and creates optimal temperature (between 5–18 °C) - Double Glass System blocks UV and maintains the right temperature - Wi-Fi Control enables real-time monitoring and control - RM(Remote Management) Function: remote assessment and repair, provides information on expiration date of beverages in the fridge
Grande AI washer January 2020	<ul style="list-style-type: none"> □ Grande AI 23kg drum washer and Grande AI dryer <ul style="list-style-type: none"> - Automatic detergent dispenser senses weight and dispenses the right amount of detergent, senses cleaning requirement of laundry and automatically controls washing, rinsing time - Interactive alert box with written letters, heavy spin-dry reducing time and energy for laundry
Air conditioner January 2019, October 2019	<ul style="list-style-type: none"> □ Wind-Free™ Gallery Floor-standing (56.9/62.6/75.5/81.8/92.5 m²) <ul style="list-style-type: none"> - Developed next-gen wind-free platform with the highest level of energy efficiency (56.9 m² single duct model achieved energy efficiency grade 2) - Equipped with wind-free panel 1.5 times larger than previous model and strong booster wind - Booster purification: Filter with 99.95% dust collection efficiency, Design resembling that of furniture, fits comfortably into the surroundings □ Wind-Free™ Gallery Wide air conditioner (24.4/29.3/39.6/49.5 m²) <ul style="list-style-type: none"> - Secured cost competitiveness by developing new integrated QMD-based platform, strengthened product competitiveness - 12% larger fans cools air faster - Wind-free ultra-energy-efficient technology saves up to 77% on electricity - PM1.0 wind-free filtration system removing particles as small as ultra-fine dust
Vacuums January 2019-March 2021	<ul style="list-style-type: none"> □ Jet Cordless vacuum (up to 200W suction) <ul style="list-style-type: none"> - Washable multi-cyclone dust collector, Prevents 99.999% of fine dust from leaking - Equipped with a brush that removes dust and works as a mop, LED display for monitoring - Floor-standing for convenient storage □ Jet 3.0 stick vacuum <ul style="list-style-type: none"> - Embedded auto-empty dustbin, smart display of information via LCD Display - Wet Brush dispenses water, thinner cotton-flannel brush □ Jet Bot+ robot vacuum <ul style="list-style-type: none"> - Smart sensor, smart navigation, cotton-flannel brush, multi-cyclone, auto-empty dustbin

CE Division	
Research project	Details
Cooking appliances March 2021	<ul style="list-style-type: none"> □ Smart Quick Cooker <ul style="list-style-type: none"> - "Multi cook" function allows cooking multiple dishes with different heat source, temperature - Cook more than one dish and finish at the same time with Multi-cook mode - Tray changed from round type to rectangle for more efficient use of space - Seamless cooking experience and intuitive Text Display - Oven interior material changed from enamel to STS for more heat-efficient, sophisticated design.
Water Purifier March 2021	<ul style="list-style-type: none"> □ Water Purifier for homes <ul style="list-style-type: none"> - Modularized water purifier upgradable and customizable to customer's lifestyle, includes auto-care feature - May be modularized to users' needs (ambient/cold/hot water) - Smart AI care, filter received highest number of NSF certification for tankless water purifier - BESPOKE water purifier, customized to users' lifestyle and space
Air Dresser clothing care February 2019	<ul style="list-style-type: none"> □ 24" large-capacity model (can hold long dresses) <ul style="list-style-type: none"> - Long clothing care zone, holds 5 hangers, compared to 3 for 18" model - Real-care (inner-garment care, low noise level), real purification with ultra-fine dust filter, real odor elimination with odor decomposing filter, real-sanitization with jet steam, wrinkle care, real dehumidification dehumidifies the room even with the door closed
Air purifier December 2020	<ul style="list-style-type: none"> □ Bespoke Cube air purifier <ul style="list-style-type: none"> - Premium air purifier in Bespoke lineup - Use one of the three specialized filters as needed: sterilization, deodorization, pet - Customizable to the space, interior, and lifestyle - Mountable on walls to fit the interior without compromising dust-removing function with cubic filtration feature
Air-purification ventilation system September 2020	<ul style="list-style-type: none"> □ Air-purification ventilation system <ul style="list-style-type: none"> - Ventilation capacity 33 m², Airflow 40–50CMH - Ventilates and purifies air indoors by linking ventilation system with air-purification module - Individual air-purification for each separate space, circulation & wind-free purification - Sensors detecting CO₂, etc. enables automatic ventilation depending on air quality change

IM Division	
Research project	Details
Mobile	
Galaxy Foldable September 2019– September 2020	<ul style="list-style-type: none"> □ Galaxy Fold (September 2019) <ul style="list-style-type: none"> - Creating a new market and securing market share by developing world's first in-foldable smart phone <ul style="list-style-type: none"> · 7.3" QXGA+(1,536×2,152) 1.5R in-foldable display · Secured standard technology by developing hinge for in-foldable phones, a world's first (released Feb 2019) - Offers new user experience tailored to foldable smart phones <ul style="list-style-type: none"> · Can use up to three apps with multi-active window function, offering unrivaled multitasking environment · When folding or unfolding the phone, provides app using experience with smooth changes between screens with minimal interruption □ Galaxy Z flip (February 2020) <ul style="list-style-type: none"> - Design: New style with innovative foldable display - Screen: Main 6.7" flexible ultra-thin glass (2,636 x 1080) - cover 1.1"super AMOLED (300 x 112) - Size (W x H x D): (unfolded) 73.6 x 167.3 x 6.9–7.2mm (folded) 73.6 x 87.4 x 15.4–17.3mm - Platform (H/W, S/W): SDM855+, Android 10.0 - Ultra-thin glass technology allows foldable glass display—a first among Galaxy models—and enhances durability - Easy to carry with a new form factor allowing compact size by flip fold - Free-stop feature enables users to freely control the angle of the flip, allowing Flex Mode experience - Screen ratio 21.9:9 enhances suitability of multi active window

IM Division

Research project	Details
	<ul style="list-style-type: none"> □ Galaxy Z Fold 2 (September 2020) <ul style="list-style-type: none"> - Screen: Main display 7.6", cover display 6.2" - Size (W x H x D): (folded) 68 x 159.2 x 13.8 (~16.8) mm - Platform (H/W, S/W): SDM 865 Plus, Android 10, One UI 2.5 - Supports ultra-high speed 5G and 12MP camera - Infinity Flex Display supports flex mode - Dynamic AMOLED 2X display with 120Hz flexible scan rate - Samsung Ultra Thin Glass - Supports wireless Samsung DeX and UWB - Evolved multi-active window enabling simultaneous use of three apps maximum - Provides app continuity from cover display to main display
Galaxy S -January 2021	<ul style="list-style-type: none"> □ Galaxy S10e · S10 · S10+ · S10 5G (5.8/6.1/6.4/6.7") (March 2019, 5G: April 2019) <ul style="list-style-type: none"> - Design: Full Front Punch Hole Infinity Display - Platform (H/W, S/W): Exynos9820, SDM855, Android 9 - World's first model using commercialized 5G technology - Combination of triple cameras delivers zoom, tele, ultra wide function: wide (12M)+tele (12M)+ultra wide (16M) - Supports HDR10+ video shooting on mobile for the first time in the world - Dynamic AMOLED display delivers near-original colors, supports HDR - On-screen fingerprint recognition sensor using ultrasound
	<ul style="list-style-type: none"> □ Galaxy S20 · S20+ · S20 Ultra 5G (March 2020) <ul style="list-style-type: none"> - Design: Best Fit in hand compact, yet large screen design - Screen: S20 6.2", S20+ 6.7", S20 U 6.9" - Size (W x H x D): S20 69.1 x 151.7 x 7.9mm; S20+ 73.7 x 161.9 x 7.8mm; S20 U 76.0 x 166.9 x 8.8mm - Platform (H/W, S/W): Exynos990 · SDM865, Android 10.0, One UI 2.1 - Smartphone that will change the future of mobile and pictures: significantly higher resolution and 8K video recording allows taking pictures and videos in unprecedented quality and easy and swift sharing with 5G - Pictures and videos with significantly higher resolution: S20 · S20+ 64MP, S20 U 108MP - 100x zoom, the highest space zoom yet in smartphones: S20 U 108MP - Take higher quality, clearer and brighter pictures and videos even at night with three times bigger sensor (using AI technology) - Take videos in 8K, the highest quality yet in smartphones - Super steady feature reduces blur from shaking but captures dynamic movements - Single take allows the best pictures and videos with a single shot
	<ul style="list-style-type: none"> □ Galaxy S20 FE (October 2020) <ul style="list-style-type: none"> - Makes S series experience available to more customers - Screen: 6.5" FHD+ sAMOLED Infinity-O (2,400 x 1,080) - Size (W x H x D): 74.5mm x 159.8mm x 8.4mm - Platform (H/W, S/W): Exynos990, SDM865, Android 10.0, One UI 2.5 - New entry-level flagship product equipped with premium features enhances market influence and provides experiences for various functions optimal to customers - Provides major S20 features: 120Hz display, same specs for camera and battery, same AP with flagship models, One UI 2.5 UX
	<ul style="list-style-type: none"> □ Galaxy S21 5G · S21+ 5G · S21 Ultra 5G (January 2021) <ul style="list-style-type: none"> - Design: Iconic and premium full metal camera housing, bezel-less design - Screen: S21 5G 6.2", S21+ 5G 6.7", S21 Ultra 5G 6.8" - Size (W x H x D): S21 5G 71.2 x 151.7 x 7.9 mm, S21+ 5G 75.6 x 161.5 x 7.8 mm, S21 Ultra 5G 75.6 x 165.1 x 8.9 mm - Platform (H/W, S/W): Exynos2100 SDM888, Android 11.0, One UI 3.1 - Supports ultra-high speed 5G, Wi-Fi 6, high-resolution camera <ul style="list-style-type: none"> · Camera: S21 Ultra 108MP, S21 · S21+ 64MP, Multi Camera Recording function · Dynamic AMOLED 2X Infinity-O display with maximum adaptive frequency of 120Hz · Connects to SmartTag for easy registration and finding of objects · Supports Digital Car Key service (S21+ 5G · S21 Ultra 5G only) · Supports S Pen (S21 Ultra 5G only)
Galaxy Note August 2020	<ul style="list-style-type: none"> □ Galaxy Note10 · 10+ (6.3/6.8") (August 2019) <ul style="list-style-type: none"> - Design: Full Front Punch Hole Infinity Display - Platform (H/W, S/W): Exynos9825, SDM855, Android 9.0 - Upgraded S Pen <ul style="list-style-type: none"> · Enhanced usability with higher battery capacity and improved BT latency · Camera controls (can take pictures, change mode, change zoom, etc.), change volume, run apps, operate stopwatch - Note 10+: Quad camera supports high-resolution and maximum viewing angle shooting under wide range of illuminance <ul style="list-style-type: none"> · Wide (12M) + tele (12M) + superwide (16M) + VGA

IM Division	
Research project	Details
	<ul style="list-style-type: none"> □ Galaxy Note20 · 20 Ultra (6.7 · 6.9") (August 2020) <ul style="list-style-type: none"> - Size (W x H x D): Note20 75.2 x 161.6 x 8.3 mm, Note20 Ultra 77.2 x 164.8 x 8.1 mm - Platform (H/W, S/W): Exynos 990 · SDM 865 Plus, Android 10, One UI 2.5 - Supports high-speed 5G and Wi-Fi 6 - First in the Galaxy lineup to support Ultra Wide Band (Note 20 Ultra) - 108MP camera (Note 20 Ultra), 64MP camera (Note 20) - Maximum 120Hz scan rate display (Note 20 Ultra) - First to support wireless Samsung DeX - Supports S pen and Samsung Note; easy-to-use and perfectly resembling pen-writing experience; supports MS Xbox Game
Galaxy Tab -August 2020	<ul style="list-style-type: none"> □ Galaxy Tab S7 · S7+ (August 2020) <ul style="list-style-type: none"> - Design: Premium Tablet (display, pen, performance) - Screen: 12.4" WQXGA AMOLED (16:10, 2800x1752/120Hz), 11" WQXGA LTPS TFT (16:10, 2,560x1,600/120Hz) - Size (W x H x D): 285.0 x 185.0 x 5.7mm (12.4"), 253.8 x 165.3 x 6.3mm (11") - Platform (H/W, S/W): SDM865+, Android 10, One UI 2.5 - Secured premium competitiveness by developing a thin large-display metal design - The first tablet that supports 5G (mmWave) for global carriers and the four major carriers in the US - Enhanced usability of Samsung Notes with 120Hz display and optimal pen latency (9ms) - N-generation AP maximizes performance (seamless multi-tasking & gaming experience)
Galaxy A -March 2021	<ul style="list-style-type: none"> □ Galaxy A52 LTE · 5G (March 2021) <ul style="list-style-type: none"> - Offers enhanced user experience and increased competitiveness via strengthened core features - 6.5" FHD+ sAMOLED HID (2,400 x 1,080) - Size (W x H x D): 75.1mm x 159.9mm x 8.4mm - Platform (H/W, S/W): SDM750G (5G)/SDM720G (LTE), Android 11, One UI 3.1 - Supreme smooth UX/Dynamic refresh rate and Brightest (6.5" sAMOLED with 120Hz (5G)/90Hz (LTE), 800nit) - High-resolution 64MP Quad Camera (64M OIS/12M UW/5M Depth/5M Macro) - Powerful AP with High Capacity Battery (4,500mAh) □ Galaxy A72 (March 2021) <ul style="list-style-type: none"> - Offers enhanced user experience and increase competitiveness via strengthened core features - 6.7" FHD+ sAMOLED HID (2,400 x 1,080) - Size (W x H x D): 77.4mm x 165.0mm x 8.4mm - Platform (H/W, S/W): SDM720G, Android 11, One UI 3.1 - High refresh Rate Brightest Display (6.7" FHD+ sAMOLED with 90Hz, 800nit) - Advanced High-res/Multi Camera, More detail with blur-less (64M OIS/12M UW/8M Tele/5M Macro) - Long-lasting Battery with bigger capacity (5,000mAh) □ Galaxy A32 LTE · 5G (LTE: March 2021; 5G: January 2021) <ul style="list-style-type: none"> - Offer enhanced user experience and increase competitiveness by strengthening core features - LTE 6.4" FHD+ sAMOLED (2,400 x 1,080)/5G 6.5" HD+ TFT (1,600 x 720) - Size (W x H x D): LTE 73.6mm x 158.9mm x 8.4mm/5G 76.1mm x 164.2mm x 9.1mm - Platform (H/W, S/W): LTE MT6769T/5G MT6853V, Android 11, One UI 3.1 - LTE <ul style="list-style-type: none"> · Brightest Display: 800nit Super AMOLED · High Resolution Camera: 64MP Quad (64M W/8M UW/5M Macro/5M Depth) · High Capacity Battery: 5,000mAh - 5G <ul style="list-style-type: none"> · Rich Camera Experience of 48MP Quad, Penta Mode Camera (48M W/8M UW/5M Macro/2M Depth/13M Front) · High Capacity Battery: 5000mAh
Galaxy Book -December 2020	<ul style="list-style-type: none"> □ Galaxy Book Flex 2 (December 2020) <ul style="list-style-type: none"> - Design: 2-in-1 PC with S Pen, QLED display - Screen: 15.6" FHD QLED (16:9, 1920 x 1080), 13.3" FHD QLED (16:9, 1920 x 1080) - Size (W x H x D): (15.6") 355.0mm x 227.2mm x 14.9mm (13.3") 302.6mm x 202.9mm x 12.9mm - Platform, OS: Intel 11th generation CPU, Windows 10 - QLED: Color Volume 100%, Super Bright Outdoor Mode Max 600nit - S Pen: Samsung Notes, Clip Studio, Gesture - SSD: Powerful performance & Latest Gen4 SSD

IM Division

Research project	Details
	<ul style="list-style-type: none"> □ Galaxy Book Flex2 5G (December 2020) <ul style="list-style-type: none"> - 13.3" QLED FHD Up to 600nit Brightness, Color Volume 100% - Size (W x H x D): 304.9mm x 202.3mm x 13.9–14.9mm - Platform, OS: 11th-generation Intel CPU, Intel Iris Xe Graphics, Windows 10 - Supports ultra-fast 5G (Sub-6GHz) <ul style="list-style-type: none"> Connects to state-of-the-art wireless LAN 802.11 ax (Wi-Fi6) - Double Camera <ul style="list-style-type: none"> · World-facing camera (13M AF) and front-facing camera (1M) Camera - Long battery life (20 hours battery life, based on MM14) - Comes with S-Pen, allowing quick expression of inspiration (Digitizer) - Stronger connection to Tablets, Phones <ul style="list-style-type: none"> · Air Command: Offers the same Galaxy UX, quick opening and setting of S Pen · Link to Windows: Smartphone apps opens seamlessly on PCs · Samsung Notes: Links between Phone-Tablet-PC
Galaxy Watch -June 2020	<ul style="list-style-type: none"> □ Galaxy Watch3 BT (June 2020) <ul style="list-style-type: none"> - Design: Premium smart watch resembling the design of a traditional watch - Display: 1.36" (45mm), 1.2" (41mm) OLED (360 x 360) - Size (W x H x D): 45.0 x 46.2 x 11.1 (45mm) 41.0 x 42.5 x 11.3 (41mm) - Platform (H/W, S/W): Exynos9110, Tizen 5.5 - Expanding portfolio to titanium models (high-end segment, derivative project in process) - Identifying and have included differentiated health-related services - Blood pressure, ECG, fall detection features commercialized globally
Galaxy buds January 2020-January 2021	<ul style="list-style-type: none"> □ Galaxy Buds+ (January 2020) <ul style="list-style-type: none"> - Design: Canal-type TWS (True Wireless Stereo) - Platform (HW, SW): MCU (BCM43015), OS (RTOS), BT 5.0 - Battery: Earbuds (85mAh x 2), cradle (270mAh) - Powerful mid to low keys and highest sound quality with application of 2-way speaker (woofer & tweeter) - 2 outer beamforming mic and 1 inner mic optimizes phone call sound - Improved errors in proximity sensor by adding grip sensor - Longest play time compared to products in the same class, with upgraded battery: 22 hours for streaming (earbuds 11H & cradle 11H) □ Galaxy Buds Live (July 2020) <ul style="list-style-type: none"> - Design: Open-type TWS with innovative design and high-quality sound - Size (W x H x D): 16.5 x 27.3 x 14.9mm (earbuds), 50.0 x 50.2 x 27.8mm (cradle) - Platform (H/W, S/W): BCM43015, RTOS - Ergonomic design that fits ears perfectly, provides all-day comfort sitting softly inside the ear. - Open type Active Noise Cancellation reduces background noises but let you hear what you want to hear. - Large-size 12mm speakers and Bass Duct deliver rich, spacious live sound - Three built-in mics and a Voice Pickup Unit enables the best call quality □ Galaxy Buds Pro (January 2021) <ul style="list-style-type: none"> - Design: Premium TWS, in-ear type with Intelligent ANC feature - Size (W x H x D): (earbuds) 20.5mm x 19.5mm x 20.8mm, (cradle) 50.2mm x 50mm x 27.8mm - Platform (H/W, S/W): BCM43015, RTOS - 2Way (woofer + tweeter) 11mm speaker offers enhanced sound quality <ul style="list-style-type: none"> · High-quality phone call sound with 3 mics and accelerometer (voice pickup sensor) · In-ear type, Intelligent ANC and voice detect function instantly switches from ANC to Ambient sound when it hears your voice · 3D Audio provides a truly immersive experience resembling that of a movie theater - IPx7-level water resistant
Network	
RAN S/W Package April 2019	<ul style="list-style-type: none"> □ SVR18.3 5G S/W package <ul style="list-style-type: none"> - S/W Package to commercialize domestic 5G NR for the first time in the world <ul style="list-style-type: none"> · Commercialized 5G NSA by using LTE network links in the Seoul and the capital area · Supports 5G base station (3.5GHz, 28GHz, 39GHz 5G Massive MIMO)
Core S/W Package March 2020	<ul style="list-style-type: none"> □ SVR19B 5G core S/W package <ul style="list-style-type: none"> - Developed containerized-based 5G Core Network Function <ul style="list-style-type: none"> · Efficient and quick service distribution and maintenance cost reduction possible by flexibly containerizing host OS resource

IM Division	
Research project	Details
Base stations September 2019–February 2021	<ul style="list-style-type: none"> □ Developed 5G NR DU (September 2019) <ul style="list-style-type: none"> - New dual CPU based main card and first 5G SoC modem using channel card - Single HW can accommodate a combination of LTE, NR above and NR below products, offering different channels at the same time - Supports high capacity, low power consumption (including power saving) and virtualization/non virtualization S/W structure □ Developed 26GHz 5G NR RFIC Chip (February 2020) <ul style="list-style-type: none"> - 2nd generation RFIC Chip, following SEC's 1st generation products (28GHz/39GHz) <ul style="list-style-type: none"> · 2nd generation has improved evm function, power efficiency, and mass production □ Developed FSU10 (May 2020) <ul style="list-style-type: none"> - FSU (fronthaul switch unit) to support vRAN business - Makes spectrum sharing between LTE and NR (below 6GHz) possible <ul style="list-style-type: none"> · One RU fits both LTE DU and NR vRAN via spectrum sharing □ Developed NR Indoor AU (August 2020) <ul style="list-style-type: none"> - Our first 5G In-building Solution AU product - Small form-factor enables low-power consumption, indoor installation on walls, pillars, and ceilings □ Developed NR C-Band MMU (3.7G 64T64R 200W MMU) (Dec 2020) <ul style="list-style-type: none"> - First ever TDD-based MMU (Massive MIMO Unit) that operates in C-BAND in North America - Supports broadband IBW 280M, thus any carrier with C-Band across the country may use the product □ Developed MMU Beam Forming SoC (Feb 2021) <ul style="list-style-type: none"> - SoC performs functions that Beam Forming FPGA, within MMU board, performs - 30% more power efficient than previous model (Maximum power consumption: less than 40W)

DS Division	
Research project	Details
Memory	
DRAM for mobile July 2019–February 2020	<ul style="list-style-type: none"> □ Mass production of 2nd generation 10-nano class (1y) 12Gb LPDDR5 DRAM for mobile, with highest speed and capacity in the world <ul style="list-style-type: none"> - Next-generation mobile solution with better speed, capacity, and power efficiency - Contributed to introducing 5G smartphones with 1.3 times the speed (5,500Mbps), and 30% lower power consumption - 12Gb LPDDR5-based line up (6GB, 12GB) provided for the first time □ World's first mass production of 16GB LPDDR5 mobile DRAM: highest speed and capacity in the world <ul style="list-style-type: none"> - Performance improved by 30%, capacity by 2 times, and 20% less power consumption vs 8GB LPDDR4X - Gaming performance (picture quality, haptic feedback) same or better than PCs possible with smartphones
DRAM for server August 2019–March 2021	<ul style="list-style-type: none"> □ Mass Production of 1st generation 10-nano class (1x) 256GB 3DS DDR4 DRAM for servers, highest capacity in the world <ul style="list-style-type: none"> - World's first mass production of 256GB DRAM with ultra-high performance and capacity - 2 times the capacity and 30% increase in power efficiency compared to 128GB □ Development of 3rd generation 10-nano class (1z) 8Gb DDR4 DRAM—world's best <ul style="list-style-type: none"> - Secured ultra-fast, ultra-power-efficient solutions for mass production of DDR5 · LPDDR5 - Efficiency up by more than 20% compared to 2nd generation (1y-nano) DRAM - Expand portion of 1z-nano DRAM lineup in the next-generation products by mass production beginning in September in Pyeongtaek
HBM DRAM October 2019–February 2021	<ul style="list-style-type: none"> □ Development of 12-stack 3DS TSV PKG, with world's highest HBM DRAM capacity <ul style="list-style-type: none"> - Development of highest performance and capacity 12GB HBM DRAM for supercomputers—industry's first - 1.5 times the capacity and convenience of system design improved with 8GB package - Strengthened leadership in next-generation HPC DRAM by breakthrough in package technology - Plan to mass produce 24GB HBM, the industry's highest, to meet customer needs □ Rollout of ultra-fast DRAM for AI and next-generation super computer for the first time in the world (16GB HBM2E 'Flashbolt') <ul style="list-style-type: none"> - Stacked 8 10-nano (1y) 16Gb DRAM, enabling 16GB, the highest capacity - Able to send 82 Full HD movies (410GB) at 3.2Gb/sec - Continue to lead market expansion by supplying 2nd generation HBM2 and 3rd generation HBM2E at the same time □ Developed world's first AI HBM-PIM with an AI engine <ul style="list-style-type: none"> - More than two times the performance compared to previous HBM2, system energy reduced by approximately 70%. - Unveiled academic paper in Feb 2021 at conference held by ISSCC, which has the highest reputation in the semiconductor industry - Enables application without changing the system by using existing memory interface - Cooperate with data center and AI customers on standardization of PIM and establishing eco system.

DS Division

Research project	Details
eStorage February 2019–March 2020	<ul style="list-style-type: none"> □ Mass production of next-generation smartphone memory, eUFS 3.0—world’s first <ul style="list-style-type: none"> - Embedded 5th generation (9x-layers) cell stacked 512Gb 3 bit V-NAND for the first time in the industry - Reading and writing 2 times faster compared to eUFS 2.0 - Securing early foothold and high growth in next-generation ultra-high-resolution mobile market □ Industry’s only mass production of 1TB eUFS 2.1, with a writing speed of 1200MB/s <ul style="list-style-type: none"> - 3 times the performance compared to 512GB eUFS 3.0 (continued writing speed of 410MB/s) - Smartphone memory storage (1200MB/s) is 2 times faster than PC (SSD 540MB/s)
SSD for PC –July 2019	<ul style="list-style-type: none"> □ Mass production of 6th-generation (1xx) 256Gb V-NAND-based PC SSD—fastest in the world <ul style="list-style-type: none"> - Exclusive mass production of higher than 100 layers cell single process stacked V-NAND - 1.2 times the speed and productivity higher by more than 20% - Lead the storage market with competitive edge in ultra-fast, ultra-power-efficient products
SSD for server August 2019–February 2021	<ul style="list-style-type: none"> □ Mass production of 5th generation (9x-layer) V-NAND-based 30.72TB NVMe SSD for servers— highest speed and capacity in the world <ul style="list-style-type: none"> - Secured next-generation SSD solution with improved speed, capacity, and efficiency - Introduced 8GB/s PCIe Gen4 SSD with 2.2 times the speed - Exclusively offers top 3 SW (Never Die SSD, FIP, ML) solution □ Mass production of high-performance OCP SSD specialized for data centers <ul style="list-style-type: none"> - Mass production of OCP SSD, the first in the industry for 6th-generation V-NAND - Satisfies performance, power efficiency, reliability, and security demanded by the data center industry - Contributes to cost reduction and carbon emission reduction with industry’s most power efficient feature
Brand SSD January 2020-March 2021	<ul style="list-style-type: none"> □ Launched ‘T7 Touch’, premium portable SSD—highest performance in the industry <ul style="list-style-type: none"> - 5th generation 512Gb V-NAND with world’s highest performance and NVMe controller with ultra-fast embedded interface - Supports reading and writing speed of 1,050MB/s and 1,000MB/s, respectively, up to 9.5 times faster than external HDD (110MB/s) and about 2 times faster than the previous model (SEC’s portable SSD T5) □ Global launch of high-capacity 4-bit SSD ‘870 QVO’ <ul style="list-style-type: none"> - Introduced 4 SATA SSD models including 1/2/4TB and 8TB model, the highest in the industry - Provides optimal solution to customers with need for high-performance/high-capacity computing environment, with quick data-process speed close to the maximum speed of SATA interface - Boasts high speed/capacity, reasonable price, launched in 40 countries in several phases □ Global launch of PCIe-Gen4-applied SSD ‘980 PRO’, boasting highest performance in the industry <ul style="list-style-type: none"> - Provides ultra-high resolution via consumer SSD with the highest-speed in the industry - Continue to lead market for professional PC and workstation used for editing of 8K, 4K videos and games requiring high-specs - 5-year warranty (longest in the industry) □ Global launch of SATA SSD 870 EVO for consumers <ul style="list-style-type: none"> - Latest V-NAND and controller included, intelligent turbolight technology - Highest durability in the industry, run time enhanced by more than 30% - Five models in 250GB to 4TB range, introduced in steps in Korea, US, Germany, and China □ Launched NVMe SSD 980, which boasts high performance and is economical. <ul style="list-style-type: none"> - 6th-generation V-NAND, maximum 6 times the speed compared to SATA SSD - DRAM-less design to save cost, applied optimization technology for controllers and firmware - Heat-control feature, applied to high-end products - Power efficiency enhanced by 56%, compared to 970 EVO, allowing “good consumption” for consumers
EUV March 2020	<ul style="list-style-type: none"> □ Supplied 1 million 1st generation 10-nano class (D1x) DRAM modules <ul style="list-style-type: none"> - Mass production of EUV DRAM—the only company in the industry with EUV DRAM mass production system - Secured 10-nano class advanced process and mass production, enabling next-generation DRAM in a timely manner. - EUV process applied to all 4th generation 10-nano class DRAM, and is now expanding to 5th generation and 6th generation products

DS Division

Research project	Details
System LSI Image Sensor January 2019–February 2021	<ul style="list-style-type: none"> □ ISOCELL Slim sensor with ultra-small pixel size (3T2, 0.8um/20Mp) <ul style="list-style-type: none"> - Highest resolution (20Mp) among 1/3.4" sensors, offers high-resolution optimized for bezel-less displays - Tetracell technology for front camera, allowing high performance under low lighting, high magnification for back camera reduces module size, improving picture quality □ Ultra-high resolution ISOCELL Bright sensor (GW1, 0.8um/64Mp) <ul style="list-style-type: none"> - DCG structure enhances dynamic range - Super PD technology maximizes auto-focus function and enables 480-frames-per-second, full-HD slow motion function - Rich colors by supporting real-time HDR □ High resolution ISOCELL Bright sensor (GM2, 0.8um/48Mp) <ul style="list-style-type: none"> - Super PD technology maximizes auto-focus function and enables 240-frames-per-second, full-HD slow motion function □ World's first 108Mp ISOCELL Bright sensor (HMX, 0.8um/108Mp) <ul style="list-style-type: none"> - AI-ISO-applied S/W controls the amount of light, enhancing color reproduction - Can shoot 30 frames per second in 6k - Improved sensitivity with ISOCELL plus and Tetracell technology □ ISOCELL Slim sensor with world's smallest pixel size (GH1, 0.7um/43.7Mp) <ul style="list-style-type: none"> - Enables easier application of full-screen display set thanks to smaller and thinner module - Supports high-resolution videos and minimizes loss of viewing angle - Improved sensitivity with ISOCELL plus and Tetracell technology □ Industry's first next-generation 108Mp ISOCELL Bright sensor with 2-times the sensitivity enabled by Nonacell technology <ul style="list-style-type: none"> - Enables preview function without compromising picture quality in 3x magnification, thanks to enhanced zoom feature - Features state-of-the-art technologies: smart ISO, real-time HDR, digital correction of shaking images □ Dual-pixel and Tetracell-technology-based sensors (GN1, 1.2um/50Mp) <ul style="list-style-type: none"> - Offers images in 100Mp with dual-pixel technology (2 photodiodes in a pixel) - Takes bright, sophisticated images with Tetracell technology (enables 4 times the sensitivity in the dark) □ Established industry's first lineup of 0.7um-pixel-based image sensors (HM2, GW3, GM5, JD1) <ul style="list-style-type: none"> - Leadership in ultra-small, high-resolution image sensor technology with state-of-the-art 'ISOCELL 2.0' technology and more <ul style="list-style-type: none"> - (HM2) first to offer 108Mp with 0.7um pixel - (GW3) takes 60-frames-per-second 4K 64Mp images - (GM5) takes 48 Mp images supporting ultra-wide angle and folded zoom - (JD1) ultra-small 32Mp product, optimal for bezel-less design □ Introduced ISOCELL HM3, 108MP premium image sensor (HM3, 0.8um/108Mp) <ul style="list-style-type: none"> - Concentrated 108 million 0.8 μm-size pixels in 1/1.33 inch - Minimizes afterimage with Smart ISO Pro, enabling bright, vivid images - Lens optimal for autofocus with Super PD Plus, enhanced phase detection ability by 50% - Optimal design saves approximately 6% of power under preview mode, compared to previous model □ Introduced image sensor ISOCELL GN2, operating similar to human eyes (GN2, 1.4um/50Mp) <ul style="list-style-type: none"> - Dual Pixel Pro splits pixels diagonally—a world's first - 1.4um pixel delivers brighter and more vivid images - Staggered HDR saves power by approximately 24% compared to previous model

DS Division

Research project	Details
Exynos Mobile January 2019–January 2021	<ul style="list-style-type: none"> □ World's first modem solution for 5G smartphones (Exynos modem 5100, Exynos RF 5500, Exynos SM 5800) <ul style="list-style-type: none"> - Data transmission 1.7 times faster compared to LTE - New RF · SM, improved power efficiency for transmission □ Best-in-class 7-nano 5G modem (Exynos 5123) <ul style="list-style-type: none"> - Maximum 2 times faster compared to previous model in sub-6GHz 5G network - Achieved maximum speed of 3.0Gbps in 4G network - Supports global Sub-6GHz/mmWave □ SoC for automobile infotainment (Exynos auto V9) <ul style="list-style-type: none"> - Octa-core CPU simultaneously controls 6 displays and 12 cameras - 3 GPU respectively supports dashboard · CID · HUD - NPU enables digital recognition of voice · face · movement - Enhanced stability by securely supporting ASIL-B function □ SoC exclusively for short-distance IoT with low power consumption and enhanced security (Exynos i T100) <ul style="list-style-type: none"> - Processor · memory · communications function in a package □ One-chip integrating 5G modem supporting sub-6GHz and AP (Exynos 980) <ul style="list-style-type: none"> - Supports latest communications feature including EN-DC, Wi-Fi 6 - Enhanced NPU function compared to previous generation and premium products □ Enhanced functions with 5th-generation CPU and premium GPU (Exynos 990) <ul style="list-style-type: none"> - AI processing higher than 10 TOPS enhanced image analyzing and face recognition function - Supports latest LPDDR5 DRAM and high-resolution camera of 50MP ↑ □ Launched Exynos 2100, 5G-integrated premium mobile AP <ul style="list-style-type: none"> - Applied state-of-the-art 5-nano EUV process and the latest CPU/GPU, enhancing performance significantly - Optimal design improves performance compared to previous model: more than 30% for CPU, more than 40% for GPU - Enhanced on-device AI function, performs 26 trillion operations per second - Saves power consumption by maximum 20%, features its own power management solution AMIGO - Supports ultrahigh-frequency 5G network, operates maximum 6 image sensors
LSI January 2019–September 2020	<ul style="list-style-type: none"> □ PDIC for TA supporting USB-PD 3.0 standard and high-speed charge protocol (MM101) <ul style="list-style-type: none"> - Moisture detection, voltage protection function □ World's first one-chip integrating PDIC and SE (SE8A) <ul style="list-style-type: none"> - Blocks unauthorized products by supporting type-C authorization - Supports advanced security features such as saving security key · authorization certificate, supporting encryption · decryption □ Industry's first integrated power-managing chip for wireless earphones (MUA01, MUB01) <ul style="list-style-type: none"> - Integrates multiple chips, optimized for small-size batteries - Provides optimal solution for rapidly-growing wireless earphone market □ DDI enables optimized ultra-high resolution for 8K TVs and enhanced transmission efficiency (S6CT93P) <ul style="list-style-type: none"> - Enhanced signal quality and development efficiency by utilizing equalizer S/W □ Best integrated security solution for mobile (S3K250AF) <ul style="list-style-type: none"> - Independently developed S/W in H/W security chip, which received EAL 5+ in Common Criteria - Mobile security solution lays the foundation for new mobile services □ Received EAL 6+, the highest rank for mobile device, solution with independently-developed S/W (S3FV9RR) <ul style="list-style-type: none"> - Useable for various smart devices, as the solution operates independently for various processors - Various functions including H/W secure boot, device authentication offer stronger security
Foundry	
Ship eMRAM solution products (based on 28nm FD-SOI process) March 2019	<ul style="list-style-type: none"> □ Combined low-power process and next-generation embedded memory technology <ul style="list-style-type: none"> - Maximized power efficiency as the product uses low motion power and eliminates standby power and an erase cycle - Supports record speed about 1000 times faster than the previous eFlash □ Embedded to system semiconductor by using minimum layers <ul style="list-style-type: none"> - Reduced production costs thanks to a simpler design structure □ Optimal for MCU/IoT/AI thanks to low-power and small size
5nm EUV process April 2019	<ul style="list-style-type: none"> □ Developed 5nm EUV process with EUV lithography <ul style="list-style-type: none"> - 25% decrease in logic area efficiency with 20% lower power consumption or 10% higher performance compared to 7nm by optimizing cell architecture - Previous 7nm customers can utilize the same IP in the 5nm EUV process
3D IC packaging technology 'X-Cube' August 2020	<ul style="list-style-type: none"> □ Developed 3D IC packaging technology 'X-Cube' and the infrastructure for the design <ul style="list-style-type: none"> - Uses TSV technology to stack different chips individually made from different wafers to make them into one chip <ul style="list-style-type: none"> · Allows greater flexibility in design by reducing the chip size and using high-capacity memory solution · Significant leaps in data-processing speed and power efficiency of system semiconductors - Design method and tools to apply 'X-Cube' on 5-nano and 7-nano processes have been verified. <ul style="list-style-type: none"> · Produced industry's first test chip that stacks SRAM on top of EUV 7-nano logic die

DS Division

Research project	Details
Display panel	
Hole in Display OLED for Galaxy S10 March 2019	<ul style="list-style-type: none"> □ Maximized screen size via world's first commercialization of Flexible Hole in Display <ul style="list-style-type: none"> - One S10 6.1" 3K QHD+(3,040×1,440) Hole, Two S10+ 6.4" Holes □ Offers a comfortable display by significantly decreasing blue light <ul style="list-style-type: none"> - Decreased blue light emission 42% from S9 (TUV Rheinland Eye Comfort Certification)
15.6" UHD OLED for NPC May 2019	<ul style="list-style-type: none"> □ Developed world's first 4K OLED display for NPC <ul style="list-style-type: none"> - 15.6" UHD (3,840 x 2,160), 16:9 - Blue light reduction, shorter response time, wide field of view allow vivid images
4K high-resolution OLED for smartphones June 2019	<ul style="list-style-type: none"> □ Developed world's first 4K mobile OLED display <ul style="list-style-type: none"> - 6.5" UHD (1,644×3,840), 643ppi,16M Color - Offers original cinematic movie ratio of 21:9
Curved LCD for gaming monitors June 2019	<ul style="list-style-type: none"> □ Developed world's first 240Hz Curved LCD display <ul style="list-style-type: none"> - 27" FHD (1920×1080), 16:9 - High refresh rate of 240Hz, supports G-sync, allowing uninterrupted gaming environment - Curvature of 1500R, wide viewing angle allow highly-immersive gaming experience
Foldable OLED for Galaxy Fold September 2019	<ul style="list-style-type: none"> □ Display innovation by developing the world's first foldable display <ul style="list-style-type: none"> - In-foldable AMOLED (radius: 1.5R) - 7.3" QXGA+ (1,536×2,152), 4:3 - Decreased display thickness by approximately 50% (vs existing panels) by developing polymer composite material
Foldable OLED for Galaxy Z Flip February 2020	<ul style="list-style-type: none"> □ Mass production of world's first glass type window foldable display <ul style="list-style-type: none"> - 6.7" Full HD+(1,080x 2,640) - Improved durability and applied camera hole (first in foldable phones) by using UTG (ultra-thin glass)
WQ+ high-speed OLED for Galaxy S20 March 2020	<ul style="list-style-type: none"> □ Maximized touch feature with world's first WQ+ resolution, 120Hz, high speed <ul style="list-style-type: none"> - S20 6.23"/6.67"/6.87" QHD+(3,200×1,440) - Harmful blue light less than 6.5%, Eye Care Display certified (SGS, international certification institution)
Foldable OLED for Galaxy Z Fold 2 2 September 2020	<ul style="list-style-type: none"> □ World's first mass production of foldable display with a 1.4R curvature <ul style="list-style-type: none"> - 7.6" (2,208 ×1,768) in – foldable - Achieved 1.4R curvature radius via structural design that minimizes folding stress - Improved power efficiency with adaptive frequency (adjusts scan rate from 10-120Hz to screen)
Power-efficient OLED for Galaxy S21 January 2021	<ul style="list-style-type: none"> □ Mass production of innovative power-efficient, high-luminance OLED displays <ul style="list-style-type: none"> - S21: 6.24"/6.67"/6.81" QHD+(3,200×1,440) - New organic material improves luminance efficiency: improved power efficiency by 16% compared to previous model - Enhanced luminance and contrast offers good visibility outdoors (Max/HBM 420/800 → 500/1100nit, Peak 1,785nit) → Sunlight Visibility certification by UL (global safety solutions company)

11. Other information

A. Intellectual property

Intellectual property activities are an integral part of our R&D strategies—SEC registered its first US patent in 1984 and currently holds 199,008 patents around the world. The Company holds the highest number of its patents (cumulative number) in the US and aims to address conflicts in the US more effectively.

<Number of patents registered in each country (cumulative as of March 31, 2021)>

	Korea	US	Europe	China	Japan	Others	Total
Number	42,314	78,639	37,522	18,119	9,564	12,850	199,008

In 1Q21, the Company invested KRW 5.5 trillion in R&D and registered 1,934 domestic and 2,177 US patents.

<Number of patent registrations per year>

(Unit: No. of patents)

	1Q21	2020	2019
Korea	1,934	6,648	5,075
US	2,177	8,520	8,729

These patents are mostly related to smartphones, smart TVs, memory, and system LSI products for the Company's strategic business products or for future use. These patents not only protect the Company's business but also play a role in keeping similar technology and patents, as well as competitors, in check. Additionally, the Company is focusing on securing early patents in new technologies ahead of others, in order to protect opportunities and have the freedom to operate when entering new businesses.

The Company has signed cross-licensing agreements with Google (signed in January 2014), Cisco (January 2014), Qualcomm (January 2018), Nokia (October 2018), Microsoft (February 2019), Sharp (July 2019), and Ericsson (May 2021) through which the Company has secured an extensive patent protection in mainstay businesses as well as in the fields of new business.

The Company has also been focusing on securing design patents to protect its original design applied to smartphones and TVs. In 1Q21, the Company acquired 124 US patents, in part for the aforementioned purposes.

B. Environmental regulations

The Company strictly abides by environmental regulations on products and in the workplace, as prescribed by law. In addition, in accordance with “the low carbon green growth policy” of the Korean government, the Company reports “the amount of greenhouse gas emission and energy use” to the government and provides related information to stakeholders by providing various reports, including the Samsung Sustainability Report.

☞ See 『11. Green Management』 of 『XI. Other Information』 for more details about Green Technology Certification.

(Environmental regulation of products)

Environmental regulation of products are becoming stricter, reflecting the concerns of governments and regulators about potential direct and indirect impact of products to consumers' health and safety as consumers. Accordingly, the Company is working to minimize the environmental impact throughout the entire life cycle of products from the development stage of components and products to manufacturing, distribution, use, and disposal. The Company offers "Eco-Partner Certification" to suppliers for components free of harmful substances, and runs an "eco-design evaluation" system to reflect eco-friendly elements on products (reduced use of resources, energy and harmful substances, and the use of eco-friendly materials) at the development stage, and operates a "waste electronics collection recycle system" in Europe, North America, Korea, and India for collecting and recycling waste electronics. These activities are in line with domestic and foreign environmental laws on electronics and are a differentiation factor for the Company and its products.

Relevant laws are as follows:

1. law on collection and recycle of waste electronics (eg, EU WEEE Directive)
2. limit on the use of harmful substances (eg, EU RoHS Directive, REACH Regulation)
3. regulation on energy efficiency (eg, EU ErP Directive)

(Environmental Regulations in the Workplace)

The Company operates environmental pollution prevention facilities to reduce air pollution, water pollution, and waste disposal, and to minimize the discharge of pollutants, thereby minimizing impact on the surrounding environment.

Environmental management of workplace is supervised by the relevant government authorities. All production facilities, domestic and overseas, have acquired the International Occupational Health and Safety Management System Certification (ISO 14001, OHSAS18001) to strengthen compliance.

Major Relevant Domestic and International Laws are as follows:

1. Regulations related to emission of pollutants: Water Quality and Ecosystem Conservation Act, Clean Air Conservation Act, Wastes Control Act, Noise and Vibration Control Act, Environmental Impact Assessment Act
2. Management of greenhouse gas emission: Act on Allocation and Trading of Greenhouse Gas Emission, Framework Act on Low Carbon, Green Growth
3. Others: Toxic Chemicals Control Act, Act on the Registration and Evaluation, etc. of Chemical Substances, Odor Control Law, Soil Environment Conservation Act

(Greenhouse gas emission and energy consumption management)

The Company is a “controlled entity” according to Article 42 (Coping with Climate Change and Management of Targets for Energy) Paragraph 6 of Korea’s “Framework Act on Low Carbon, Green Growth.” Thus, the Company has been reporting the amount of greenhouse gas emission and energy consumption, verified by a third-party, to the authorities and disclosing it to stakeholders according to Article 44 (Reporting on Quantity of Greenhouse Gases Emitted and Quantity of Energy Consumed) of the same Act since May 2011.

The reported amount of greenhouse gas emission and energy use are provided below:

(Unit: tCO₂-eq, TJ)

	2020	2019	2018
Greenhouse gas (tCO ₂ -eq)	17,233,281	15,998,397	15,890,234
Energy (TJ)	255,990	242,345	237,762

On a consolidated basis. See 『11. Green Management』 of 『XI. Other Information』 for results on a separate basis.

Domestic manufacturing facilities, office buildings, buildings owned by the Company, leased buildings, etc.

Reported Greenhouse gas emission excludes ozone depletion substances (ODS).

Amounts may differ based on results of governmental evaluations on emissions.

From 2015, in accordance with the Article 8 (Designation of Business Entities Eligible for Allocation) of the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits, the Company is an eligible business entity under the Act.

III. Financial Affairs

1. Consolidated financial statements

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	March 31, 2021 KRW	December 31, 2020 KRW	March 31, 2021 USD	December 31, 2020 USD
Assets					
Current assets					
Cash and cash equivalents	3, 25	41,039,591	29,382,578	36,866,507	26,394,830
Short-term financial instruments	3, 25	87,159,273	92,441,703	78,296,540	83,041,830
Short-term financial assets at amortized cost	3, 25	3,526,888	2,757,111	3,168,259	2,476,756
Short-term financial assets at fair value through profit or loss	3, 4, 25	59,495	71,451	53,445	64,186
Trade receivables	3, 25	33,962,077	30,965,058	30,508,666	27,816,397
Non-trade receivables	3, 25	3,828,263	3,604,539	3,438,989	3,238,014
Prepaid expenses		2,660,029	2,266,100	2,389,546	2,035,673
Inventories	5	30,619,976	32,043,145	27,506,404	28,784,859
Other current assets	3, 25	4,594,468	3,754,462	4,127,282	3,372,691
Assets held-for-sale	28	1,705,293	929,432	1,531,891	834,923
		209,155,353	198,215,579	187,887,529	178,060,159
Non-current assets					
Financial assets at fair value through other comprehensive income	3, 4, 25	13,399,200	12,575,216	12,036,711	11,296,513
Financial assets at fair value through profit or loss	3, 4, 25	1,121,071	1,202,969	1,007,076	1,080,646
Investment in associates and joint ventures	6	8,096,721	8,076,779	7,273,411	7,255,497
Property, plant and equipment	7	132,747,712	128,952,892	119,249,349	115,840,403
Intangible assets	8	18,386,683	18,468,502	16,517,045	16,590,545
Net defined benefit assets	11	1,041,056	1,355,502	935,197	1,217,669
Deferred income tax assets		4,087,139	4,275,000	3,671,541	3,840,299
Other non-current assets	3, 25	4,791,339	5,113,279	4,304,135	4,593,339
		183,670,921	180,020,139	164,994,465	161,714,911
Total assets		392,826,274	378,235,718	352,881,994	339,775,070

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	March 31, 2021 KRW	December 31, 2020 KRW	March 31, 2021 USD	December 31, 2020 USD
Liabilities and Equity					
Current liabilities					
Trade payables	3, 25	11,133,583	9,739,222	10,001,472	8,748,896
Short-term borrowings	3, 9, 25	16,148,220	16,553,429	14,506,199	14,870,205
Other payables	3, 25	26,582,724	11,899,022	23,879,677	10,689,078
Advances received	14	1,785,500	1,145,423	1,603,943	1,028,951
Withholdings	3, 25	1,005,454	974,521	903,215	875,427
Accrued expenses	3, 14, 25	22,442,686	24,330,339	20,160,616	21,856,325
Current income tax liabilities		4,457,647	4,430,272	4,004,374	3,979,783
Current portion of long-term liabilities	3, 9, 10, 25	737,865	716,099	662,836	643,283
Provisions	12	4,509,377	4,349,563	4,050,844	3,907,281
Other current liabilities	3, 14, 25	1,105,971	1,127,719	993,511	1,013,048
Liabilities held-for-sale	28	200,435	338,742	180,054	304,297
		90,109,462	75,604,351	80,946,741	67,916,574
Non-current liabilities					
Debentures	3, 10, 25	962,755	948,137	864,858	851,726
Long-term borrowings	3, 9, 25	2,123,829	1,999,716	1,907,869	1,796,376
Long-term other payables	3, 25	1,509,926	1,682,910	1,356,390	1,511,784
Net defined benefit liabilities	11	489,469	464,458	439,698	417,230
Deferred income tax liabilities		20,206,147	18,810,845	18,151,498	16,898,077
Long-term provisions	12	1,113,153	1,051,428	999,963	944,514
Other non-current liabilities	3, 14, 25	2,042,942	1,725,857	1,835,206	1,550,364
		28,448,221	26,683,351	25,555,482	23,970,071
Total liabilities		118,557,683	102,287,702	106,502,223	91,886,645

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	March 31, 2021 KRW	December 31, 2020 KRW	March 31, 2021 USD	December 31, 2020 USD
Equity attributable to owners of the Company					
Preference shares	15	119,467	119,467	107,319	107,319
Ordinary shares	15	778,047	778,047	698,932	698,932
Share premium		4,403,893	4,403,893	3,956,086	3,956,086
Retained earnings	16	266,066,142	271,068,211	239,011,382	243,504,819
Other components of equity	17	(5,616,350)	(8,687,155)	(5,045,254)	(7,803,807)
Accumulated other comprehensive income attributable to assets held-for-sale	28	16,055	(12,132)	14,422	(10,898)
		265,767,254	267,670,331	238,742,887	240,452,451
Non-controlling interests		8,501,337	8,277,685	7,636,884	7,435,974
Total equity		274,268,591	275,948,016	246,379,771	247,888,425
Total liabilities and equity		392,826,274	378,235,718	352,881,994	339,775,070

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended March 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Revenue	26	65,388,503	55,325,178	58,739,516	49,699,474
Cost of sales	18	41,499,985	34,806,694	37,280,086	31,267,398
Gross profit		23,888,518	20,518,484	21,459,430	18,432,076
Selling and administrative expenses	18, 19	14,505,650	14,071,139	13,030,653	12,640,325
Operating profit	26	9,382,868	6,447,345	8,428,777	5,791,751
Other non-operating income	20	299,742	315,506	269,263	283,424
Other non-operating expense	20	324,240	364,055	291,270	327,036
Share of net profit of associates and joint ventures	6	147,519	60,644	132,519	54,477
Financial income	21	2,238,638	3,791,378	2,011,004	3,405,854
Financial expense	21	1,993,882	3,493,966	1,791,135	3,138,684
Profit before income tax		9,750,645	6,756,852	8,759,158	6,069,786
Income tax expense	22	2,608,960	1,871,926	2,343,671	1,681,580
Profit for the period		7,141,685	4,884,926	6,415,487	4,388,206
Profit attributable to					
Owners of the Company		7,092,786	4,889,599	6,371,560	4,392,404
Non-controlling interests		48,899	(4,673)	43,927	(4,198)
Earnings per share (in Korean won, in US dollars)	23				
- Basic		1,044	720	0.94	0.65
- Diluted		1,044	720	0.94	0.65

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended March 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Profit for the period		7,141,685	4,884,926	6,415,487	4,388,206
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	1,885,011	(1,109,611)	1,693,335	(996,781)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	14,425	(46,974)	12,958	(42,197)
Remeasurement of net defined benefit liabilities (assets), net of tax	17	(32,739)	(32,696)	(29,410)	(29,371)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	(53,921)	28,944	(48,438)	26,000
Gain on overseas business translation, net of tax	17	2,457,265	2,228,543	2,207,400	2,001,935
Gain (loss) on valuation of cash flow hedge derivatives	17	29,085	(29,038)	26,128	(26,085)
Other comprehensive income for the period, net of tax		4,299,126	1,039,168	3,861,973	933,501
Total comprehensive income for the period		11,440,811	5,924,094	10,277,460	5,321,707
Comprehensive income attributable to:					
Owners of the Company		11,221,179	5,971,500	10,080,161	5,364,293
Non-controlling interests		219,632	(47,406)	197,299	(42,586)

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2020 KRW	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, 2020		119,467	778,047	4,403,893	254,582,894	(4,968,829)	254,915,472	7,964,949	262,880,421
Profit for the period		-	-	-	4,889,599	-	4,889,599	(4,673)	4,884,926
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax		-	-	-	11,854	(1,011,548)	(999,694)	(109,917)	(1,109,611)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax		-	-	-	-	(18,090)	(18,090)	60	(18,030)
Gain on overseas business translation, net of tax		-	-	-	-	2,161,419	2,161,419	67,124	2,228,543
Remeasurement of net defined benefit liabilities/assets, net of tax		-	-	-	-	(32,696)	(32,696)	-	(32,696)
Loss on valuation of cash flow hedge derivatives		-	-	-	-	(29,038)	(29,038)	-	(29,038)
Total comprehensive income for the period		-	-	-	4,901,453	1,070,047	5,971,500	(47,406)	5,924,094
Dividends declared		-	-	-	(2,405,428)	-	(2,405,428)	(7,074)	(2,412,502)
Capital transactions under common control		-	-	-	-	(1,126)	(1,126)	(568)	(1,694)
Others		-	-	-	-	1,352	1,352	(3,948)	(2,596)
Total transactions with owners		-	-	-	(2,405,428)	226	(2,405,202)	(11,590)	(2,416,792)
Balance as of March 31, 2020		119,467	778,047	4,403,893	257,078,919	(3,898,556)	258,481,770	7,905,953	266,387,723

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.3))

2020 USD	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, 2020		107,319	698,932	3,956,086	228,695,801	(4,463,577)	228,994,561	7,155,038	236,149,599
Profit for the period		-	-	-	4,392,404	-	4,392,404	(4,198)	4,388,206
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax		-	-	-	10,648	(908,689)	(898,041)	(98,740)	(996,781)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax		-	-	-	-	(16,251)	(16,251)	54	(16,197)
Gain on overseas business translation, net of tax		-	-	-	-	1,941,637	1,941,637	60,298	2,001,935
Remeasurement of net defined benefit liabilities(assets), net of tax		-	-	-	-	(29,371)	(29,371)	-	(29,371)
Loss on valuation of cash flow hedge derivatives		-	-	-	-	(26,085)	(26,085)	-	(26,085)
Total comprehensive income for the period		-	-	-	4,403,052	961,241	5,364,293	(42,586)	5,321,707
Dividends declared		-	-	-	(2,160,834)	-	(2,160,834)	(6,355)	(2,167,189)
Capital transactions under common control		-	-	-	-	(1,012)	(1,012)	(510)	(1,522)
Others		-	-	-	-	1,215	1,215	(3,547)	(2,332)
Total transactions with owners		-	-	-	(2,160,834)	203	(2,160,631)	(10,412)	(2,171,043)
Balance as of March 31, 2020		107,319	698,932	3,956,086	230,938,019	(3,502,133)	232,198,223	7,102,040	239,300,263

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2021 KRW	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2021		119,467	778,047	4,403,893	271,068,211	(8,687,155)	(12,132)	267,670,331	8,277,685	275,948,016
Profit for the period		-	-	-	7,092,786	-	-	7,092,786	48,899	7,141,685
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	1,029,405	727,402	-	1,756,807	128,204	1,885,011
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	-	-	-	-	(25,556)	-	(25,556)	(13,940)	(39,496)
Gain on overseas business translation, net of tax	17	-	-	-	-	2,400,810	-	2,400,810	56,455	2,457,265
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(32,753)	-	(32,753)	14	(32,739)
Gain on valuation of cash flow hedge derivatives	17	-	-	-	-	29,085	-	29,085	-	29,085
Reclassification to assets held-for-sale	28	-	-	-	-	(28,187)	28,187	-	-	-
Total comprehensive income for the period		-	-	-	8,122,191	3,070,801	28,187	11,221,179	219,632	11,440,811
Dividends declared		-	-	-	(13,124,260)	-	-	(13,124,260)	(310)	(13,124,570)
Capital transactions under common control		-	-	-	-	-	-	-	(288)	(288)
Others		-	-	-	-	4	-	4	4,618	4,622
Total transactions with owners		-	-	-	(13,124,260)	4	-	(13,124,256)	4,020	(13,120,236)
Balance as of March 31, 2021		119,467	778,047	4,403,893	266,066,142	(5,616,350)	16,055	265,767,254	8,501,337	274,268,591

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.3))

2021 USD	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2021		107,319	698,932	3,956,086	243,504,819	(7,803,807)	(10,898)	240,452,451	7,435,974	247,888,425
Profit for the period		-	-	-	6,371,560	-	-	6,371,560	43,927	6,415,487
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	924,731	653,436	-	1,578,167	115,168	1,693,335
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	-	-	-	-	(22,957)	-	(22,957)	(12,523)	(35,480)
Gain on overseas business translation, net of tax	17	-	-	-	-	2,156,686	-	2,156,686	50,714	2,207,400
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(29,423)	-	(29,423)	13	(29,410)
Gain on valuation of cash flow hedge derivatives	17	-	-	-	-	26,128	-	26,128	-	26,128
Reclassification to assets held-for-sale	28	-	-	-	-	(25,320)	25,320	-	-	-
Total comprehensive income for the period		-	-	-	7,296,291	2,758,550	25,320	10,080,161	197,299	10,277,460
Dividends declared		-	-	-	(11,789,728)	-	-	(11,789,728)	(278)	(11,790,006)
Capital transactions under common control		-	-	-	-	-	-	-	(259)	(259)
Others		-	-	-	-	3	-	3	4,148	4,151
Total transactions with owners		-	-	-	(11,789,728)	3	-	(11,789,725)	3,611	(11,786,114)
Balance as of March 31, 2021		107,319	698,932	3,956,086	239,011,382	(5,045,254)	14,422	238,742,887	7,636,884	246,379,771

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended December 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Operating activities					
Profit for the period		7,141,685	4,884,926	6,415,487	4,388,206
Adjustments	24	10,883,856	9,475,166	9,777,138	8,511,690
Changes in assets and liabilities arising from operating activities	24	(3,334,668)	(2,352,885)	(2,995,584)	(2,113,634)
Cash generated from operations		14,690,873	12,007,207	13,197,041	10,786,262
Interest received		326,714	497,163	293,492	446,609
Interest paid		(77,591)	(110,968)	(69,701)	(99,684)
Dividends received		54,930	29,033	49,344	26,081
Income tax paid		(1,191,848)	(592,556)	(1,070,655)	(532,302)
Net cash from operating activities		13,803,078	11,829,879	12,399,521	10,626,966
Investing activities					
Net decrease (increase) in short-term financial instruments		7,511,917	(590,616)	6,748,073	(530,560)
Net decrease (increase) in short-term financial assets at amortized cost		(695,948)	991,685	(625,181)	890,846
Net decrease in short-term financial assets at fair value through profit or loss		11,956	549,031	10,740	493,203
Disposal of long-term financial instruments		2,940,505	2,140,624	2,641,502	1,922,956
Acquisition of long-term financial instruments		(3,260,672)	(2,180,111)	(2,929,113)	(1,958,428)
Disposal of financial assets at fair value through other comprehensive income		1,906,245	18,478	1,712,410	16,599
Acquisition of financial assets at fair value through other comprehensive income		(56,131)	(3,514)	(50,423)	(3,157)
Disposal of financial assets at fair value through profit or loss		13,053	5,858	11,726	5,262
Acquisition of financial assets at fair value through profit or loss		(8,153)	(41,884)	(7,324)	(37,625)
Acquisition of investment in associates and joint ventures		(14,500)	(12,924)	(13,026)	(11,610)
Disposal of property, plant and equipment		99,129	69,837	89,049	62,736
Acquisition of property, plant and equipment		(9,997,540)	(8,564,279)	(8,980,947)	(7,693,426)
Disposal of intangible assets		15	588	13	528
Acquisition of intangible assets		(671,020)	(969,194)	(602,788)	(870,642)
Cash outflow from business combinations		(5,926)	(27,412)	(5,323)	(24,625)
Cash outflow from other investing activities		649,461	84,631	583,421	76,027
Net cash used in investing activities		(1,577,609)	(8,529,202)	(1,417,191)	(7,661,916)

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended March 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Financing activities					
Net decrease in short-term borrowings		(400,336)	(2,761,970)	(359,628)	(2,481,121)
Repayment of debentures and long-term borrowings		(193,240)	(203,582)	(173,591)	(182,881)
Dividends paid		(458)	(6,367)	(411)	(5,720)
Net decrease in non-controlling interests		(289)	(1,694)	(260)	(1,521)
Net cash used in financing activities		(594,323)	(2,973,613)	(533,890)	(2,671,243)
Reclassification to assets held-for-sale	28	(551,129)	-	(495,088)	-
Effect of foreign exchange rate changes		576,996	703,620	518,325	632,073
Net increase in cash and cash equivalents		11,657,013	1,030,684	10,471,677	925,880
Cash and cash equivalents					
Beginning of the year		29,382,578	26,885,999	26,394,830	24,152,114
End of the period		41,039,591	27,916,683	36,866,507	25,077,994

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

2. Notes to Consolidated Financial Statements

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: Consumer Electronics (“CE”), Information technology & Mobile communications (“IM”), Device Solutions (“DS”) and Harman. CE division includes digital TVs, monitors, air conditioners and refrigerators and IM division includes mobile phones, communication systems, and computers. DS division includes semiconductor products such as memory, foundry, and system LSI (“Semiconductor”), and display products such as LCD and OLED panels (“DP”). Harman division includes connected car systems, audio and visual products, enterprise automation solutions and connected services. The Company 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 238 subsidiaries, including Samsung Display and Samsung Electronics America. The Company also applies the equity method of accounting for its 44 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd..

1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of March 31, 2021 are as follows:

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
	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)	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 HVAC America, LLC	Sale of air conditioning products	100.0
America	Prismview, LLC	Manufacture and sale of LED displays	100.0
	Joyent, Inc.	Cloud services	100.0
	Dacor Holdings, Inc.	Management of overseas subsidiaries	100.0
	Dacor, Inc.	Manufacture and sale of home appliances	100.0
	Dacor Canada Co.	Sale of home appliances	100.0
	SmartThings, Inc.	Sale of smart home electronics	100.0
	TeleWorld Solutions, Inc. (TWS)	Installation of network devices	100.0
	TWS LATAM B, LLC	Management of overseas subsidiaries	100.0
	TWS LATAM S, LLC	Management of overseas subsidiaries	100.0
	SNB Technologies, Inc. Mexico, S.A. de C.V.	Installation of network devices	100.0
	Zhilabs Inc.	Sale of network solutions	100.0

¹ Ownership represents the Company’s ownership of the voting rights in each entity, including subsidiaries’ ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
America	Samsung Semiconductor, Inc. (SSI)	Sale of semiconductor and display panels	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.	Semiconductor equipment	100.0
	Samsung Electronics Canada, Inc. (SECA)	Sale of electronic devices	100.0
	AdGear Technologies Inc.	Digital advertising platforms	100.0
	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, S.A. de C.V. (SEDAM)	Manufacture of home appliances	100.0
	Samsung Electronics Latinoamerica (Zona Libre), S. A. (SELA)	Sale of electronic devices	100.0
	Samsung Electronics Latinoamerica Miami, Inc. (SEMI)	Sale of electronic devices	100.0
	Samsung Electronica Colombia S.A. (SAMCOL)	Sale of electronic devices	100.0
	Samsung Electronics Argentina S.A. (SEASA)	Marketing and services	100.0
	Samsung Electronics Chile Limitada (SECH)	Sale of electronic devices	100.0
	Samsung Electronics Peru S.A.C. (SEPR)	Sale of electronic devices	100.0
	Samsung Electronics Venezuela, C.A. (SEVEN)	Marketing and services	100.0
	Samsung Electronics Panama. S.A. (SEPA)	Consulting	100.0
	Harman International Industries, Inc.	Management of overseas subsidiaries	100.0
	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products, R&D	100.0
	Harman Connected Services, Inc.	Connected service provider	100.0
	Harman Connected Services Engineering Corp.	Connected service provider	100.0
	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Manufacture and sale of audio products	100.0
	Harman de Mexico, S. de R.L. de C.V.	Manufacture of audio products	100.0
	Harman do Brasil Industria Eletronica e Participacoes Ltda.	Sale of audio products, R&D	100.0
	Harman Financial Group LLC	Management company	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, R&D	100.0
	RT SV CO-INVEST, LP	Venture capital investments	99.9
	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

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
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 S.A. (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 Display Slovakia s.r.o. (SDSK)	Toll processing of display panels	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
	Zhilabs, S.L.	Development and sale of network solutions	100.0
	Foodient Ltd.	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 Electronics Central Eurasia LLP (SECE)	Sale of electronic devices	100.0	
Samsung Electronics Overseas B.V. (SEO)	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	

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
	AKG Acoustics GmbH	Manufacture and sale of audio products	100.0
	AMX UK Limited	Sale of audio products	100.0
	A&R Cambridge Limited	Sale of audio products	100.0
	Harman Audio Iberia Espana Sociedad Limitada	Sale of audio products	100.0
	Harman Automotive UK Limited	Manufacture of audio products	100.0
	Harman Becker Automotive Systems GmbH	Manufacture and sale of audio products, 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, R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Connected Services AB.	Connected service provider	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Limited	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Connected Services UK Ltd.	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
	Harman Deutschland GmbH	Sale of audio products	100.0
Europe/CIS	Harman Finance International GP S.a.r.l	Management of overseas subsidiaries	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, R&D	100.0
	Harman International Romania SRL	R&D	100.0
	Harman Finance International, SCA	Financing company	100.0
	Harman International s.r.o	Manufacture of audio products	100.0
	Harman Management GmbH	Management of overseas subsidiaries	100.0
	Harman Professional Kft	Manufacture of audio products, R&D	100.0
	Martin Manufacturing (UK) Ltd.	Manufacture of audio products	100.0
	Harman Professional Denmark ApS	Sale of audio products, R&D	100.0
	Red Bend Software Ltd.	Software design	100.0
	Red Bend Software SAS	Software design	100.0
	Studer Professional Audio GmbH	Sale of audio products, R&D	100.0
	Harman Connected Services OOO	Connected service provider	100.0
	Harman RUS CIS LLC	Sale of audio products	100.0

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
Middle East & Africa	Samsung Gulf Electronics Co., Ltd. (SGE)	Sale of electronic devices	100.0
	Samsung Electronics Turkey (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 Saudi Arabia Ltd. (SESAR)	Sale of electronic devices	100.0
	Samsung Semiconductor Israel R&D Center, Ltd. (SIRC)	R&D	100.0
	Corephotonics Ltd.	R&D	100.0
	Samsung Electronics South Africa (Pty) Ltd. (SSA)	Sale of electronic devices	100.0
	Samsung Electronics South Africa Production (pty) Ltd. (SSAP)	Manufacture of TV and monitors	100.0
	Samsung Electronics West Africa Ltd. (SEWA)	Marketing	100.0
	Samsung Electronics East Africa Ltd. (SEEA)	Marketing	100.0
	Global Symphony Technology Group Private Ltd.	Management of overseas subsidiaries	100.0
	Harman Connected Services Morocco	Connected service provider	100.0
	Harman Industries Holdings Mauritius Ltd.	Management of overseas subsidiaries	100.0
	Red Bend Ltd.	Manufacture of audio products	100.0
Asia (Excluding China)	Samsung Asia Pte. Ltd. (SAPL)	Management of overseas subsidiaries	100.0
	Samsung Electronics Singapore Pte. Ltd.(SESP)	Sale of electronic devices	100.0
	Samsung Malaysia Electronics (SME) Sdn. Bhd. (SME)	Sale of electronic devices	100.0
	Samsung Electronics Display (M) Sdn. Bhd. (SDMA)	Manufacture of electronic devices	100.0
	Samsung Electronics (M) Sdn. Bhd. (SEMA)	Manufacture of home appliances	100.0
	Samsung Vina Electronics Co., Ltd. (SAVINA)	Sale of electronic devices	100.0
	Samsung Electronics Vietnam Co., Ltd. (SEV)	Manufacture of electronic devices	100.0
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	Manufacture of communication equipment	100.0
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	Manufacture and sale of electronic devices	100.0
	Samsung Display Vietnam Co., Ltd. (SDV)	Manufacture of display panels	100.0
	PT Samsung Electronics Indonesia (SEIN)	Manufacture and sale of electronic devices	100.0
	PT Samsung Telecommunications Indonesia (STIN)	Sale of electronic devices and services	100.0
	Thai Samsung Electronics Co., Ltd. (TSE)	Manufacture and sale of electronic devices	91.8
	Laos Samsung Electronics Sole Co., Ltd. (LSE)	Marketing	100.0
	Samsung Electronics Philippines Corporation (SEPCO)	Sale of electronic devices	100.0
	Samsung Electronics Australia Pty. Ltd. (SEAU)	Sale of electronic devices	100.0
	Samsung Electronics New Zealand Limited (SENZ)	Sale of electronic devices	100.0
	Samsung India Electronics Private Ltd. (SIEL)	Manufacture and sale of electronic devices	100.0
	Samsung Display Noida Private Limited (SDN)	Manufacture of display panels	100.0
	Samsung R&D Institute India-Bangalore Private Limited (SRI-B)	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
	Samsung R&D Institute Japan Co., Ltd. (SRJ)	R&D	100.0
Samsung Electronics Japan Co., Ltd. (SEJ)	Sale of electronic devices	100.0	

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
Asia (Excluding China)	Harman Connected Services Corp. India Pvt. Ltd.	Connected service provider	100.0
	Harman International (India) Private Limited	Sale of audio products, R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International Japan Co., Ltd.	Sale of audio products, R&D	100.0
	Harman Singapore Pte. Ltd.	Sale of audio products	100.0
China	Samsung (CHINA) Investment Co., Ltd. (SCIC)	Sale of electronic devices	100.0
	Samsung Electronics Hong Kong Co., Ltd. (SEHK)	Sale of electronic devices	100.0
	Samsung Electronics Taiwan Co., Ltd. (SET)	Sale of electronic devices	100.0
	Samsung Electronics Huizhou Co., Ltd. (SEHZ)	Manufacture of electronic devices	100.0
	Tianjin Samsung Electronics Co., Ltd. (TSEC)	Manufacture of TV and monitors	91.2
	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)	Manufacture of electronic devices, R&D	100.0
	Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)	Manufacture of communication equipment	90.0
	Shenzhen Samsung Electronics Telecommunication Co., Ltd. (SSET)	Manufacture of communication equipment	100.0
	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
	Samsung Suzhou Module Co., Ltd. (SSM)	Manufacture of display panels	100.0
	Samsung Suzhou LCD Co., Ltd. (SSL)	Manufacture of display panels	60.0
	SEMES (XIAN) Co., Ltd.	Semiconductor equipment services	100.0
	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, R&D	100.0
	Harman Commercial (Shanghai) Co., Ltd.	Sale of audio products	100.0
	Harman Connected Services Solutions (Chengdu) Co., Ltd.	Connected service provider	100.0
	Harman Holding Limited	Sale of audio products	100.0
	Harman International (China) Holdings Co., Ltd.	Sale of audio products, R&D	100.0
Harman Technology (Shenzhen) Co., Ltd.	Sale of audio products, R&D	100.0	

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹	
	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8	
	SU Materials	Manufacture of display 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	
	Mirero System Co., Ltd.	Development and supply of semiconductor process defect and quality control software	99.9	
	Dowooinsys Co., Ltd.	Manufacture of display components	52.5	
	Gf-System Co., Ltd.	Manufacture of display components	100.0	
	Harman International Korea	Software development and supply, etc.	100.0	
Domestic	Samsung Venture Capital Union #21	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #26	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #27	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #28	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #29	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #32	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #33	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #37	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #40	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #42	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #43	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #45	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #48	Technology business, Venture capital investments	99.0	
		Growth type private equity trust specialized in semiconductors	Investment on semiconductor industry	66.7
		System LSI Mutual benefit private equity trust	Investment on semiconductor industry	62.5

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

1.3 Summary of Financial Data of Major Consolidated Subsidiaries

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

(1) 2021

(In millions of Korean won)

Major subsidiaries ¹	As of March 31, 2021		For the period ended March 31, 2021	
	Assets	Liabilities	Sales	Profit (loss) for the period
Samsung Display	48,839,598	5,549,175	6,058,152	11,822
Samsung Electronics America, Inc. (SEA)	40,953,200	18,906,476	9,596,228	203,584
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	16,676,248	2,534,093	8,110,735	663,922
Samsung (CHINA) Investment Co., Ltd. (SCIC)	16,393,564	13,098,055	733,700	114,462
Samsung (China) Semiconductor Co., Ltd. (SCS)	16,279,311	4,708,549	1,485,543	382,193
Harman and its subsidiaries ²	14,892,266	5,730,612	2,358,724	62,282
Samsung Electronics Vietnam Co., Ltd. (SEV)	13,510,741	1,738,349	5,356,282	492,386
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	12,427,817	7,911,919	-	913
Samsung Semiconductor, Inc. (SSI)	9,851,635	4,366,894	5,833,416	23,442
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	8,672,842	5,638,776	7,014,404	74,237
Samsung Austin Semiconductor LLC. (SAS)	7,650,938	734,608	922,961	267,988
Samsung India Electronics Private Ltd. (SIEL)	7,090,574	3,027,364	3,459,334	192,905
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,914,617	1,350,134	1,531,207	141,928
Samsung Display Vietnam Co., Ltd. (SDV)	5,507,791	2,139,081	4,436,301	190,755
Samsung Electronics (UK) Ltd. (SEUK)	3,035,346	2,122,311	1,497,466	(16,323)
Thai Samsung Electronics Co., Ltd. (TSE)	2,987,967	535,410	1,079,687	(7,362)
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	2,621,031	891,842	1,768,061	79,336
Samsung Electronics Europe Logistics B.V. (SELS)	2,418,628	1,776,935	4,091,964	498,192
Samsung Electronics GmbH (SEG)	2,287,854	2,286,361	1,774,465	(59,360)
Samsung Electronics Hungarian Private Co. Ltd. (SEH)	2,257,557	565,745	1,010,623	(24,549)
SEMES Co., Ltd.	2,164,007	1,066,144	869,288	85,575
Samsung Electronics Benelux B.V. (SEBN)	2,142,728	676,820	729,325	5,251
Samsung Electronics Taiwan Co., Ltd. (SET)	1,917,064	1,426,593	1,223,980	4,999
Samsung Display Dongguan Co., Ltd. (SDD)	1,900,510	338,298	943,609	47,368
Samsung Electronics Hong Kong Co., Ltd. (SEHK)	1,655,629	1,192,743	216,458	12,675

¹ Summary of financial information is based on separate financial statements of each subsidiary.

² Consolidated financial data of an intermediate company that includes Harman International Industries, Inc. and its subsidiaries.

(2) 2020

(In millions of Korean won)

Major subsidiaries ¹	As of December 31, 2020		For the period ended March 31, 2020	
	Assets	Liabilities	Sales	Profit (loss) for the period
Samsung Display	50,039,755	7,612,332	5,351,135	(382,889)
Samsung Electronics America, Inc. (SEA)	36,765,070	15,828,083	8,895,272	720,795
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	15,500,024	2,574,442	8,188,977	746,562
Samsung (CHINA) Investment Co., Ltd. (SCIC)	15,438,819	12,358,881	608,433	53,010
Harman and its subsidiaries ²	14,702,005	5,776,884	2,090,238	(219,846)
Samsung (China) Semiconductor Co., Ltd. (SCS)	14,348,735	3,511,003	974,755	109,769
Samsung Electronics Vietnam Co., Ltd. (SEV)	12,623,956	1,805,326	5,459,986	429,629
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	11,495,430	7,641,709	-	(194)
Samsung Semiconductor, Inc. (SSI)	9,669,349	4,427,701	4,589,450	65,151
Samsung Asia Pte. Ltd. (SAPL)	9,552,755	523,402	482,404	66,852
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	7,678,989	5,010,041	6,222,379	72,151
Samsung Display Vietnam Co., Ltd. (SDV)	7,400,563	4,354,887	4,171,676	129,019
Samsung Austin Semiconductor LLC. (SAS)	6,912,610	538,288	1,102,177	308,262
Samsung Eletronica da Amazonia Ltda. (SEDA)	6,280,131	1,556,057	1,688,661	224,117
Samsung India Electronics Private Ltd. (SIEL)	6,250,492	2,523,027	2,560,825	168,213
Thai Samsung Electronics Co., Ltd. (TSE)	2,920,299	451,055	905,750	18,614
Samsung Electronics (UK) Ltd. (SEUK)	2,767,563	1,886,447	1,115,159	(30,103)
Samsung Electronics GmbH (SEG)	2,687,535	2,626,979	1,505,578	41,689
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	2,609,150	1,026,901	1,265,222	135,062
Samsung Electronics Hungarian Private Co. Ltd. (SEH)	2,230,457	504,952	739,353	44,680
Samsung Electronics Benelux B.V. (SEBN)	2,145,488	736,480	630,869	26,375
Samsung Display Dongguan Co., Ltd. (SDD)	1,767,663	300,080	590,707	27,813
Samsung Electronics Europe Logistics B.V. (SELS)	1,700,033	1,550,350	3,145,239	270,122
Samsung Electronics France S.A.S (SEF)	1,688,580	1,207,359	818,199	2,654
Samsung Japan Corporation (SJC)	1,668,902	1,381,443	567,727	1,939

¹ Summary of financial information is based on separate financial statements of each subsidiary.

² Consolidated financial data of an intermediate company that includes Harman International Industries, Inc. and its subsidiaries.

1.4 Changes in Consolidation Scope

Changes in consolidation scope during the three month period ended March 31, 2021 are as follows:

Change	Area	Subsidiary	Description
Included	Middle East & Africa	Samsung Electronics Industry and Commerce Ltd. (SETK-P)	Establishment
Excluded	America	Viv Labs, Inc.	Merger
		Stellus Technologies, Inc.	Liquidation
	SigMast Communications Inc.	Liquidation	
	Europe/CIS	Arcam Limited	Liquidation

2. Significant Accounting Policies

2.1 Basis of Presentation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“Korean IFRS”). The accompanying interim consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The interim consolidated financial statements for the three-month periods ended March 31, 2021, have been prepared in accordance with *Korean IFRS 1034, Interim Financial Reporting*. These interim consolidated financial statements have been prepared in accordance with the Korean IFRS which is effective as of March 31, 2021.

(A) New and amended standards adopted by the Company

The Company applied the following amended and enacted standards for the first time for their annual reporting period commencing January 1, 2021:

Amendments to Korean IFRS 1116, Lease

The amendments introduce a practical expedient that simplifies how a lessee accounts for COVID-19 related rent concessions, and a lessee may elect not to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. A lease that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the change were not a lease modification. The application of amendments does not have a significant impact on the Company’s interim consolidated financial statements.

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

The amended accounting standard issued that is not mandatory for the annual reporting period commencing January 1, 2021 and has not been early adopted by the Company is as follows:

Amendments to Korean IFRS 1016 Property, Plant and Equipment

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with early adoption permitted.

2.2 Accounting Policies

Significant accounting policies and method of computation used in the preparation of the interim consolidated financial statements are consistent with those of the annual financial statements for the year ended December 31, 2020, except for the changes due to the application of amendments and enactments of standards described in Note 2.1 and as described below.

(A) Income tax expense

Income tax expense for the interim period is recognized based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual effective income tax rate is applied to the pre-tax income of the interim period.

2.3 Convenience Translation into United States Dollar Amounts

The Company operates primarily in Korean won and its official accounting records are maintained in Korean won. 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 dollars at the rate of ₩ 1,113.2 to \$1, the average exchange rate for the three-month periods ended March 31, 2021. 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 at any other rate.

2.4 Critical Accounting Estimates and Assumptions

In preparing the interim consolidated financial statements, the management of the Company makes judgements, estimates and assumptions on matters which affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, seldom equal the related actual results. Recent spread of COVID-19 may result in changes to the Company's assumptions and estimates, but its potential financial impact cannot be reasonably estimated as of the reporting date.

Critical accounting estimates and assumptions made in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2020, except for the estimates used to determine the income tax expense.

3. Financial Instruments by Category

(A) Categorizations of financial assets and liabilities as of March 31, 2021 and December 31, 2020 are as follows:

(1) As of March 31, 2021

<i>(In millions of Korean won)</i>	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 ¹	Total
Financial assets					
Cash and cash equivalents	41,039,591	-	-	-	41,039,591
Short-term financial instruments	87,159,273	-	-	-	87,159,273
Trade receivables	33,962,077	-	-	-	33,962,077
Financial assets at amortized cost	3,526,888	-	-	-	3,526,888
Financial assets at fair value through other comprehensive income	-	13,399,200	-	-	13,399,200
Financial assets at fair value through profit or loss	-	-	1,180,566	-	1,180,566
Other	6,638,734	-	240,825	29,088	6,908,647
Total	172,326,563	13,399,200	1,421,391	29,088	187,176,242

¹Other financial assets include derivatives designated as hedging instruments which are not subject to categorizations.

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities ¹	Total
Financial liabilities				
Trade payables	11,133,583	-	-	11,133,583
Short-term borrowings	2,413,604	-	13,734,616	16,148,220
Other payables	25,061,045	-	-	25,061,045
Current portion of long-term liabilities	19,152	-	718,713	737,865
Debentures	962,755	-	-	962,755
Long-term borrowings	-	-	2,123,829	2,123,829
Long-term other payables	1,107,750	-	-	1,107,750
Other	10,057,368	246,229	17,046	10,320,643
Total	50,755,257	246,229	16,594,204	67,595,690

¹Other financial liabilities include collateralized borrowings, lease liabilities and derivatives designated as hedging instruments which are not subject to categorizations.

(2) As of December 31, 2020

<i>(In millions of Korean won)</i>	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 assets¹	Total
Financial assets					
Cash and cash equivalents	29,382,578	-	-	-	29,382,578
Short-term financial instruments	92,441,703	-	-	-	92,441,703
Trade receivables	30,965,058	-	-	-	30,965,058
Financial assets at amortized cost	2,757,111	-	-	-	2,757,111
Financial assets at fair value through other comprehensive income	-	12,575,216	-	-	12,575,216
Financial assets at fair value through profit or loss	-	-	1,274,420	-	1,274,420
Other	6,395,766	-	215,797	23,310	6,634,873
Total	161,942,216	12,575,216	1,490,217	23,310	176,030,959

¹ Other financial assets include derivatives designated as hedging instruments which are not subject to categorizations.

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities¹	Total
Financial liabilities				
Trade payables	9,739,222	-	-	9,739,222
Short-term borrowings	2,278,386	-	14,275,043	16,553,429
Other payables	10,645,637	-	-	10,645,637
Current portion of long-term liabilities	5,318	-	710,781	716,099
Debentures	948,137	-	-	948,137
Long-term borrowings	-	-	1,999,716	1,999,716
Long-term other payables	1,272,128	2,176	-	1,274,304
Other	9,354,624	242,698	41,930	9,639,252
Total	34,243,452	244,874	17,027,470	51,515,796

¹ Other financial liabilities include collateralized borrowings, lease liabilities, and derivatives designated as hedging instruments which are not subject to categorizations.

4. Financial Assets at Fair Value

(A) Details of financial assets at fair value as of March 31, 2021 and December 31, 2020 are as follows:

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

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Non-current portion		
Equity instruments	13,399,200	12,575,216

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

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Current portion		
Debt instruments	59,495	71,451
Non-current portion		
Equity instruments	718,472	819,144
Debt instruments	402,599	383,825
Subtotal	1,121,071	1,202,969
Total	1,180,566	1,274,420

(B) Details of listed equity securities of financial assets at fair value as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won, number of shares and percentage)</i>	March 31, 2021			December 31, 2020	
	Number of shares owned	Percentage of ownership¹ (%)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries	100,693,398	16.0	735,488	782,388	708,882
Hotel Shilla	2,004,717	5.1	13,957	174,210	164,988
iMarket Korea	647,320	1.9	324	5,871	5,658
Wonik Holdings	3,518,342	4.6	30,821	23,256	22,306
Wonik IPS	3,701,872	7.5	32,428	191,387	163,808
SFA	3,644,000	10.2	38,262	147,764	140,658
ASML Holding N.V	6,297,787	1.5	363,012	4,324,854	3,350,532
Wacom Co., Ltd.	8,398,400	5.0	62,013	64,082	76,589
BYD Company Limited	7,814,919	0.3	79,049	221,579	1,695,488
Other			491,958	977,846	1,012,825
Total			1,847,312	6,913,237	7,341,734

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

5. Inventories

Inventories as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021			December 31, 2020		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	9,177,783	(347,697)	8,830,086	9,711,668	(323,782)	9,387,886
Work in process	11,261,152	(676,957)	10,584,195	12,144,887	(326,797)	11,818,090
Raw materials and supplies	10,948,219	(732,899)	10,215,320	10,464,679	(673,913)	9,790,766
Materials in transit	990,375	-	990,375	1,046,403	-	1,046,403
Total	32,377,529	(1,757,553)	30,619,976	33,367,637	(1,324,492)	32,043,145

6. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Balance as of January 1	8,076,779	7,591,612
Acquisition	14,500	12,924
Disposal	(661)	-
Share of profit	147,519	60,644
Other ¹	(141,416)	(77,006)
Balance as of March 31	8,096,721	7,588,174

¹ Other consists of dividends, impairment, and reclassification.

(B) Major investments in associates and joint ventures as of March 31, 2021 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 IT services including computer programming, system integration and management and logistical services	22.6	Korea	December
Samsung Biologics Co., Ltd.	Business investment	31.5	Korea	December
Samsung SDI Co., Ltd. ²	Manufacture and supply electronic components including secondary cell batteries	19.6	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

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

² The Company's ownership of ordinary shares outstanding is 20.6%.

(2) Investments in joint ventures

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

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

(C) Details of investments in associates and joint ventures as of March 31, 2021 and December 31, 2020 are as follows:

(1) Investments in associates

(In millions of Korean won)

		March 31, 2021		
Investee	Acquisition cost	Net asset value of equity shares¹	Carrying amount	
Samsung Electro-Mechanics	359,237	1,406,145	1,393,182	
Samsung SDS	147,963	1,510,644	1,530,031	
Samsung Biologics	443,193	1,467,494	1,473,883	
Samsung SDI	1,242,605	2,667,666	2,338,478	
Cheil Worldwide	506,162	277,012	575,611	
Other	550,792	466,355	597,891	
Total	3,249,952	7,795,316	7,909,076	

¹ The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

(In millions of Korean won)

		December 31, 2020		
Investee	Acquisition cost	Net asset value of equity shares¹	Carrying amount	
Samsung Electro-Mechanics	359,237	1,351,864	1,333,819	
Samsung SDS	147,963	1,506,421	1,525,857	
Samsung Biologics	443,193	1,448,259	1,453,012	
Samsung SDI	1,242,605	2,612,629	2,326,037	
Cheil Worldwide	506,162	288,877	586,057	
Other	620,233	458,182	666,506	
Total	3,319,393	7,666,232	7,891,288	

¹ The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

(2) Investments in joint ventures

(In millions of Korean won)

		March 31, 2021		
Investee	Acquisition cost	Net asset value of equity shares¹	Carrying amount	
Samsung Corning Advanced Glass	215,000	126,925	126,921	
Other	259,994	68,867	60,724	
Total	474,994	195,792	187,645	

¹ 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, 2020		
Investee	Acquisition cost	Net asset value of equity shares¹	Carrying amount	
Samsung Corning Advanced Glass	215,000	123,360	123,356	
Other	259,994	68,875	62,135	
Total	474,994	192,235	185,491	

¹ The Company's portion of net asset value of joint ventures is based on the Company's percentage of ownership.

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

(1) For the three-month period ended March 31, 2021

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of profit (loss)	Share of other comprehensive income	Other¹	Balance as of March 31
Samsung Electro-Mechanics	1,333,819	57,019	27,114	(24,770)	1,393,182
Samsung SDS	1,525,857	35,196	10,911	(41,933)	1,530,031
Samsung Biologics	1,453,012	20,766	105	-	1,473,883
Samsung SDI	2,326,037	16,804	9,100	(13,463)	2,338,478
Cheil Worldwide	586,057	9,350	4,596	(24,392)	575,611
Samsung Corning Advanced Glass	123,356	3,565	-	-	126,921
Other	728,641	4,819	(91,322)	16,477	658,615
Total	8,076,779	147,519	(39,496)	(88,081)	8,096,721

¹ Other consists of acquisitions, disposals, dividends, impairment and reclassification.

(2) For the three-month period ended March 31, 2020

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of profit (loss)	Share of other comprehensive income	Other¹	Balance as of March 31
Samsung Electro-Mechanics	1,152,734	33,157	8,373	(19,462)	1,174,802
Samsung SDS	1,499,571	(6,722)	10,304	(41,933)	1,461,220
Samsung Biologics	1,377,043	11,115	397	-	1,388,555
Samsung SDI	2,233,516	5,696	(23,624)	(13,463)	2,202,125
Cheil Worldwide	570,215	6,885	2,107	(23,811)	555,396
Samsung Corning Advanced Glass	173,742	473	-	-	174,215
Other	584,791	10,040	197	36,833	631,861
Total	7,591,612	60,644	(2,246)	(61,836)	7,588,174

¹ Other consists of acquisitions, disposals, dividends, impairment, and reclassification.

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

- (1) Summary of financial information of major associates and dividends received from associates as of March 31, 2021 and December 31, 2020, and for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021				
	Samsung Electro- Mechanics	Samsung SDS	Samsung Biologics	Samsung SDI	Cheil Worldwide
1. Condensed financial information					
Condensed statements of financial position :					
Current assets	4,468,328	6,956,072	1,790,018	5,770,462	1,671,421
Non-current assets	5,213,171	2,591,556	4,689,089	16,152,379	500,181
Current liabilities	2,048,385	2,059,405	557,510	4,983,979	1,032,194
Non-current liabilities	1,478,953	609,226	1,261,736	3,296,555	164,559
Non-controlling interests	150,097	191,277	-	391,310	8,688
Condensed statements of comprehensive income:					
Revenue	2,371,949	3,061,308	260,797	2,963,211	696,744
Profit from continuing operations, net of tax ¹	235,291	156,029	60,976	134,207	32,522
Loss from discontinued operation, net of tax ¹	(2,075)	-	-	-	-
Other comprehensive income ¹	104,468	48,453	102	206,119	11,172
Total comprehensive income ¹	337,684	204,482	61,078	340,326	43,694
2. Dividends from associates					
Dividends	24,770	41,933	-	13,463	24,392

¹ Profit (loss) attributable to owners of the investee

2020

<i>(In millions of Korean won)</i>	Samsung Electro- Mechanics	Samsung SDS	Samsung Biologics	Samsung SDI	Cheil Worldwide
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	4,150,303	6,581,153	1,751,347	5,657,405	1,742,270
Non-current assets	5,075,196	2,573,766	4,672,854	15,876,827	500,194
Current liabilities	1,914,880	1,720,757	589,301	4,983,633	1,046,224
Non-current liabilities	1,400,223	575,054	1,236,117	3,191,672	180,710
Non-controlling interests	138,107	190,081	-	381,311	7,988
Condensed statements of comprehensive income:					
Revenue	2,224,466	2,436,079	207,197	2,397,530	681,249
Profit (loss) from continuing operations, net of tax ¹	124,114	(29,826)	36,653	(9,587)	24,019
Profit from discontinued operation, net of tax ¹	7,939	-	-	-	-
Other comprehensive income (loss) ¹	29,907	25,518	491	(138,823)	1,999
Total comprehensive income (loss) ¹	161,960	(4,308)	37,144	(148,410)	26,018
2. Dividends from associates					
Dividends	19,462	41,933	-	13,463	23,811

¹ Profit (loss) attributable to owners of the investee.

- (2) Summary of financial information of major joint ventures and dividends received from joint ventures as of March 31, 2021 and December 31, 2020, and for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	Samsung Corning Advanced Glass	
	2021	2020
Condensed financial information		
Condensed statements of financial position:		
Current assets	132,448	133,896
Non-current assets	153,893	153,792
Current liabilities	31,395	39,151
Non-current liabilities	1,095	1,817
Condensed statements of comprehensive income¹:		
Revenue	46,067	32,878
Profit (loss) from continuing operations, net of tax	7,130	840
Profit (loss) from discontinued operations, net of tax	-	106
Other comprehensive income	-	-
Total comprehensive income	7,130	946
Dividends from joint ventures		
Dividends	-	-

¹ Profit (loss) for the three-month periods ended March 31, 2021 and 2020.

- (3) Profit (loss) attributable to owners of the parent company from associates and joint ventures which are not individually material for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021		2020	
	Associates	Joint ventures	Associates	Joint ventures
Profit from continuing operations	4,385	435	9,912	128
Other comprehensive income (loss)	2,093	(1,507)	(1,294)	1,491
Total comprehensive income (loss)	6,478	(1,072)	8,618	1,619

(F) Details of marketable investments in associates as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2021		December 31, 2020
	Number of shares held	Market value	Market value
Samsung Electro-Mechanics	17,693,084	3,317,453	3,149,369
Samsung SDS	17,472,110	3,380,853	3,118,772
Samsung Biologics	20,836,832	15,585,950	17,211,223
Samsung SDI	13,462,673	8,885,364	8,454,559
Cheil Worldwide	29,038,075	617,059	598,184

(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 ₩ 8,000 million, a recommendation to dismiss the CEO, a requirement to restate its financial statements, and further prosecution charges.

To prove justification of its accounting treatment, Samsung Biologics Co., Ltd. filed a suit for cancellation of the aforementioned measures to the Seoul Administrative Court, which is currently in progress. On September 24, 2020, the Seoul Administrative Court announced a decision to cancel the first measure charged by the Korea Securities and Futures Commission, and suspended its execution until the final rulings of the appeal. On October 16, 2020, the Korea Securities and Futures Commission appealed and the litigation is in progress at Seoul High Court. Samsung Biologics Co., Ltd. also filed for suspending the execution of the initial and second measures. On January 22, 2019 and February 19, 2019, the Seoul Administrative Court pronounced decisions to suspend the second and initial measure, 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 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 and onwards, 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.

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Balance as of January 1	128,952,892	119,825,474
Acquisition and capital expenditures	10,176,110	7,528,089
Depreciation	(7,147,736)	(6,591,167)
Disposals/scrap/impairment	(133,013)	(120,028)
Other ¹	899,459	1,035,604
Balance as of March 31	132,747,712	121,677,972

¹ Other includes effects of changes in foreign currency exchange rates and effects of the offset of government grants.

(B) Details of depreciation of property, plant and equipment for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Cost of sales	6,302,755	5,781,344
Selling and administrative expenses, and etc.	844,981	809,823
Total	7,147,736	6,591,167

(C) Right-of-use assets as of March 31, 2021 amount to ₩ 3,151,346 million (December 31, 2020: ₩ 2,969,873 million). During the three-month periods ended March 31, 2021 and 2020, newly recognized right-of-use assets amount to ₩ 453,516 million and ₩ 204,038 million, respectively, with relevant depreciation of ₩ 225,514 million and ₩ 198,075 million, respectively.

8. Intangible Assets

(A) Changes in intangible assets for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Balance as of January 1	18,468,502	20,703,504
External acquisitions	319,391	371,836
Internally generated / developed	101,577	-
Amortization	(695,542)	(814,438)
Disposals/scrap/impairment	(9,822)	(12,923)
Other ¹	202,577	664,415
Balance as of March 31	18,386,683	20,912,394

¹ Other includes the cumulative effect of changes in foreign currency exchange rates and business combinations.

(B) Details of amortization of intangible assets for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Cost of sales	488,175	575,855
Selling and administrative expenses and other	207,367	238,583
Total	695,542	814,438

9. Borrowings

Details of the carrying amounts of borrowings as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	Financial institutions	Interest rates (%) as of Mar 31, 2021	March 31, 2021	December 31, 2020
Short-term borrowings				
Collateralized borrowings ¹	Woori Bank and others	0.0~12.8	13,734,616	14,275,043
Non-collateralized borrowings	Citibank and others	0.0~16.8	2,413,604	2,278,386
Total			16,148,220	16,553,429
Current portion of long-term borrowings				
Bank borrowings	BNP Paribas	14.8	13,604	-
Lease liabilities ²	CSSD and others	3.7	718,713	710,781
Total			732,317	710,781
Long-term borrowings				
Lease liabilities ²	CSSD and others	3.7	2,123,829	1,999,716

¹ Collateralized borrowings are secured by trade receivables.

² Interest expenses arising from the lease liabilities for the three-month periods ended March 31, 2021 and 2020 amounted to ₩ 25,835 million and ₩ 28,609 million, respectively, which were determined using the weighted average incremental borrowing rate. The right-of-use assets are pledged as collateral to the lessor in the event of default.

10. Debentures

Details of the carrying amounts of debentures as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rates (%) as of Mar 31, 2021	March 31, 2021	December 31, 2020
US dollar denominated straight bonds ¹	1997.10.2	2027.10.1	7.7	39,673 (USD 35 million)	38,080 (USD 35 million)
US dollar denominated debenture bonds ²	2015.5.11	2025.5.15	4.2	453,400 (USD 400 million)	435,200 (USD 400 million)
EURO denominated debenture bonds ³	2015.5.27	2022.5.27	2.0	464,903 (EUR 350 million)	468,383 (EUR 350 million)
Less: Discounts				(836)	(853)
Add: Premium				11,163	12,645
Less: Current portion				(5,548)	(5,318)
Total				962,755	948,137

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.

² Harman International Industries, Inc. issued US dollar denominated debenture bonds. These debentures are repaid on the date of 10 years maturity and interest is paid semi-annually.

³ Harman Finance International, SCA issued Euro denominated debenture bonds. These debentures are repaid on the date of 7 years maturity and interest is paid annually.

11. Net Defined Benefit Liabilities (Assets)

- (A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Present value of funded defined benefit obligations	12,977,508	12,400,964
Present value of unfunded defined benefit obligations	442,367	548,035
Subtotal	13,419,875	12,948,999
Fair value of plan assets	(13,971,462)	(13,840,043)
Total	(551,587)	(891,044)

- (B) The components of defined benefit costs recognized in profit or loss for the three-month periods ended March 31, 2021 and 2020 relating to defined benefit plans are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Current service cost	312,360	287,089
Net interest income	(10,003)	(958)
Past service cost	(15)	90
Other	3,443	(8,563)
Total	305,785	277,658

- (C) The expenses related to defined benefit plans recognized in the statements of profit or loss for the three month period ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Cost of sales	128,189	126,269
Selling and administrative expenses and other	177,596	151,389
Total	305,785	277,658

12. Provisions

Changes in the provisions for the three-month periods ended March 31, 2021 are as follows:

<i>(In millions of Korean won)</i>	Warranty (A)	Royalty expenses (B)	Long-term incentives (C)	Other (D, E)	Total
Balance as of January 1	1,765,882	1,304,091	651,298	1,679,720	5,400,991
Charged to profit or loss	352,492	321,097	71,895	423,952	1,169,436
Payment	(310,506)	(290,694)	(226,903)	(268,626)	(1,096,729)
Other ¹	15,590	60,415	473	72,354	148,832
Balance as of March 31	1,823,458	1,394,909	496,763	1,907,400	5,622,530

¹ Other includes effects of changes in foreign currency exchange rates.

- (A) The Company accrues warranty reserves for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiation.
- (C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost for the accrued period.
- (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 makes provisions for the carrying amounts of emission rights held by the Company and the emission in excess of the emission rights for the applicable years. Details of emission rights and liabilities as of March 31, 2021 are as follows:
 - (1) The amount of emission rights allocated free of charge in the current commitment period and the estimated amount of emission as of March 31, 2021 are as follows:

<i>(In ten thousand metric tons)</i>	March 31, 2021
Emission rights allocated free of charge	1,643
Estimated volume of emission	1,977

- (2) Changes in the emission rights for the three-month periods ended March 31, 2021 are as follows:

<i>(In millions of Korean won)</i>	2021
Balance as of January 1	44,865
Increase	-
Balance as of March 31	44,865

- (3) Changes in emissions liabilities for the three-month periods ended March 31, 2021 are as follows:

<i>(In millions of Korean won)</i>	2021
Balance as of January 1	31,876
Charged to profit or loss	8,370
Submission	-
Balance as of March 31	40,246

13. Commitments and Contingencies

(A) Litigation

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

14. Contract Liabilities

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

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Contract liabilities ¹	11,819,669	11,902,130

¹ Contract liabilities include advances received, accrued expenses, other current liabilities and others.

15. Share Capital

As of March 31, 2021, the Company's total number of authorized shares is 25,000,000,000 shares (₩ 100 per share). The Company has issued 5,969,782,550 shares of ordinary shares and 822,886,700 shares of preference shares as of March 31, 2021, excluding retired shares. As of the March 31, 2021, the number of shares outstanding is the same as the number of shares issued above, and no changes were made to the number of shares outstanding during the three-month periods ended March 31, 2021 and 2020. Due to the retirement of shares, the total par value of the shares issued is ₩ 679,267 million (ordinary shares of ₩ 596,978 million and preference shares of ₩ 82,289 million), which does not agree with paid-in capital of ₩ 897,514 million.

16. Retained Earnings

(A) Retained earnings as of March 31, 2021 and December 31, 2020 consist of the following:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Discretionary reserve, etc.	170,047,216	174,739,565
Unappropriated retained earnings	96,018,926	96,328,646
Total	266,066,142	271,068,211

(B) Details of interim dividends are as follows:

(1) Interim dividends (Record date: March 31, 2021 and 2020)

<i>(In millions of Korean won and number of shares)</i>		2021	2020
	Number of shares eligible for dividends	5,969,782,550	5,969,782,550
		822,886,700	822,886,700
1 st Quarter	Dividend rate (based on par value)	361%	354%
		2,155,092	2,113,303
	Dividend amount	297,062	291,302
	Total	2,452,154	2,404,605

17. Other Components of Equity

Other components of equity as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Gain on valuation of financial assets at fair value through other comprehensive income	5,703,158	4,975,756
Share of other comprehensive loss of associates and joint ventures	(84,185)	(58,629)
Loss on overseas business translation	(8,604,960)	(10,977,583)
Remeasurement of net defined benefit liabilities (assets)	(2,686,178)	(2,653,425)
Other	55,815	26,726
Total	(5,616,350)	(8,687,155)

18. Expenses by Nature

Expenses by nature for the three-month periods ended March 31, 2021 and 2020 consist of the following:

<i>(In millions of Korean won)</i>	2021	2020
Changes in finished goods, work in process, and other	1,739,852	645,739
Raw materials used, merchandise purchased, and other	22,584,423	18,411,092
Wages and salaries	6,702,731	6,087,291
Post-employment benefit	339,184	305,463
Depreciation	7,147,736	6,591,167
Amortization	695,542	814,438
Welfare	1,202,577	1,141,558
Utilities	1,200,411	1,154,703
Outsourcing	1,406,449	1,349,170
Advertising	1,110,369	959,628
Sales promotion expenses	1,624,527	1,612,091
Other	10,251,834	9,805,493
Total¹	56,005,635	48,877,833

¹ Equal to the sum of cost of sales and selling and administrative expenses in the consolidated statements of profit or loss.

19. Selling and Administrative Expenses

Selling and administrative expenses for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Selling and administrative expenses		
Wages and salaries	1,796,634	1,633,653
Post-employment benefit	77,734	57,324
Commissions	1,460,993	1,380,275
Depreciation	382,074	409,564
Amortization	135,583	144,711
Advertising	1,110,369	959,628
Sales promotion expenses	1,624,527	1,612,091
Transportation	608,762	452,241
Service charges	820,657	732,528
Other	1,047,773	1,329,130
Subtotal	9,065,106	8,711,145
Research and development expenses		
Total expenses	5,542,121	5,359,994
Capitalized expenses	(101,577)	-
Subtotal	5,440,544	5,359,994
Total	14,505,650	14,071,139

20. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Other non-operating income		
Dividend income	8,734	36,029
Rental income	33,818	36,285
Gain on disposal of property, plant and equipment	75,471	35,385
Other	181,719	207,807
Total	299,742	315,506

<i>(In millions of Korean won)</i>	2021	2020
Other non-operating expenses		
Loss on disposal of property, plant and equipment	9,842	9,166
Donations	39,207	77,444
Other	275,191	277,445
Total	324,240	364,055

21. Financial Income and Expenses

Details of financial income and expenses for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Financial income		
Interest income	332,548	586,833
Interest income from financial assets measured at amortized cost	332,473	586,750
Interest income from financial assets measured at fair value through profit or loss	75	83
Foreign exchange differences	1,708,037	2,762,502
Gains from derivatives	198,053	442,043
Total	2,238,638	3,791,378

<i>(In millions of Korean won)</i>	2021	2020
Financial expenses		
Interest expenses	96,442	140,173
Interest expenses from financial liabilities measured at amortized cost	43,267	47,120
Other financial liabilities	53,175	93,053
Foreign exchange differences	1,734,852	3,069,171
Losses from derivatives	162,588	284,622
Total	1,993,882	3,493,966

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

22. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The average annual tax rate expected as of March 31, 2021 to be effective for the year ended December 31, 2021 is 26.8%.

23. Earnings per Share

(A) Basic earnings per share

Basic earnings per share for the three-month periods ended March 31, 2021 and 2020 are calculated as follows:

(1) Ordinary shares

<i>(In millions of Korean won, thousands of number of shares)</i>	2021	2020
Profit for the period attributable to owners of the parent company	7,092,786	4,889,599
Profit for the period available for ordinary shares	6,233,542	4,297,257
Weighted-average number of ordinary shares outstanding	5,969,783	5,969,783
Basic earnings per ordinary share (in Korean won)	1,044	720

(2) Preference shares

<i>(In millions of Korean won, thousands of number of shares)</i>	2021	2020
Profit for the period attributable to owners of the parent company	7,092,786	4,889,599
Profit for the period available for preference shares	859,244	592,342
Weighted-average number of preference shares outstanding	822,887	822,887
Basic earnings per preference share (in Korean won)	1,044	720

(B) Diluted earnings per share

The Company does not have dilutive potential ordinary shares and as a result, basic earnings per share and diluted earnings per share are the same for the three-month periods ended March 31, 2021 and 2020.

24. Statements of Cash Flows

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 three-month periods ended March 31, 2021 and 2020 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2021	2020
Adjustments:		
Income tax expense	2,608,960	1,871,926
Financial income	(1,218,970)	(2,117,124)
Financial expenses	866,497	1,725,650
Post-employment benefits	339,184	305,463
Depreciation	7,147,736	6,591,167
Amortization	695,542	814,438
Bad debt expenses (reversal)	(3,356)	26,524
Dividend income	(8,734)	(36,029)
Share of profit of associates and joint ventures	(147,519)	(60,644)
Gain on disposal of property, plant and equipment	(75,471)	(35,385)
Loss on disposal of property, plant and equipment	9,842	9,166
Loss on valuation of inventories	578,786	338,707
Others	91,359	41,307
Total	10,883,856	9,475,166

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2021	2020
Changes in assets and liabilities :		
Increase in trade receivables	(2,105,232)	(415,809)
Decrease (increase) in non-trade receivables	(36,668)	852,573
Increase in prepaid expenses	(367,337)	(394,549)
Decrease (increase) in inventories	1,205,901	(1,763,793)
Increase in trade payables	254,272	1,062,153
Increase in other payables	473,480	110,517
Decrease in advances received	(11,851)	(127,657)
Increase (decrease) in withholdings	20,122	(51,497)
Decrease in accrued expenses	(2,200,255)	(1,036,733)
Increase in provisions	72,707	596,520
Payment of post-employment benefits	(118,436)	(254,411)
Other	(521,371)	(930,199)
Total	(3,334,668)	(2,352,885)

For the three-month periods ended March 31, 2021 and 2020, cash outflows from principal repayment (financial activities) amount to ₩ 193,240 million and ₩ 203,467 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩ 25,835 million and ₩ 28,609 million, respectively.

25. Financial Risk Management

The Company's financial risk management focuses on minimizing market risk, credit risk, and liquidity risk arising from operating activities. To mitigate these risks, the Company implements and operates a financial risk policy and program that closely monitors and manages such risks. In addition, the Company uses derivatives to hedge certain risk exposure.

The finance team mainly carries out the Company's financial risk management. After implementing the global financial risk management policies, the finance team periodically measures, evaluates, and hedges financial risk and also establishes and implements the global financial risk management policy.

The Company also manages foreign exchange risk by monitoring foreign exchange rate fluctuations at local finance centers across major regions (United States, United Kingdom, Singapore, China, Brazil, and Russia) and acting as an agent of foreign exchange transactions. In addition, the Company manages liquidity risk by utilizing a globally integrated finance structure.

The Company's financial assets that are under financial risk management are comprised of cash and cash equivalents, short-term financial instruments, financial assets at amortized cost, trade receivables and others. The Company's financial liabilities under financial risk management are comprised 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 performed in currencies other than its functional currency. The major currencies that are exposed to foreign exchange risk are the US dollar, Euro, and Indian Rupee.

The Company focuses on minimizing the impact of foreign exchange fluctuation by maintaining the equal amount of assets and liabilities denominated in each foreign currency, irrespective of foreign exchange fluctuation considerations. To prevent 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 for the cash-in currency to be matched up with the cash-out currency. 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.

(2) Interest rate risk

Risk of changes in interest rates for floating interest rate financial instruments is defined as the risk that the fair value of components of the statements of financial position, and future cash flows of interest income (expenses) of a financial instrument, will fluctuate because of changes in market interest rates. The Company's position with regard to interest rate risk exposure is mainly driven by its floating interest rate debt obligations and interest-bearing deposits. The Company implemented policies and operates to minimize uncertainty arising from changes in interest rates and financial expenses.

(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 March 31, 2021 and 2020, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩ 65,800 million and ₩ 36,038 million, respectively, and changes in profit before tax of ₩ 3,333 million and ₩ 1,743 million, respectively.

(B) Credit risk

Credit risk arises during the normal course of transactions and investing activities where clients or other parties fail to discharge an obligation. The Company monitors and sets the client's and counterparty's credit limit on a periodic basis based on the client's and counterparty's financial conditions, default history and other important 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 which include financial instrument transactions such as cash and cash equivalents, deposits, and derivative instruments. To minimize such risk, the Company transacts only with banks which have a strong international credit rating (S&P A and above), and all new transactions with financial institutions with no prior transaction history are approved, managed and monitored by the Company's finance team and the local finance center. The Company generally enters into a financial agreement with no restrictions, such as debt ratio covenants, provision of collateral and/or repayment of loans/ borrowings. The Company requires separate approvals for contracts with restrictions.

As of the reporting date, the Company estimates that its maximum exposure to credit risk is the carrying amount of its financial assets, net of impairment losses.

(C) Liquidity risk

Due to large investments made by the Company, maintaining adequate levels of liquidity risk is critical. The Company strives to achieve this goal by periodically forecasting its capital balance, estimating required cash levels, and managing income and expenses.

The Company manages its liquidity risk by periodically forecasting projected cash flows. If abnormal signs are identified, the Company works with the local finance center and provides liquidity support by utilizing a globally integrated finance structure, such as Cash Pooling. In addition, the Company maintains a liquidity management process which provides additional financial support from the local finance center and the Company. The Cash Pooling program allows the sharing of surplus funds among entities and contributes to minimizing liquidity risk and strengthening the Company's competitive position by reducing capital operation expenses and financial expenses.

For the need of large scale of liquidity, the Company secures credit limit for the overseas subsidiaries through payment guarantees.

(D) Capital risk management

The purpose of capital management is to maintain a sound capital structure. The Company monitors capital on the basis of credit ratings and debt ratio. Debt ratio is calculated by dividing total liabilities by total equity in the financial statements.

The Company's capital risk management policy has not changed since the prior reporting periods. The Company has maintained an AA- and Aa3 credit rating from S&P and Moody's, respectively.

The total liabilities to equity ratios as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Total liabilities	118,557,683	102,287,702
Total equity	274,268,591	275,948,016
Debt ratio	43.2%	37.1%

(E) Fair value estimation

(1) Carrying amounts and fair values of financial instruments by category as of March 31, 2021 and December 31, 2020 are as follows:

(In millions of Korean won)	March 31, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	41,039,591	(*)	29,382,578	(*)
Short-term financial instruments	87,159,273	(*)	92,441,703	(*)
Short-term financial assets at amortized cost	3,526,888	(*)	2,757,111	(*)
Short-term financial assets at fair value through profit or loss	59,495	59,495	71,451	71,451
Trade receivables	33,962,077	(*)	30,965,058	(*)
Financial assets at fair value through other comprehensive income	13,399,200	13,399,200	12,575,216	12,575,216
Financial assets at fair value through profit or loss	1,121,071	1,121,071	1,202,969	1,202,969
Other ^(*)	6,908,647	269,913	6,634,873	239,107
Total financial assets	187,176,242		176,030,959	
Financial liabilities				
Trade payables	11,133,583	(*)	9,739,222	(*)
Short-term borrowings	16,148,220	(*)	16,553,429	(*)
Other payables	25,061,045	(*)	10,645,637	(*)
Current portion of long-term liabilities	737,865	(*) ^(*)	716,099	(*)
Debentures	962,755	1,003,848	948,137	997,101
Long-term borrowings	2,123,829	(*)	1,999,716	(*)
Long-term other payables ^(*)	1,107,750	(*)	1,274,304	2,176
Other ^(*)	10,320,643	263,275	9,639,252	284,628
Total financial liabilities	67,595,690		51,515,796	

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

(*) Assets measured at the cost of ₩ 6,638,734 million (December 31, 2020: ₩ 6,395,766 million) and liabilities measured at the cost of ₩ 11,165,118 million (December 31, 2020: ₩ 10,626,752 million) are excluded as the carrying amount is a reasonable estimation of fair value.

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

(2) Fair value hierarchy classifications of the financial instruments that are measured or disclosed at fair value as of March 31, 2021 and December 31, 2020 are as follows:

March 31, 2021				
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Financial assets at fair value through other comprehensive income	6,579,976	-	6,819,224	13,399,200
Financial assets at fair value through profit or loss	333,261	46,500	800,805	1,180,566
Other	-	269,913	-	269,913
2) Liabilities				
Debentures	-	1,003,848	-	1,003,848
Other	-	256,203	7,072	263,275

December 31, 2020				
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Financial assets at fair value through other comprehensive income	6,910,108	-	5,665,108	12,575,216
Financial assets at fair value through profit or loss	431,626	58,763	784,031	1,274,420
Other	-	239,107	-	239,107
2) Liabilities				
Debentures	-	997,101	-	997,101
Long-term other payables	-	-	2,176	2,176
Other	-	277,556	7,072	284,628

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 statements of financial position 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. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. The instruments included in Level 1 are listed equity investments, most of which are classified as financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value 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 at least once every quarter in line with the Company's quarterly reporting dates. 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 statements of financial position date, with the resulting value discounted back to present value

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

(3) Valuation technique and the inputs

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

The following table presents the valuation technique and the inputs used for major financial instruments classified as Level 3 as of March 31, 2021.

(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	22,038	Discounted cash flow	Permanent growth rate	-1.0%~1.0%(0.0%)
			Weighted average cost of capital	18.7%~20.7%(19.7%)
Coming Incorporated convertible preference shares	5,839,672	Trinomial model	Risk-adjusted discount rate	5.1%~7.1%(6.1%)
			Price volatility	28.7%~34.7%(31.7%)

(4) Changes in Level 3 instruments for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Financial assets		
Balance as of January 1	6,449,139	7,407,684
Acquisitions	21,581	556,615
Disposals	(36,180)	(1,134,528)
Amount recognized in profit or loss	19,770	(22,955)
Amount recognized in other comprehensive income	1,145,421	(910,116)
Other	20,298	122,072
Balance as of March 31	7,620,029	6,018,772

<i>(In millions of Korean won)</i>	2021	2020
Financial liabilities		
Balance as of January 1	9,248	2,316
Other	(2,176)	129
Balance as of March 31	7,072	2,445

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

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

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

<i>(In millions of Korean won)</i>	Favorable changes		Unfavorable changes	
	Profit or loss	Equity	Profit or loss	Equity
Financial assets at fair value through other comprehensive income ¹	-	230,797	-	(117,207)

¹ For equity securities, changes in fair value are calculated with the correlation between growth rate (-1%~1%), volatility (28.7%~34.7%) and discount rate, which are significant unobservable inputs.

26. 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 units reported to the Management Committee. The Management Committee reviews the operating profits of each operating segment in order to assess performance and to make strategic decisions regarding the allocation of resources to the segment.

Sales 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 CE, IM, DS (Semiconductor and DP), Harman, and others.

The segment information for each reporting period is prepared after allocating intercompany reconciliations to depreciation, amortization of intangible assets and operating profits. 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 three-month periods ended March 31, 2021

<i>(In millions of Korean won)</i>	CE	IM	Total ¹	DS		Harman	Total ¹
				Semi-conductor	DP		
Net revenue	12,987,344	29,205,966	25,823,759	19,006,206	6,923,047	2,367,267	65,388,503
Depreciation	160,324	181,653	6,448,661	4,997,076	1,446,138	76,462	7,147,736
Amortization	20,227	250,321	317,019	255,059	59,463	56,022	695,542
Operating profit	1,115,436	4,392,590	3,748,853	3,366,027	364,428	113,125	9,382,868

¹ Other operating segments are not separately disclosed.

(2) For the three-month periods ended March 31, 2020

<i>(In millions of Korean won)</i>	CE	IM	Total ¹	DS		Harman	Total ¹
				Semi-conductor	DP		
Net revenue	10,155,019	26,004,082	24,131,845	17,644,278	6,588,132	2,101,283	55,325,178
Depreciation	136,686	266,736	5,831,896	4,232,637	1,593,050	90,433	6,591,167
Amortization	14,121	352,839	381,082	268,475	110,134	58,890	814,438
Operating profit	465,298	2,649,561	3,719,818	3,992,686	(286,866)	(187,615)	6,447,345

¹ Other operating segments are not separately disclosed.

(B) Regional information

The regional segment information provided to the Management Committee for the reportable segments as of and for the three-month periods ended March 31, 2021 and 2020 are as follows:

(1) As of and for the period ended March 31, 2021

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Net segment revenue	10,033,479	20,686,422	13,209,383	10,827,379	10,631,840	-	65,388,503
Non-current assets ¹	111,855,418	9,605,662	5,943,771	9,429,817	15,208,886	(909,159)	151,134,395

¹ Financial instruments, deferred tax assets, and investments in associates and joint ventures are excluded from non-current assets.

(2) As of and for the period ended March 31, 2020

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Net segment revenue	7,887,604	18,260,472	10,938,825	9,031,899	9,206,378	-	55,325,178
Non-current assets ¹	100,080,351	10,619,235	6,777,345	11,220,041	14,355,275	(461,880)	142,590,367

¹ Financial instruments, deferred tax assets, and investments in associates and joint ventures are excluded from non-current assets.

27. Related Party Transactions

(A) Sale and purchase transactions

Sale and purchase transactions with related parties for the three-month periods ended March 31, 2021 and 2020 are as follows:

		2021			
(In millions of Korean won)	Name of company ¹	Sales	Disposal of non-current assets	Purchases	Purchase of non-current assets
Associates and joint ventures	Samsung SDS	70,200	-	403,699	83,691
	Samsung Electro-Mechanics	29,507	-	385,710	-
	Samsung SDI	23,878	154	138,819	7,247
	Cheil Worldwide	25,126	-	157,185	-
	Other	293,248	68	2,833,972	28,475
	Total		441,959	222	3,919,385
Other related parties	Samsung C&T	28,303	-	63,226	900,762
	Other	104,634	-	543,452	217,726
	Total	132,937	-	606,678	1,118,488
Other ²	Samsung Engineering	81	-	3,835	89,484
	S-1	1,902	-	113,250	11,084
	Other	31,433	-	51,848	43,226
	Total	33,416	-	168,933	143,794

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.

		2020			
(In millions of Korean won)	Name of company ¹	Sales	Disposal of non-current assets	Purchases	Purchase of non-current assets
Associates and joint ventures	Samsung SDS	52,378	-	416,559	111,142
	Samsung Electro-Mechanics	23,990	-	534,751	-
	Samsung SDI	25,575	272	144,517	19,468
	Cheil Worldwide	24,556	-	189,356	-
	Other	367,398	29	2,447,147	31,394
	Total		493,897	301	3,732,330
Other related parties	Samsung C&T	13,774	417	83,843	257,236
	Other	74,517	-	269,682	58,052
	Total	88,291	417	353,525	315,288
Other ²	Samsung Engineering	2,343	-	76	69,182
	S-1	4,655	-	102,334	4,428
	Other	26,734	-	51,298	4,655
	Total	33,732	-	153,708	78,265

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

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

(B) Balances of receivables and payables

Balances of receivables and payables arising from sales and purchases of goods and services as of March 31, 2021 and December 31, 2020 are as follows:

(In millions of Korean won)		Name of company ¹	March 31, 2021	
			Receivables	Payables ²
Associates and joint ventures		Samsung SDS	68,844	486,298
		Samsung Electro-Mechanics	24,882	178,413
		Samsung SDI	116,260	73,219
		Cheil Worldwide	24,518	366,903
		Other	237,938	1,088,247
		Total	472,442	2,193,080
Other related parties		Samsung C&T	239,831	1,985,297
		Other	37,178	183,488
		Total	277,009	2,168,785
Other ³		Samsung Engineering	77	252,052
		S-1	1,306	40,761
		Other	8,058	38,557
		Total	9,441	331,370

¹ Balances due from and to separate entities that are related parties of the Company.

² Payables and others include lease liabilities.

³ Although these entities are not related parties of the Company in accordance with *Korean IFRS 1024*, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

(In millions of Korean won)		Name of company ¹	December 31, 2020	
			Receivables	Payables ²
Associates and joint ventures		Samsung SDS	36,905	543,388
		Samsung Electro-Mechanics	379	120,407
		Samsung SDI	108,561	89,178
		Cheil Worldwide	195	398,836
		Other	253,921	1,154,549
		Total	399,961	2,306,358
Other related parties		Samsung C&T	245,138	2,327,126
		Other	20,484	172,726
		Total	265,622	2,499,852
Other ³		Samsung Engineering	492	538,853
		S-1	2,091	45,257
		Other	11,344	55,053
		Total	13,927	639,163

¹ Balances due from and to separate entities that are related parties of the Company.

² Payables and others include lease liabilities.

³ Although these entities are not related parties of the Company in accordance with *Korean IFRS 1024*, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

- (C) For the three-month periods ended March 31, 2021 and 2020, the Company invested ₩ 14,500 million and ₩ 12,924 million, respectively, in associates and joint ventures. In addition, there was no return of investments in associates and joint ventures for the three-month periods ended March 31, 2021 and 2020.
- (D) For the three-month periods ended March 31, 2021, the Company declared ₩ 2,261,462 million of dividends (₩ 415,286 million for the three-month periods ended March 31, 2020) to related parties. As of March 31, 2021, the dividend payable to related parties amounted to ₩ 2,261,462 million. In addition, for the three-month periods ended March 31, 2021, the Company declared ₩ 171,566 million (₩ 31,436 million for the three-month periods ended March 31, 2020) of dividends 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 March 31, 2021, dividend payables to the entities that are not in scope of Korean IFRS 1024 amounted to ₩ 171,566 million.
- (E) For the three-month periods ended March 31, 2021 and 2020, the Company has not entered into any lease agreement with its related parties, and the lease payments made to the related parties amounted to ₩ 8,369 million and ₩ 13,449 million, respectively.
- (F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the three-month periods ended March 31, 2021 and 2020 consists of:

<i>(In millions of Korean won)</i>	2021	2020
Short-term employee benefits	2,868	2,147
Post-employment benefits	222	229
Other long-term employee benefits	1,625	1,716

28. Assets and Liabilities Held-for-Sale (Disposal Groups)

(A) Sales of ownership interest in SSM and SSL

For the year ended December 31, 2020, the Company decided to sell its 100% ownership in Samsung Suzhou Module Co., Ltd. (“SSM”) and 60% ownership in Samsung Suzhou LCD Co., Ltd. (“SSL”) to TCL China Star Opto-electronics Technologies Co. (CSOT). The Company entered into the sales agreement on August 28, 2020, and the sales were completed on April 1, 2021.

(B) Details of assets and liabilities classified as held-for-sale as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Assets held-for-sale		
Cash and cash equivalents	551,268	139
Trade receivables	223,059	-
Inventories	111,804	53,157
Other current assets	14,139	26,474
Property, plant and equipment	717,703	766,614
Intangible assets	1,150	1,421
Other non-current assets	86,170	81,627
Total	1,705,293	929,432
Liabilities held-for-sale		
Current liabilities	199,217	337,032
Non-current liabilities	1,218	1,710
Total	200,435	338,742

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

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Gain (loss) on overseas business translation, net of tax	16,055	(12,132)

29. Events subsequent to the reporting period

On April 8, 2021, the Company converted 2,300 shares of convertible preference stock issued by Corning Incorporated into 115 million shares of common stock, and disposed 35 million shares of converted common stock to Corning Incorporated.

3. Non-Consolidated financial statements

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	March 31, 2021 KRW	December 31, 2020 KRW	March 31, 2021 USD	December 31, 2020 USD
Assets					
Current assets					
Cash and cash equivalents	3, 25	8,291,000	989,045	7,447,935	888,475
Short-term financial instruments	3, 25	22,802,956	29,101,284	20,484,253	26,142,139
Trade receivables	3, 25	29,212,964	24,736,740	26,242,463	22,221,401
Non-trade receivables	3, 25	1,357,066	1,898,583	1,219,074	1,705,527
Prepaid expenses		1,164,025	890,680	1,045,662	800,112
Inventories	5	12,864,656	13,831,372	11,556,522	12,424,938
Other current assets	3, 25	2,925,385	2,350,845	2,627,918	2,111,800
		78,618,052	73,798,549	70,623,827	66,294,392
Non-current assets					
Financial assets at fair value through other comprehensive income	3, 4, 25	1,657,163	1,539,659	1,488,655	1,383,100
Financial assets at fair value through profit or loss	3, 4, 25	2,957	3,107	2,656	2,791
Investments in subsidiaries, associates and joint ventures	6	56,557,774	56,587,548	50,806,734	50,833,481
Property, plant and equipment	7	88,554,997	86,166,924	79,550,341	77,405,097
Intangible assets	8	6,878,693	7,002,648	6,179,238	6,290,588
Net defined benefit assets	11	896,951	1,162,456	805,745	1,044,252
Deferred income tax assets		921,068	992,385	827,410	891,475
Other non-current assets	3, 25	2,442,917	2,411,151	2,194,511	2,165,976
		157,912,520	155,865,878	141,855,290	140,016,760
Total assets		236,530,572	229,664,427	212,479,117	206,311,152

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	March 31, 2021 KRW	December 31, 2020 KRW	March 31, 2021 USD	December 31, 2020 USD
Liabilities and Equity					
Current liabilities					
Trade payables	3, 25	9,881,427	6,599,025	8,876,641	5,928,008
Short-term borrowings	3, 9, 25	12,537,183	12,520,367	11,262,348	11,247,242
Other payables	3, 25	23,640,905	9,829,541	21,236,995	8,830,031
Advances received	14	414,130	424,368	372,019	381,216
Withholdings	3, 25	405,413	432,714	364,189	388,714
Accrued expenses	3, 14, 25	6,686,651	7,927,017	6,006,723	7,120,964
Current income tax liabilities		3,042,682	3,556,146	2,733,289	3,194,542
Current portion of long-term liabilities	3, 9, 10, 25	107,867	87,571	96,899	78,666
Provisions	12	3,077,083	2,932,468	2,764,192	2,634,282
Other current liabilities	14	140,340	103,687	126,070	93,143
		59,933,681	44,412,904	53,839,365	39,896,808
Non-current liabilities					
Debentures	3, 10, 25	33,289	31,909	29,904	28,664
Long-term borrowings	3, 9, 25	158,816	150,397	142,667	135,104
Long-term other payables	3, 25	1,086,230	1,247,752	975,777	1,120,875
Long-term provisions	12	560,833	503,035	503,805	451,884
Other non-current liabilities		1,649	1,706	1,481	1,533
		1,840,817	1,934,799	1,653,634	1,738,060
Total liabilities		61,774,498	46,347,703	55,492,999	41,634,868

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	March 31, 2021 KRW	December 31, 2020 KRW	March 31, 2021 USD	December 31, 2020 USD
Equity					
Preference shares	15	119,467	119,467	107,319	107,319
Ordinary shares	15	778,047	778,047	698,932	698,932
Share premium		4,403,893	4,403,893	3,956,086	3,956,086
Retained earnings	16	169,707,446	178,284,102	152,450,857	160,155,401
Other components of equity	17	(252,779)	(268,785)	(227,076)	(241,454)
Total equity		174,756,074	183,316,724	156,986,118	164,676,284
Total liabilities and equity		236,530,572	229,664,427	212,479,117	206,311,152

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF PROFIT OR LOSS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended March 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Revenue	26	45,042,390	40,087,939	40,462,284	36,011,623
Cost of sales	18	33,137,562	29,720,949	29,767,991	26,698,794
Gross profit		11,904,828	10,366,990	10,694,293	9,312,829
Selling and administrative expenses	18, 19	7,459,352	7,334,647	6,700,853	6,588,828
Operating profit	26	4,445,476	3,032,343	3,993,440	2,724,001
Other non-operating income	20	1,357,247	246,369	1,219,236	221,317
Other non-operating expense	20	48,980	162,920	44,000	146,354
Financial income	21	920,764	1,619,269	827,137	1,454,615
Financial expense	21	857,151	1,647,433	769,992	1,479,915
Profit before income tax		5,817,356	3,087,628	5,225,821	2,773,664
Income tax expense	22	1,269,752	781,697	1,140,637	702,210
Profit for the period		4,547,604	2,305,931	4,085,184	2,071,454
Earnings per share	23				
(in Korean won, in US dollars)					
- Basic		669	339	0.60	0.30
- Diluted		669	339	0.60	0.30

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended March 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Profit for the period		4,547,604	2,305,931	4,085,184	2,071,454
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	53,976	(315,917)	48,487	(283,793)
Remeasurement of net defined benefit assets, net of tax	17	(37,970)	(26,080)	(34,109)	(23,428)
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income (loss) for the period, net of tax		16,006	(341,997)	14,378	(307,221)
Total comprehensive income for the period		4,563,610	1,963,934	4,099,562	1,764,233

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2020 KRW	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2020		119,467	778,047	4,403,893	172,288,326	280,514	177,870,247
Profit for the period		-	-	-	2,305,931	-	2,305,931
Loss on valuation of financial assets at fair value through other comprehensive income, net of tax		-	-	-	-	(315,917)	(315,917)
Remeasurement of net defined benefit assets, net of tax		-	-	-	-	(26,080)	(26,080)
Total comprehensive income (loss) for the period		-	-	-	2,305,931	(341,997)	1,963,934
Dividends declared		-	-	-	(2,405,428)	-	(2,405,428)
Total transactions with owners		-	-	-	(2,405,428)	-	(2,405,428)
Balance as of March 31, 2020		119,467	778,047	4,403,893	172,188,829	(61,483)	177,428,753

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.3))

2020 USD	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2020		107,319	698,932	3,956,086	154,769,302	251,990	159,783,629
Profit for the period		-	-	-	2,071,454	-	2,071,454
Loss on valuation of financial assets at fair value through other comprehensive income, net of tax		-	-	-	-	(283,793)	(283,793)
Remeasurement of net defined benefit assets, net of tax		-	-	-	-	(23,428)	(23,428)
Total comprehensive income (loss) for the period		-	-	-	2,071,454	(307,221)	1,764,233
Dividends declared		-	-	-	(2,160,834)	-	(2,160,834)
Total transactions with owners		-	-	-	(2,160,834)	-	(2,160,834)
Balance as of March 31, 2020		107,319	698,932	3,956,086	154,679,922	(55,231)	159,387,028

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2021 KRW	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2021		119,467	778,047	4,403,893	178,284,102	(268,785)	183,316,724
Profit for the period		-	-	-	4,547,604	-	4,547,604
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	-	53,976	53,976
Remeasurement of net defined benefit assets, net of tax	17	-	-	-	-	(37,970)	(37,970)
Total comprehensive income for the period		-	-	-	4,547,604	16,006	4,563,610
Dividends declared		-	-	-	(13,124,260)	-	(13,124,260)
Total transactions with owners		-	-	-	(13,124,260)	-	(13,124,260)
Balance as of March 31, 2021		119,467	778,047	4,403,893	169,707,446	(252,779)	174,756,074

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.3))

2021 USD	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2021		107,319	698,932	3,956,086	160,155,401	(241,454)	164,676,284
Profit for the period		-	-	-	4,085,184	-	4,085,184
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	-	48,487	48,487
Remeasurement of net defined benefit assets, net of tax	17	-	-	-	-	(34,109)	(34,109)
Total comprehensive income for the period		-	-	-	4,085,184	14,378	4,099,562
Dividends declared		-	-	-	(11,789,728)	-	(11,789,728)
Total transactions with owners		-	-	-	(11,789,728)	-	(11,789,728)
Balance as of March 31, 2021		107,319	698,932	3,956,086	152,450,857	(227,076)	156,986,118

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

	Notes	For the three-month periods ended March 31,			
		2021	2020	2021	2020
		KRW	KRW	USD	USD
Operating activities					
Profit for the period		4,547,604	2,305,931	4,085,184	2,071,454
Adjustments	24	5,241,834	5,386,096	4,708,822	4,838,414
Changes in assets and liabilities arising from operating activities	24	(1,311,341)	2,441,732	(1,177,998)	2,193,446
Cash generated from operations		8,478,097	10,133,759	7,616,008	9,103,314
Interest received		68,537	119,579	61,568	107,420
Interest paid		(23,076)	(52,483)	(20,730)	(47,146)
Dividends received		1,027,775	504	923,266	453
Income tax paid		(589,418)	(62,951)	(529,483)	(56,550)
Net cash from operating activities		8,961,915	10,138,408	8,050,629	9,107,491
Investing activities					
Net decrease (increase) in short-term financial instruments		6,298,328	(2,301,813)	5,657,887	(2,067,755)
Acquisition of financial assets at fair value through other comprehensive income		(43,009)	-	(38,636)	-
Disposal of financial assets at fair value through profit or loss		90	-	81	-
Disposal of investments in subsidiaries, associates and joint ventures		31,766	22,058	28,536	19,815
Acquisition of investments in subsidiaries, associates and joint ventures		(1,992)	(36,537)	(1,789)	(32,822)
Disposal of property, plant and equipment		190,300	133,196	170,949	119,652
Acquisition of property, plant and equipment		(7,449,044)	(5,423,126)	(6,691,593)	(4,871,679)
Disposal of intangible assets		-	84	-	75
Acquisition of intangible assets		(644,893)	(1,041,942)	(579,317)	(935,993)
Cash inflow (outflow) from other investing activities		(9,945)	69,056	(8,935)	62,034
Net cash used in investing activities		(1,628,399)	(8,579,024)	(1,462,817)	(7,706,673)

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

Samsung Electronics Co., Ltd.

INTERIM SEPARATE STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

Notes	For the three-month periods ended March 31,			
	2021	2020	2021	2020
	KRW	KRW	USD	USD
Financing activities				
Net decrease in short-term borrowings	(1,785)	(1,872,324)	(1,603)	(1,681,938)
Repayment of debentures and long-term borrowings	(29,551)	(33,698)	(26,546)	(30,271)
Dividends paid	(243)	(243)	(218)	(218)
Net cash used in financing activities	(31,579)	(1,906,265)	(28,367)	(1,712,427)
Effect of foreign exchange rate changes	18	(75)	15	(67)
Net increase (decrease) in cash and cash equivalents	7,301,955	(346,956)	6,559,460	(311,676)
Cash and cash equivalents				
Beginning of the year	989,045	2,081,917	888,475	1,870,219
End of the period	8,291,000	1,734,961	7,447,935	1,558,543

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

4. Notes to Non-Consolidated Financial Statements

1. General Information

Samsung Electronics Co., Ltd. (the “Company”) was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975. The Company operates three business divisions: Consumer Electronics (“CE”), Information technology & Mobile communications (“IM”), and Device Solutions (“DS”). CE division includes digital TVs, monitors, air conditioners and refrigerators and IM division includes mobile phones, communication systems, and computers. DS division includes semiconductor products such as memory, foundry and system LSI. The Company is domiciled in the Republic of Korea and is located in Suwon, the Republic of Korea.

These financial statements have been prepared in accordance with *Korean IFRS 1027, Separate Financial Statements*.

2. Significant Accounting Policies

2.1 Basis of Presentation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“Korean IFRS”). The accompanying interim separate financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The interim financial statements for the three-month periods ended March 31, 2021, have been prepared in accordance with *Korean IFRS 1034, Interim Financial Reporting*. These interim financial statements have been prepared in accordance with the Korean IFRS which is effective as of March 31, 2021.

(A) New and amended standards adopted by the Company

The Company applied the following amended and enacted standards for the first time for their annual reporting period commencing January 1, 2021:

Amendments to Korean IFRS 1116, Lease

The amendments introduce a practical expedient that simplifies how a lessee accounts for COVID-19 related rent concessions, and a lessee may elect not to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. A lease that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the change were not a lease modification. The application of the amendments does not have a significant impact on the Company’s interim separate financial statements.

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

The amended accounting standard issued that is not mandatory for the annual reporting period commencing January 1, 2021 and has not been early adopted by the Company is as follows:

Amendments to Korean IFRS 1016 Property, Plant and Equipment

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with early adoption permitted.

2.2 Accounting Policies

Significant accounting policies and method of computation used in the preparation of the interim financial statements are consistent with those of the annual financial statements for the year ended December 31, 2020, except for the changes due to the application of amendments and enactments of standards described in Note 2.1 and as described below.

(A) Income tax expense

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual effective income tax rate is applied to the pre-tax income of the interim period.

2.3 Convenience Translation into United States Dollar Amounts

The Company operates primarily in Korean won and its official accounting records are maintained in Korean won. The US dollar amounts provided in the financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollars at the rate of ₩ 1,113.2 to \$1, the average exchange rate for the three-month periods ended March 31, 2021. 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 at any other rate.

2.4 Critical Accounting Estimates and Assumptions

In preparing the interim financial statements, the management of the Company makes judgements, estimates and assumptions on matters which affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, seldom equal the related actual results. Recent spread of COVID-19 may result in changes to the Company's assumptions and estimates, but its potential financial impact cannot be reasonably estimated as of the reporting date.

Critical accounting estimates and assumptions made in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2020, except for the estimates used to determine the income tax expense.

3. Financial Instruments by Category

(A) Categorizations of financial assets and liabilities as of March 31, 2021 and December 31, 2020 are as follows:

(1) As of March 31, 2021

<i>(In millions of Korean won)</i>	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	Total
Financial assets				
Cash and cash equivalents	8,291,000	-	-	8,291,000
Short-term financial instruments	22,802,956	-	-	22,802,956
Trade receivables	29,212,964	-	-	29,212,964
Financial assets at fair value through other comprehensive income	-	1,657,163	-	1,657,163
Financial assets at fair value through profit or loss	-	-	2,957	2,957
Other	4,080,324	-	-	4,080,324
Total	64,387,244	1,657,163	2,957	66,047,364

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities¹	Total
Financial liabilities			
Trade payables	9,881,427	-	9,881,427
Short-term borrowings	-	12,537,183	12,537,183
Other payables	23,366,046	-	23,366,046
Current portion of long-term liabilities	5,548	102,319	107,867
Debentures	33,289	-	33,289
Long-term borrowings	-	158,816	158,816
Long-term other payables	779,483	-	779,483
Other	4,269,009	-	4,269,009
Total	38,334,802	12,798,318	51,133,120

¹ Other financial liabilities include collateralized borrowings and lease liabilities which are not subject to categorizations.

(2) As of December 31, 2020

<i>(In millions of Korean won)</i>	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	Total
Financial assets				
Cash and cash equivalents	989,045	-	-	989,045
Short-term financial instruments	29,101,284	-	-	29,101,284
Trade receivables	24,736,740	-	-	24,736,740
Financial assets at fair value through other comprehensive income	-	1,539,659	-	1,539,659
Financial assets at fair value through profit or loss	-	-	3,107	3,107
Other	4,149,950	-	-	4,149,950
Total	58,977,019	1,539,659	3,107	60,519,785

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities¹	Total
Financial liabilities			
Trade payables	6,599,025	-	6,599,025
Short-term borrowings	-	12,520,367	12,520,367
Other payables	9,671,280	-	9,671,280
Current portion of long-term liabilities	5,318	82,253	87,571
Debentures	31,909	-	31,909
Long-term borrowings	-	150,397	150,397
Long-term other payables	935,038	-	935,038
Others	3,423,251	-	3,423,251
Total	20,665,821	12,753,017	33,418,838

¹ Other financial liabilities include collateralized borrowings and lease liabilities which are not subject to categorizations.

4. Financial Assets at Fair Value

(A) Details of financial assets at fair value as of March 31, 2021 and December 31, 2020 are as follows:

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

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Equity instruments	1,657,163	1,539,659

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

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Debt instruments	2,957	3,107

(B) Details of listed equity securities of financial assets at fair value as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won, number of shares and percentage)</i>	March 31, 2021			December 31, 2020	
	Number of shares owned	Percentage of ownership¹ (%)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries	100,693,398	16.0	735,488	782,388	708,882
Hotel Shilla	2,004,717	5.1	13,957	174,210	164,988
iMarket Korea	647,320	1.9	324	5,871	5,658
Skylife	240,000	0.5	3,344	2,074	2,114
Yongpyong Resort	400,000	0.8	1,869	1,922	1,702
A-Tech Solution	1,592,000	15.9	26,348	24,994	19,263
Wonik Holdings	1,759,171	2.3	15,410	11,628	11,153
Wonik IPS	1,850,936	3.8	16,214	95,693	81,904
Dongjin Semichem	2,467,894	4.8	48,277	80,453	90,078
Soulbrain Holdings	461,741	2.2	30,752	19,578	20,825
Soulbrain	373,368	4.8	24,866	108,165	101,668
S&S Tech	1,716,116	8.0	65,933	55,259	74,651
YIK Corp	9,601,617	11.9	47,336	63,275	60,010
Kctech	1,022,216	4.9	20,720	26,884	31,433
Lotvacuum	1,267,668	7.4	18,990	21,043	24,086
Newpower	2,140,939	4.9	12,739	13,467	14,109
Fine Semitech	1,522,975	7.0	43,009	43,100	-
Total			1,125,576	1,530,004	1,412,524

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

5. Inventories

Inventories as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021			December 31, 2020		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	2,448,317	(149,055)	2,299,262	2,535,410	(118,007)	2,417,403
Work in process	7,928,957	(116,729)	7,812,228	8,904,968	(65,773)	8,839,195
Raw materials and supplies	2,616,887	(373,522)	2,243,365	2,544,706	(379,326)	2,165,380
Materials in transit	509,801	-	509,801	409,394	-	409,394
Total	13,503,962	(639,306)	12,864,656	14,394,478	(563,106)	13,831,372

6. Investments in Subsidiaries, Associates and Joint Ventures

(A) Changes in investments in subsidiaries, associates and joint ventures for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Balance as of January 1	56,587,548	56,571,252
Acquisition	1,992	36,537
Disposal	(31,766)	(22,058)
Balance as of March 31	56,557,774	56,585,731

(B) Major investments in associates as of March 31, 2021 are as follows (refer to Note 27 for list of subsidiaries):

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 IT services including computer programming, system integration and management, and logistical services	22.6	Korea	December
Samsung Biologics Co., Ltd.	Business investment	31.5	Korea	December
Samsung SDI Co., Ltd. ²	Manufacture and supply electronic components including secondary cell batteries	19.6	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

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

² The Company's ownership of ordinary shares outstanding is 20.6%.

(C) Fair value of marketable investments in associates as of March 31, 2021 and December 31, 2020 as follows:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2021		December 31, 2020		
	Number of shares held	Market value	Carrying amount	Market value	Carrying amount
Samsung Electro-Mechanics	17,693,084	3,317,453	445,244	3,149,369	445,244
Samsung SDS	17,472,110	3,380,853	560,827	3,118,772	560,827
Samsung Biologics	20,836,832	15,585,950	443,193	17,211,223	443,193
Samsung SDI	13,462,673	8,885,364	1,242,605	8,454,559	1,242,605
Cheil Worldwide	29,038,075	617,059	491,599	598,184	491,599

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Balance as of January 1	86,166,924	74,090,275
Acquisition and capital expenditures	7,013,954	4,491,929
Depreciation	(4,546,844)	(3,843,839)
Disposals/scrap/impairment	(77,466)	(85,742)
Other	(1,571)	(28,383)
Balance as of March 31	88,554,997	74,624,240

(B) Details of depreciation of property, plant and equipment for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Cost of sales	4,126,460	3,452,232
Selling and administrative expenses and other	420,384	391,607
Total	4,546,844	3,843,839

(C) Right-of-use assets as of March 31, 2021 amount to ₩ 432,701 million (December 31, 2020: ₩ 405,873 million). During the three-month periods ended March 31, 2021 and 2020, newly recognized right-of-use assets amount to ₩ 75,321 million and ₩ 15,259 million, respectively, with relevant depreciation of ₩ 31,588 million and ₩ 35,100 million, respectively.

8. Intangible Assets

(A) Changes in intangible assets for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Balance as of January 1	7,002,648	8,008,653
External acquisitions	323,214	475,671
Internally generated /developed	101,577	-
Amortization	(553,854)	(661,564)
Disposals/scrap/impairment	(9,758)	(7,055)
Other	14,866	(1,128)
Balance as of March 31	6,878,693	7,814,577

(B) Details of amortization of intangible assets for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Cost of sales	437,705	521,328
Selling and administrative expenses and other	116,149	140,236
Total	553,854	661,564

9. Borrowings

Details of the carrying amounts of borrowings as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	Financial institutions	Interest rate(%) as of Mar 31, 2021	March 31, 2021	December 31, 2020
Short-term borrowings				
Collateralized borrowings ¹	Woori Bank and other	0.0~7.5	12,537,183	12,520,367
Current portion of long-term borrowings				
Lease liabilities ²	-	1.9	102,319	82,253
Long-term borrowings				
Lease liabilities ²	-	1.9	158,816	150,397

¹ Collateralized borrowings are secured by trade receivables.

² Interest expenses arising from the lease liabilities for the three-month periods ended March 31, 2021 and 2020 amounted to ₩ 1,155 million and ₩ 1,201 million, respectively, which were determined using the weighted average incremental borrowing rate. The right-of-use assets are pledged as collateral to lessors in the event of default.

10. Debentures

Details of the carrying amounts of debentures as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rate (%) as of Mar 31, 2021	March 31, 2021	December 31, 2020
US dollar denominated straight bonds ¹	Oct 2, 1997	Oct 1, 2027	7.7	39,673 (USD 35 million)	38,080 (USD 35 million)
Less: Discounts				(836)	(853)
Less: Current Portion				(5,548)	(5,318)
Total				33,289	31,909

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.

11. Net Defined Benefit Liabilities (Assets)

- (A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Present value of funded defined benefit obligations	10,005,725	9,740,095
Present value of unfunded defined benefit obligations	14,369	13,987
Subtotal	10,020,094	9,754,082
Fair value of plan assets	(10,917,045)	(10,916,538)
Total	(896,951)	(1,162,456)

- (B) The components of defined benefit costs recognized in profit or loss for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Current service cost	226,862	200,712
Net interest income	(10,026)	(3,974)
Total	216,836	196,738

- (C) The expenses related to defined benefit plans recognized in the statements of profit or loss for the three-month periods ended March 31, 2021 and 2020 are as follows :

<i>(In millions of Korean won)</i>	2021	2020
Cost of sales	84,710	78,596
Selling and administrative expenses and other	132,126	118,142
Total	216,836	196,738

12. Provisions

Changes in the provisions for the three-month periods ended March 31, 2021 are as follows:

<i>(In millions of Korean won)</i>	Warranty (A)	Royalty expenses (B)	Long-term incentives (C)	Other (D, E)	Total
Balance as of January 1	340,818	1,304,018	567,004	1,223,663	3,435,503
Charged to profit or loss	75,240	315,188	46,565	476,089	913,082
Payment	(60,296)	(290,694)	(194,281)	(232,845)	(778,116)
Other	-	60,415	-	7,032	67,447
Balance as of March 31	355,762	1,388,927	419,288	1,473,939	3,637,916

- (A) The Company accrues warranty reserves for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiation.
- (C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost for the accrued period.
- (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 makes provisions for the carrying amounts of emission rights held by the Company and the emission in excess of the emission rights for the applicable years. Details of emission rights and liabilities as of March 31, 2021 are as follows:

- (1) The amount of emission rights allocated free of charge in the current commitment period and estimated volume of emission as of March 31, 2021 are as follows:

<i>(In ten thousand metric tons)</i>	March 31, 2021
Emission rights allocated free of charge	1,124
Estimated volume of emission	1,458

- (2) Changes in the emission rights for the three-month periods ended March 31, 2021 are as follows:

<i>(In millions of Korean won)</i>	2021
Balance as of January 1	44,865
Acquisition	-
Balance as of March 31	44,865

- (3) Changes in the emission liabilities for the three-month periods ended March 31, 2021 are as follows:

<i>(In millions of Korean won)</i>	2021
Balance as of January 1	31,777
Charged to profit or loss	8,370
Balance as of March 31	40,147

13. Commitments and Contingencies

(A) Guarantees

- (1) Debt guarantees provided by the Company for overseas subsidiaries as of March 31, 2021 are as follows:

(In millions of Korean won and thousands of US dollars)

Debtor	Creditor	Period	Actual indebtedness	Guaranteed amount
SETK	BNP Paribas and others	Dec 16, 2021	190,456	948,740
SSA	SCB and others	Dec 16, 2021	48,608	360,453
SEIL	Citibank	Dec 16, 2021	11,550	17,683
Other	Others	-	-	8,058,564
Total			250,614	9,385,440
			USD 221,099	USD 8,280,053

- (2) The ceiling amount of guarantees provided by the Company for the execution of contracts by overseas subsidiaries is ₩ 396,741 million as of March 31, 2021.
- (3) The Company has not been provided any collateral or guarantees from its related parties as of March 31, 2021.

(B) Litigation

As of March 31, 2021, 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.

(C) Joint liabilities related to the divestiture

The Company, Samsung Display Co., Ltd. and others are jointly and severally liable to fulfill the debts of Samsung Display Co., Ltd. and others which relate to the periods prior to Samsung Display Co., Ltd.'s separation from the Company.

14. Contract Liabilities

The Company has recognized the following contract liabilities related to revenue from contracts with customers:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Contract liabilities ¹	1,200,355	1,065,465

¹ Contract liabilities include advances received, accrued expenses, other current liabilities and others.

15. Share Capital

As of March 31, 2021, the Company's total number of authorized shares is 25,000,000,000 shares (₩ 100 per share). The Company has issued 5,969,782,550 shares of ordinary shares and 822,886,700 shares of preference shares as of March 31, 2021, excluding retired shares. As of the March 31, 2021, the number of shares outstanding is the same as the number of shares issued above, and no changes were made to the number of shares outstanding during the three-month periods ended March 31, 2021 and 2020. Due to the retirement of shares, the total par value of the shares issued is ₩ 679,267 million (ordinary shares of ₩ 596,978 million and preference shares of ₩ 82,289 million), which does not agree with paid-in capital of ₩ 897,514 million.

16. Retained Earnings

(A) Retained earnings as of March 31, 2021 and December 31, 2020 consist of the following:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Legal reserves	450,789	450,789
Discretionary reserves, etc.	169,256,657	177,833,313
Total	169,707,446	178,284,102

(B) Details of interim dividends are as follows (Record date: March 31, 2021 and 2020)

<i>(In millions of Korean won and number of shares)</i>		2021	2020	
1 st Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	361%	354%	
	Dividend amount	Ordinary shares	2,155,092	2,113,303
Preference shares		297,062	291,302	
Total		2,452,154	2,404,605	

17. Other Components of Equity

Other components of equity as of March 31, 2021 and December 31, 2020 consist of the following:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Gain on valuation of financial assets at fair value through other comprehensive income	244,471	190,495
Remeasurement of net defined benefit assets	(2,257,658)	(2,219,688)
Others	1,760,408	1,760,408
Total	(252,779)	(268,785)

18. Expenses by Nature

Expenses by nature for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Changes in finished goods, work in process, and other	1,145,108	599,286
Raw materials used, merchandise purchased, and other	21,429,120	19,837,285
Wages and salaries	3,563,516	2,991,164
Post-employment benefit	219,230	198,274
Depreciation	4,546,844	3,843,839
Amortization	553,854	661,564
Welfare	610,807	558,677
Utilities	686,350	633,588
Outsourcing	814,449	769,444
Advertising	249,023	320,666
Sales promotion expenses	300,650	260,119
Other	6,477,963	6,381,690
Total¹	40,596,914	37,055,596

¹ Equal to sum of cost of sales and selling and administrative expenses in the separate statements of profit or loss.

19. Selling and Administrative Expenses

Selling and administrative expenses for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Selling and administrative expenses		
Wages and salaries	648,173	527,377
Post-employment benefit	41,089	33,784
Commissions	579,165	564,852
Depreciation	100,529	111,746
Amortization	54,037	69,816
Advertising	248,988	320,666
Sales promotion expenses	300,650	260,119
Transportation	196,800	153,702
Service charges	280,293	282,239
Other	392,582	456,108
Subtotal	2,842,306	2,780,409
Research and development expenses		
Total expenses	4,718,623	4,554,238
Capitalized expenses	(101,577)	-
Subtotal	4,617,046	4,554,238
Total	7,459,352	7,334,647

20. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Other non-operating income		
Dividend income	1,135,000	101,767
Rental income	41,189	41,938
Gain on disposal of property, plant and equipment	132,884	72,055
Other	48,174	30,609
Total	1,357,247	246,369

<i>(In millions of Korean won)</i>	2021	2020
Other non-operating expenses		
Loss on disposal of property, plant and equipment	3,204	1,440
Donations	27,596	61,434
Other	18,180	100,047
Total	48,980	162,921

21. Financial Income and Expenses

Details of financial income and expenses for the three-month periods ended March 31, 2021 and 2020 are as follows:

<i>(In millions of Korean won)</i>	2021	2020
Financial income		
Interest income	82,289	160,098
Interest income from financial assets measured at amortized cost	82,289	160,098
Foreign exchange differences	838,475	1,459,171
Total	920,764	1,619,269

<i>(In millions of Korean won)</i>	2021	2020
Financial expenses		
Interest expenses	32,114	65,457
Interest expenses from financial liabilities measured at amortized cost	9,038	12,975
Other financial liabilities	23,076	52,482
Foreign exchange differences	825,037	1,581,976
Total	857,151	1,647,433

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

22. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The average annual tax rate expected as of March 31, 2021 to be effective for the year ended December 31, 2021 is 21.8%.

23. Earnings per Share

(A) Basic earnings per share

Basic earnings per share for the three-month periods ended March 31, 2021 and 2020 are calculated as follows:

(1) Ordinary shares

<i>(In millions of Korean won, thousands of number of shares)</i>	2021	2020
Profit for the period	4,547,604	2,305,931
Profit for the period available for ordinary shares	3,996,692	2,026,583
Weighted-average number of ordinary shares outstanding	5,969,783	5,969,783
Basic earnings per ordinary share (in Korean won)	669	339

(2) Preference shares

<i>(In millions of Korean won, thousands of number of shares)</i>	2021	2020
Profit for the period	4,547,604	2,305,931
Profit for the period available for preference shares	550,912	279,348
Weighted-average number of preference shares outstanding	822,887	822,887
Basic earnings per preference share (in Korean won)	669	339

(B) Diluted earnings per share

The Company does not have dilutive potential ordinary shares and as a result, basic earnings per share and diluted earnings per share are the same for the three-month periods ended March 31, 2021 and 2020.

24. 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 three-month periods ended March 31, 2021 and 2020 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2021	2020
Adjustments :		
Income tax expense	1,269,752	781,697
Financial income	(527,907)	(814,782)
Financial expenses	334,183	845,316
Post-employment benefits	219,230	198,274
Depreciation	4,546,844	3,843,839
Amortization	553,854	661,564
Bad debt expenses	10,651	11,342
Dividends income	(1,135,000)	(101,767)
Gain on disposal of property, plant and equipment	(132,884)	(72,055)
Loss on disposal of property, plant and equipment	3,204	1,440
Loss on valuation of inventories	96,196	22,812
Others	3,711	8,416
Total	5,241,834	5,386,096

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2021	2020
Changes in assets and liabilities :		
Increase in trade receivables	(4,229,735)	(3,114,195)
Decrease in non-trade receivables	651,833	1,230,810
Increase in prepaid expenses	(269,865)	(241,478)
Decrease in inventories	885,829	447,579
Increase in trade payables	3,230,220	4,044,963
Decrease in other payables	(67,580)	(143,473)
Decrease in advances received	(10,238)	(44,052)
Decrease in withholdings	(27,301)	(33,674)
Decrease in accrued expenses	(1,243,732)	(22,911)
Increase in provisions	146,199	693,003
Payment of post-employment benefits	(46,829)	(187,764)
Other	(330,142)	(187,076)
Total	(1,311,341)	2,441,732

(B) For the three-month periods ended March 31, 2021 and 2020, cash outflows from repayment of the principal (financial activities) were ₩ 29,551 million and ₩ 33,698 million, respectively, while cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩ 1,155 million and ₩ 1,201 million, respectively.

25. Financial Risk Management

The Company's financial risk management focuses on minimizing market risk, credit risk, and liquidity risk arising from operating activities. To mitigate these risks, the Company implements and operates a financial risk policy and program that closely monitors and manages such risks. In addition, the Company uses derivatives to hedge certain risk exposure.

The finance team mainly carries out the Company's financial risk management. After implementing the global financial risk management policies, the finance team periodically measures, evaluates, and hedges financial risk and also establishes and implements the global financial risk management policy.

The Company also manages foreign exchange risk by monitoring foreign exchange rate fluctuations at local finance centers across major regions (United States, United Kingdom, Singapore, China, Brazil, and Russia) and acting as an agent of foreign exchange transactions. In addition, the Company manages liquidity risk by utilizing a globally integrated finance structure.

The Company's financial assets that are under financial risk management are comprised of cash and cash equivalents, short-term financial instruments, trade receivables and others. The Company's financial liabilities under financial risk management are comprised 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 performed in currencies other than its functional currency. The major currencies that are exposed to foreign exchange risk are the US dollar, Euro, and Indian Rupee.

The Company focuses on minimizing the impact of foreign exchange fluctuation by maintaining the equal amount of assets and liabilities denominated in each foreign currency, irrespective of foreign exchange fluctuation considerations. To prevent 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 for the cash-in currency to be matched up with the cash-out currency. 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.

(2) Interest rate risk

Risk of changes in interest rates for floating interest rate financial instruments is defined as the risk that the fair value of components of the statements of financial position, and future cash flows of interest income (expenses) of a financial instrument, will fluctuate because of changes in market interest rates. The Company's position with regard to interest rate risk exposure is mainly driven by its floating interest rate debt obligations and interest-bearing deposits. The Company implemented policies and operates to minimize uncertainty arising from changes in interest rates and finance expenses.

(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, which is in line with the Company's strategy.

As of March 31, 2021 and 2020, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩ 15,300 million and ₩ 6,890 million, respectively.

(B) Credit risk

Credit risk arises during the normal course of transactions and investing activities where clients or other parties fail to discharge an obligation. The Company monitors and sets the client's and counterparty's credit limit on a periodic basis based on the client's and counterparty's financial conditions, default history and other important 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 which include financial instrument transactions such as cash and cash equivalents, deposits, and derivative instruments. To minimize such risk, the Company transacts only with banks which have a strong international credit rating (S&P A and above), and all new transactions with financial institutions with no prior transaction history are approved, managed and monitored by the Company's finance team. The Company generally enters into a financial agreement with no restrictions, such as debt ratio covenants, provision of collateral and/or repayment of loans/ borrowings. The Company requires separate approvals for contracts with restrictions.

As of the reporting date, the Company estimates that its maximum exposure to credit risk is the carrying amount of its financial assets, net of impairment losses.

(C) Liquidity risk

Due to large investments made by the Company, maintaining adequate levels of liquidity risk is critical. The Company strives to achieve this goal by periodically forecasting its capital balance, estimating required cash levels, and managing income and expenses.

The Company manages its liquidity risk by periodically forecasting projected cash flows. If abnormal signs are identified, the Company works with the local finance center and provides liquidity support by utilizing a globally integrated finance structure, such as Cash Pooling. In addition, the Company maintains a liquidity management process which provides additional financial support from the local finance center and the Company. The Cash Pooling program allows the sharing of surplus funds among entities and contributes to minimizing liquidity risk and strengthening the Company's competitive position by reducing capital operation expenses and financial expenses.

For the need of large scale of liquidity, the Company secures credit limit for the overseas subsidiaries through payment guarantees.

(D) Capital risk management

The purpose of capital management is to maintain a sound capital structure. The Company monitors capital on the basis of credit ratings and debt ratio. Debt ratio is calculated by dividing total liabilities by total equity in the financial statements.

The Company has maintained an AA- and Aa3 credit rating from S&P and Moody's, respectively.

The debt ratio as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021	December 31, 2020
Total liabilities	61,774,498	46,347,703
Total equity	174,756,074	183,316,724
Debt ratio	35.3%	25.3%

(E) Fair value estimation

- (1) Carrying amounts and fair value of financial instruments by category as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	8,291,000	(*)	989,045	(*)
Short-term financial instruments	22,802,956	(*)	29,101,284	(*)
Trade receivables	29,212,964	(*)	24,736,740	(*)
Financial assets at fair value through other comprehensive income	1,657,163	1,657,163	1,539,659	1,539,659
Financial assets at fair value through profit or loss	2,957	2,957	3,107	3,107
Other	4,080,324	(*)	4,149,950	(*)
Total financial assets	66,047,364		60,519,785	
Financial liabilities				
Trade payables	9,881,427	(*)	6,599,025	(*)
Short-term borrowings	12,537,183	(*)	12,520,367	(*)
Other payables	23,366,046	(*)	9,671,280	(*)
Current portion of long-term liabilities	107,867	(*)	87,571	(*)
Debentures	33,289	37,902	31,909	36,507
Long-term borrowings	158,816	(*)	150,397	(*)
Long-term other payables	779,483	(*)	935,038	(*)
Other	4,269,009	(*)	3,423,251	(*)
Total financial liabilities	51,133,120		33,418,838	

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

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

(2) Fair value hierarchy classifications of the financial instruments that are measured at fair value or its fair value disclosed as of March 31, 2021 and December 31, 2020 are as follows:

March 31, 2021				
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Financial assets at fair value through other comprehensive income	1,530,004	-	127,159	1,657,163
Financial assets at fair value through profit or loss	-	-	2,957	2,957
2) Liabilities				
Debentures	-	37,902	-	37,902

December 31, 2020				
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Financial assets at fair value through other comprehensive income	1,412,524	-	127,135	1,539,659
Financial assets at fair value through profit or loss	-	-	3,107	3,107
2) Liabilities				
Debentures	-	36,507	-	36,507

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 statements of financial position 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. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. The instruments included in Level 1 are listed equity investments, most of which are classified as financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value 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 at least once every quarter in line with the Company's quarterly reporting dates. 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 statements of financial position date, with the resulting value discounted back to present value

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

(3) Valuation technique and the inputs

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

The following table presents the valuation technique and the inputs used for major financial instruments classified as Level 3.

(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	22,038	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.0%~1.0%(0.0%) 18.7%~20.7%(19.7%)

(4) Changes in Level 3 instruments:

(In millions of Korean won)

	2021	2020
Financial assets		
Balance as of January 1	130,242	84,536
Disposals	(90)	-
Amount recognized in other comprehensive income	(22)	-
Other	(14)	-
Balance as of March 31	130,116	84,536

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

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

The results of the sensitivity analysis for effect on other comprehensive income or loss (before-tax amount for other comprehensive income or loss) 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)

Classification	Favorable changes		Unfavorable changes	
	Profit or loss	Equity	Profit or loss	Equity
Financial assets at fair value through other comprehensive income ¹	-	847	-	(701)

¹ For equity securities, changes in fair value are calculated with the correlation between the discount rate and growth rate (-1% ~1%), which are significant unobservable inputs.

26. Segment Information

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

Sales 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 CE, IM, DS (Semiconductor), and others.

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 three-month period ended March 31, 2021

<i>(In millions of Korean won)</i>	CE	IM	DS	Total¹
Sales	7,310,696	19,203,737	19,021,916	45,042,390
Depreciation	24,086	51,386	4,371,027	4,546,844
Amortization	14,476	246,532	246,843	553,854
Operating profit	(97,371)	2,205,165	2,345,721	4,445,476

¹ Other operating segments are not separately disclosed.

(2) For the three-month period ended March 31, 2020

<i>(In millions of Korean won)</i>	CE¹	IM	DS	Total¹
Sales	6,070,463	16,922,951	17,108,591	40,087,939
Depreciation	24,968	49,419	3,665,206	3,843,839
Amortization	11,653	347,348	261,464	661,564
Operating profit	(358,068)	180,059	3,220,744	3,032,343

¹ Other operating segments are not separately disclosed.

27. Related Party Transactions

(A) Subsidiaries

List of subsidiaries as of March 31, 2021 are as follows:

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
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)	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 HVAC America, LLC	Sale of air conditioning products	100.0
	Prismview, LLC	Manufacture and sale of LED displays	100.0
	Joyent, Inc.	Cloud services	100.0
	Dacor Holdings, Inc.	Management of overseas subsidiaries	100.0
	Dacor, Inc.	Manufacture and sale of home appliances	100.0
	Dacor Canada Co.	Sale of home appliances	100.0
	SmartThings, Inc.	Sale of smart home electronics	100.0
	TeleWorld Solutions, Inc. (TWS)	Installation of network devices	100.0
	TWS LATAM B, LLC	Management of overseas subsidiaries	100.0
	TWS LATAM S, LLC	Management of overseas subsidiaries	100.0
	SNB Technologies, Inc. Mexico, S.A. de C.V.	Installation of network devices	100.0
	Zhilabs Inc.	Sale of network solutions	100.0
	Samsung Semiconductor, Inc. (SSI)	Sale of semiconductor and display panels	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.	Semiconductor equipment	100.0
	Samsung Electronics Canada, Inc. (SECA)	Sale of electronic devices	100.0
	AdGear Technologies Inc.	Digital advertising platforms	100.0
	Samsung Electronica 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, S.A. de C.V. (SEDAM)	Manufacture of home appliances	100.0
	Samsung Electronics Latinoamerica (Zona Libre), S.A. (SELA)	Sale of electronic devices	100.0
	Samsung Electronics Latinoamerica Miami, Inc. (SEMI)	Sale of electronic devices	100.0
	Samsung Electronica Colombia S.A. (SAMCOL)	Sale of electronic devices	100.0
	Samsung Electronics Argentina S.A. (SEASA)	Marketing and services	100.0
	Samsung Electronics Chile Limitada (SECH)	Sale of electronic devices	100.0
	Samsung Electronics Peru S.A.C. (SEPR)	Sale of electronic devices	100.0
	Samsung Electronics Venezuela, C.A. (SEVEN)	Marketing and services	100.0
	Samsung Electronics Panama. S.A. (SEPA)	Consulting	100.0
	Harman International Industries, Inc.	Management of overseas subsidiaries	100.0
	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products, R&D	100.0
	Harman Connected Services, Inc.	Connected service provider	100.0
	Harman Connected Services Engineering Corp.	Connected service provider	100.0
	Hamman 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, R&D	100.0	

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
America	Harman Financial Group LLC	Management company	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, R&D	100.0
	RT SV CO-INVEST, LP	Venture capital investments	99.9
	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
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 S.A. (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 Display Slovakia s.r.o. (SDSK)	Toll processing of display panels	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
	Zhilabs, S.L.	Development and sale of network solutions	100.0
	Foodient Ltd.	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 Electronics Central Eurasia LLP (SECE)	Sale of electronic devices	100.0
	Samsung Electronics Overseas B.V. (SEO)	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
	AKG Acoustics GmbH	Manufacture and sale of audio products	100.0
	AMX UK Limited	Sale of audio products	100.0
A&R Cambridge Limited	Sale of audio products	100.0	

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
Europe & CIS	Harman Audio Iberia Espana Sociedad Limitada	Sale of audio products	100.0
	Harman Automotive UK Limited	Manufacture of audio products	100.0
	Harman Becker Automotive Systems GmbH	Manufacture and sale of audio products, 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, R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Connected Services AB.	Connected service provider	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Limited	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Connected Services UK Ltd.	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
	Harman Deutschland GmbH	Sale of audio products	100.0
	Harman Finance International GP S.a.r.l	Management of overseas subsidiaries	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, R&D	100.0
	Harman International Romania SRL	R&D	100.0
	Harman Finance International, SCA	Financing company	100.0
	Harman International s.r.o	Manufacture of audio products	100.0
	Harman Management GmbH	Management of overseas subsidiaries	100.0
	Harman Professional Kft	Manufacture of audio products, R&D	100.0
	Martin Manufacturing (UK) Ltd.	Manufacture of audio products	100.0
	Harman Professional Denmark ApS	Sale of audio products, R&D	100.0
	Red Bend Software Ltd.	Software design	100.0
	Red Bend Software SAS	Software design	100.0
Studer Professional Audio GmbH	Sale of audio products, R&D	100.0	
Harman Connected Services OOO	Connected service provider	100.0	
Harman RUS CIS LLC	Sale of audio products	100.0	
Middle East & Africa	Samsung Gulf Electronics Co., Ltd. (SGE)	Sale of electronic devices	100.0
	Samsung Electronics Turkey (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 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

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
	Samsung Electronics South Africa (Pty) Ltd. (SSA)	Sale of electronic devices	100.0
	Samsung Electronics South Africa Production (pty) Ltd. (SSAP)	Manufacture of TV and monitors	100.0
	Samsung Electronics West Africa Ltd. (SEWA)	Marketing	100.0
	Samsung Electronics East Africa Ltd. (SEEA)	Marketing	100.0
	Global Symphony Technology Group Private Ltd.	Management of overseas subsidiaries	100.0
	Harman Connected Services Morocco	Connected service provider	100.0
	Harman Industries Holdings Mauritius Ltd.	Management of overseas subsidiaries	100.0
	Red Bend Ltd.	Manufacture of audio products	100.0
	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 THANGUYEN 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
Asia (Excluding China)	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
	Samsung Display Noida Private Limited (SDN)	Manufacture of display panels	100.0
	Samsung R&D Institute India-Bangalore Private Limited (SRI-B)	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
	Samsung R&D Institute Japan Co., Ltd. (SRJ)	R&D	100.0
	Samsung Electronics Japan Co., Ltd. (SEJ)	Sale of electronic devices	100.0
	Harman Connected Services Corp. India Pvt. Ltd.	Connected service provider	100.0
	Harman International (India) Private Limited	Sale of audio products, R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International Japan Co., Ltd.	Sale of audio products, R&D	100.0
	Harman Singapore Pte. Ltd.	Sale of audio products	100.0

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹
	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
	Samsung Electronics Huizhou Co., Ltd. (SEHZ)	Manufacture of electronic devices	100.0
	Tianjin Samsung Electronics Co., Ltd. (TSEC)	Manufacture of TV and monitors	91.2
	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)	Manufacture of electronic devices, R&D	100.0
	Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)	Manufacture of communication equipment	90.0
	Shenzhen Samsung Electronics Telecommunication Co., Ltd. (SSET)	Manufacture of communication equipment	100.0
	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
China	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
	Samsung Suzhou Module Co., Ltd. (SSM)	Manufacture of display panels	100.0
	Samsung Suzhou LCD Co., Ltd. (SSL)	Manufacture of display panels	60.0
	SEMES (XIAN) Co., Ltd.	Semiconductor equipment services	100.0
	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, R&D	100.0
	Harman Commercial (Shanghai) Co., Ltd.	Sale of audio products	100.0
	Harman Connected Services Solutions (Chengdu) Co., Ltd.	Connected service provider	100.0
	Harman Holding Limited	Sale of audio products	100.0
	Harman International (China) Holdings Co., Ltd.	Sale of audio products, R&D	100.0
	Harman Technology (Shenzhen) Co., Ltd.	Sale of audio products, R&D	100.0

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Area	Subsidiaries	Industry	Percentage of ownership (%) ¹	
	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8	
	SU Materials	Manufacture of display 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	
	Mirero System Co., Ltd.	Development and supply of semiconductor process defect and quality control software	99.9	
	Dowoinssys Co., Ltd.	Manufacture of display components	52.5	
	Gf-System Co., Ltd.	Manufacture of display components	100.0	
	Harman International Korea	Software development and supply, etc.	100.0	
Domestic	Samsung Venture Capital Union #21	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #26	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #27	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #28	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #29	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #32	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #33	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #37	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #40	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #42	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #43	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #45	Technology business, Venture capital investments	99.0	
	Samsung Venture Capital Union #48	Technology business, Venture capital investments	99.0	
		Growth type private equity trust specialized in semiconductors	Investment on semiconductor industry	66.7
		System LSI mutual benefit private equity trust	Investment on semiconductor industry	62.5

¹ Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

(B) Sale and purchase transactions

Sale and purchase transactions with related parties for the three-month periods ended March 31, 2021 and 2020 are as follows:

(In millions of Korean won)	Name of company ¹	2021			
		Sales and other	Disposal of non-current assets	Purchases and other	Purchase of non-current assets
	Samsung Display Co., Ltd.	42,535	-	176,595	-
	Samsung Electronics America, Inc. (SEA)	7,065,554	-	38,696	-
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	1,426,615	182	5,256,804	68
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	477,733	-	1,940	-
	Samsung (China) Semiconductor Co., Ltd. (SCS)	29,489	96,756	1,485,543	1,530
	Harman and its subsidiaries ²	-	-	13,208	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	948,627	202	3,628,169	264
	Samsung Semiconductor, Inc. (SSI)	5,343,196	-	101,874	-
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	4,963,669	-	370	-
	Samsung Austin Semiconductor LLC. (SAS)	5	1,183	922,961	-
	Samsung India Electronics Private Ltd. (SIEL)	1,115,060	2,543	1,042,385	-
	Samsung Eletronica da Amazonia Ltda. (SEDA)	248,504	13	3,155	-
Subsidiaries	Samsung Display Vietnam Co., Ltd. (SDV)	238,010	-	-	-
	Samsung Electronics (UK) Ltd. (SEUK)	392,934	-	24,107	-
	Thai Samsung Electronics Co., Ltd. (TSE)	409,497	-	546,893	-
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	199,542	2,006	1,444,339	-
	Samsung Electronics Europe Logistics B.V. (SELS)	981,086	-	2,191	-
	Samsung Electronics GmbH (SEG)	935,301	-	2,221	-
	Samsung Electronics Hungarian Private Co. Ltd. (SEH)	178,266	-	95	-
	SEMES Co., Ltd.	1,052	-	628,192	-
	Samsung Electronics Benelux B.V. (SEBN)	135,745	-	664	-
	Samsung Electronics Taiwan Co., Ltd. (SET)	1,088,959	-	131	-
	Samsung Display Dongguan Co., Ltd. (SDD)	67,376	-	-	-
	Samsung Electronics Hong Kong Co., Ltd. (SEHK)	168,678	-	768	-
	Other	13,183,761	4	3,990,791	3,785
	Total	39,641,194	102,889	19,312,092	5,647
	Samsung SDS	69,831	-	357,058	80,187
	Samsung Electro-Mechanics	28,989	-	251,268	-
Associates and joint ventures	Samsung SDI	23,054	154	75,166	7,247
	Cheil Worldwide	24,967	-	152,175	-
	Other	109,766	68	100,797	2,624
	Total	256,607	222	936,464	90,058
	Samsung C&T	25,373	-	10,244	899,106
Other related parties	Other	91,883	-	150,241	14,967
	Total	117,256	-	160,485	914,073
	Samsung Engineering	29	-	3,152	75,584
Other ³	S-1	588	-	97,152	5,513
	Other	26,530	-	27,819	1,879
	Total	27,147	-	128,123	82,976

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

² Transactions with the intermediate parent company, including Harman International Industries, Inc. and its subsidiaries.

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 according to the Monopoly Regulation and Fair Trade Act.

(In millions of Korean won)	Name of company ¹	2020			
		Sales and other	Disposal of non-current assets	Purchases and other	Purchase of non-current assets
Subsidiaries	Samsung Display Co., Ltd.	45,368	-	224,204	99
	Samsung Electronics America, Inc. (SEA)	6,201,619	-	42,318	-
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	1,702,200	5	5,543,779	-
	Harman and its subsidiaries ²	-	-	17,567	-
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	262,773	-	6,313	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	1,173,017	26	3,614,311	-
	Samsung (China) Semiconductor Co., Ltd. (SCS)	38,454	104,698	974,728	3,558
	Samsung Asia Private Ltd. (SAPL)	476,019	-	7,948	-
	Samsung Semiconductor, Inc. (SSI)	3,966,647	-	117,047	29
	Samsung Display Vietnam Co., Ltd. (SDV)	249,215	-	-	-
	Samsung India Electronics Private Ltd. (SIEL)	1,052,957	-	894,299	-
	Samsung Austin Semiconductor LLC. (SAS)	735	-	1,102,177	-
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	4,701,031	-	159,214	-
	Samsung Electronica da Amazonia Ltda. (SEDA)	292,851	-	119	-
	Thai Samsung Electronics Co., Ltd. (TSE)	409,993	-	451,959	-
	Samsung Electronics (UK) Ltd. (SEUK)	57,773	-	29,215	-
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	195,719	-	971,900	31
	Samsung Electronics GmbH (SEG)	828,539	-	1,896	-
	Samsung Electronics Hungarian Private Co. Ltd. (SEH)	134,837	-	41	-
	Samsung Electronics Benelux B.V. (SEBN)	16,128	-	629	-
	Samsung Electronics Europe Logistics B.V. (SELS)	717,573	-	2,538	-
	Samsung Suzhou LCD Co., Ltd. (SSL)	9,850	-	-	-
	Samsung Display Dongguan Co., Ltd. (SDD)	19,167	-	-	-
	Samsung International, Inc. (SII)	119,982	-	1,253,162	-
	Other	11,770,079	225	2,997,461	8,602
	Total	34,442,526	104,954	18,412,825	12,319
Associates and joint ventures	Samsung SDS Co., Ltd	51,896	-	366,790	105,300
	Samsung Electro-Mechanics Co., Ltd	23,610	-	321,207	-
	Samsung SDI Co., Ltd	21,564	272	71,652	4,473
	Cheil Worldwide Inc.	24,396	-	183,677	-
	Other	248,603	29	142,471	967
Total	370,069	301	1,085,797	110,740	
Other related parties	Samsung C&T Corporation	12,839	-	36,252	79,801
	Other	63,104	-	130,442	13,794
	Total	75,943	-	166,694	93,595
Other ³	Samsung Engineering Corporation	1,696	-	46	43,168
	S-1	2,877	-	85,802	3,753
	Other	20,711	-	30,416	469
	Total	25,284	-	116,264	47,390

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

² Transactions with the intermediate parent company, including Harman International Industries, Inc. and its subsidiaries.

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 according to the Monopoly Regulation and Fair Trade Act.

(C) Balances of receivables and payables

Balances of receivables and payables arising from sales and purchases of goods and services as of March 31, 2021 and December 31, 2020 are as follows:

<i>(In millions of Korean won)</i>	Name of company ¹	March 31, 2021	
		Receivables and other ²	Payables and other ³
	Samsung Display Co., Ltd.	9,343	135,712
	Samsung Electronics America, Inc. (SEA)	6,190,005	167,997
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	720,539	3,033,515
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	215,444	1,246
	Samsung (China) Semiconductor Co., Ltd. (SCS)	62,951	533,839
	Harman and its subsidiaries ⁴	-	5,112
	Samsung Electronics Vietnam Co., Ltd. (SEV)	521,309	2,073,624
	Samsung Semiconductor, Inc. (SSI)	3,912,756	132,404
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	3,702,490	-
	Samsung Austin Semiconductor LLC. (SAS)	2,191	290,766
	Samsung India Electronics Private Ltd. (SIEL)	972,242	488,733
	Samsung Eletronica da Amazonia Ltda. (SEDA)	188,156	2,984
Subsidiaries	Samsung Display Vietnam Co., Ltd. (SDV)	53,223	-
	Samsung Electronics (UK) Ltd. (SEUK)	323,726	31,350
	Thai Samsung Electronics Co., Ltd. (TSE)	147,639	206,551
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	116,919	585,389
	Samsung Electronics Europe Logistics B.V. (SELS)	366,182	1,691
	Samsung Electronics GmbH (SEG)	353,253	2,471
	Samsung Electronics Hungarian Private Co. Ltd. (SEH)	56,677	10
	SEMES Co., Ltd.	109,536	873,419
	Samsung Electronics Benelux B.V. (SEBN)	60,145	3,619
	Samsung Electronics Taiwan Co., Ltd. (SET)	436,435	32,728
	Samsung Display Dongguan Co., Ltd. (SDD)	25,120	2
	Samsung Electronics Hong Kong Co., Ltd. (SEHK)	41,354	27,228
	Other	7,655,114	1,560,482
	Total	26,242,749	10,190,872
	Samsung SDS	68,637	453,663
	Samsung Electro-Mechanics	24,864	136,994
Associates and joint ventures	Samsung SDI	116,128	43,533
	Cheil Worldwide	24,405	363,682
	Other	87,404	132,941
	Total	321,438	1,130,813
	Samsung C&T	212,881	1,954,867
Other related parties	Other	31,835	121,942
	Total	244,716	2,076,809
	Samsung Engineering	27	233,985
Other ⁵	S-1	912	27,482
	Other	1,118	31,492
	Total	2,057	292,959

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

² The Company has not recognized bad debt allowance in relation to the receivables due from subsidiaries as of March 31, 2021.

³ Payables and others include lease liabilities.

⁴ Transactions with the intermediate parent company, including Harman International Industries, Inc. and its subsidiaries.

⁵ Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act.

(In millions of

December 31, 2020

<i>Korean won</i>	Name of Company ¹	Receivables and other ²	Payables and other ³
	Samsung Display Co., Ltd.	8,791	110,590
	Samsung Electronics America, Inc. (SEA)	4,386,729	109,808
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	573,990	1,475,012
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	114,209	63,247
	Harman and its subsidiaries ⁴	-	11,649
	Samsung (China) Semiconductor Co., Ltd. (SCS)	58,124	503,142
	Samsung Electronics Vietnam Co., Ltd. (SEV)	479,330	1,642,273
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	348	-
	Samsung Semiconductor, Inc. (SSI)	3,904,314	119,569
	Samsung Asia Pte. Ltd. (SAPL)	92,692	38,434
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	3,310,319	202
	Samsung Display Vietnam Co., Ltd. (SDV)	118,106	-
	Samsung Austin Semiconductor LLC. (SAS)	6,634	297,169
Subsidiaries	Samsung Eletronica da Amazonia Ltda. (SEDA)	368,591	938
	Samsung India Electronics Private Ltd. (SIEL)	825,400	283,091
	Thai Samsung Electronics Co., Ltd. (TSE)	76,754	219,580
	Samsung Electronics (UK) Ltd. (SEUK)	250,169	27,984
	Samsung Electronics GmbH (SEG)	674,888	1,999
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	127,677	502,978
	Samsung Electronics Hungarian Private Co. Ltd. (SEH)	83,227	229
	Samsung Electronics Benelux B.V. (SEBN)	114,569	3,363
	Samsung Display Dongguan Co., Ltd. (SDD)	14,237	-
	Samsung Electronics Europe Logistics B.V. (SELS)	939,206	1,651
	Samsung Electronics France S.A.S (SEF)	313,893	340
	Samsung Japan Corporation (SJC)	227,020	57,762
	Other	6,543,308	2,253,734
	Total	23,612,525	7,724,744
	Samsung SDS	36,752	493,346
	Samsung Electro-Mechanics	310	71,041
Associates and joint ventures	Samsung SDI	107,201	58,274
	Cheil Worldwide	76	393,348
	Other	103,652	161,686
	Total	247,991	1,177,695
	Samsung C&T	212,894	2,300,740
Other related parties	Other	16,065	111,425
	Total	228,959	2,412,165
	Samsung Engineering	441	523,140
Other ⁵	S-1	1,619	32,165
	Other	3,133	20,697
	Total	5,193	576,002

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

² The Company has not recognized any bad debt allowance in relation to the receivables due from subsidiaries as of December 31, 2020.

³ Payables and others include lease liabilities.

⁴ Transactions with the intermediate parent company, including Harman International Industries, Inc. and its subsidiaries.

⁵ Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act.

- (D) For the three-month periods ended March 31, 2021 and 2020, the Company invested ₩ 1,992 million and ₩ 36,537 million, respectively, in subsidiaries, and received ₩ 31,766 million and ₩ 22,058 million in return of investments for the three-month periods ended March 31, 2021 and 2020, respectively. In addition, there were no additional investments in associates and joint ventures or return of those investments for the three-month periods ended March 31, 2021 and 2020, respectively.
- (E) For the three-month periods ended March 31, 2021 and 2020, the Company declared dividend of ₩ 2,261,462 million and ₩ 415,286 million, respectively, to related parties. As of March 31, 2021, the dividend payable to related parties amounted to ₩ 2,261,462 million. In addition, for the three-month periods ended March 31, 2021 and 2020, the Company declared dividends of ₩ 171,566 million and ₩ 31,436 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 March 31, 2021, dividend payables to the entities that are not in scope of Korean IFRS 1024 amounted to ₩ 171,566 million.
- (F) For the three month periods ended March 31, 2021 and 2020, assets leased from related parties amounted to ₩ 63,887 million and ₩ 131 million, respectively, and lease payments made to the related parties amounted to ₩ 14,417 million and ₩ 17,331 million, respectively.
- (G) As of March 31, 2021, the Company provides guarantees in relation to borrowings of the related parties (refer to Note 13).
- (H) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the three-month periods ended March 31, 2021 and 2020 consists of:

<i>(In millions of Korean won)</i>	2021	2020
Short-term employee benefits	2,868	2,147
Post-employment benefits	222	229
Other long-term employee benefits	1,625	1,716

5. Other financial information

Responsibility statement

In accordance with article 3(2) c) of the Transparency Law (Luxembourg), Ki-nam Kim and Yoon-ho Choi, as a CEO and the executive in charge of reporting confirm that, to the best of their knowledge, the consolidated financial statements and the statutory non-consolidated financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole and that the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

A. Restatement of financial statements and other matters to note

(1) Restatement of financial statements: Not Applicable

(2) Acquisition, divestment, asset sales, and sale of business

The major acquisition, divestment and transfer of business during past three years are as follows.

[PLP Business]

- Details of acquisition

In accordance with the resolution of the Board of Directors on April 30, 2019, the Company acquired PLP business from Samsung Electro-Mechanics Co., Ltd.(location: South Korea; CEO: Kyehyun Kyung) at a price of KRW 785,000 million on June 1, 2019 to strengthen its semiconductor competitiveness through securing next-generation packaging technology.

- Details of the above statement can be found in the “Business Acquisition from Related Parties”, published in DART (<http://dart.fss.or.kr/>) on April 30, 2019.

(KRW 100 mil)

	Account	Forecast		Actual			
		1st Year	2nd Year	1st Year		2nd Year	
				Actual	Difference	Actual	Difference
PLP Business	Sales	101	219	-	-	-	-
	Operating Income	-1,273	-2,155	-1,095	14%	-44	98%
	Net Income	-1,273	-2,155	-1,095	14%	-2,146	0%

※ No third-party sales is recognized from PLP business as its products are internally transferred within the Company’s manufacturing process.

※ Actual operating income and net income for first year of acquisition (seven month period ended December 31, 2019) differs by 14% from the forecast due to several factors such as reduction in wages.

※ Actual operating income for the second year (the year ended December 31, 2020) of acquisition differs by 98% from the forecast due to several factors such as reduction in wages.

[Corephotonics Ltd.]

- Samsung Electronics Benelux B.V. (SEBN), the Company’s subsidiary, acquired 83.9% of the equity shares of Corephotonics Ltd.(location: Tel Aviv, Israel; CEO: David Mendlovic) on January 28, 2019 and additional 8.5% on March 4, 2019 to secure CIS optical technology and talent.

(3) Information on the accounting treatment of the sales of assets related to asset backed securities and contingent liabilities

Accounting Treatment of the sale of assets related to asset backed securities:

- Not applicable

Litigation

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

Debt guarantee

- Domestic: Not applicable

- Overseas:

(USD thousand)

Company	Relationship	Creditor	Guarantee Expiry date	Transactions				Limit of guarantee
				Beginning of period	Increase	Decrease	End of period	
SEA	Subsidiary	BOA etc.	16-Dec-21	-	-	-	-	1,328,000
SEM	Subsidiary	BBVA etc.	27-Mar-22	-	-	-	-	906,000
SAMCOL	Subsidiary	Citibank etc.	16-Dec-21	117,109	-	-117,109	-	310,000
SEDA	Subsidiary	BRADESCO etc.	16-Dec-21	-	-	-	-	409,000
SECH	Subsidiary	Santander etc.	16-Dec-21	-	-	-	-	62,000
SEPR	Subsidiary	BBVA etc.	16-Dec-21	-	-	-	-	150,000
SSA	Subsidiary	SCB etc.	16-Dec-21	-	42,881	-	42,881	318,000
SEMAG	Subsidiary	SocGen etc.	16-Dec-21	-	-	-	-	110,000
SETK	Subsidiary	BNP etc.	16-Dec-21	169,280	-	-1,252	168,028	837,000
SETK-P	Subsidiary	BNP etc.	16-Dec-21	-	-	-	-	100,000
SECE	Subsidiary	Citibank etc.	16-Dec-21	-	-	-	-	74,316
SEEG	Subsidiary	HSBC	13-Jun-21	-	-	-	-	85,000
SEIN	Subsidiary	BNP etc.	08-Nov-21	-	-	-	-	70,000
SJC	Subsidiary	Mizuho Bank etc.	16-Dec-21	-	-	-	-	891,937
SEUC	Subsidiary	Credit Agricole etc.	16-Dec-21	-	-	-	-	150,000
SEDAM	Subsidiary	Citibank etc.	16-Dec-21	-	-	-	-	141,000
SECA	Subsidiary	BoA	08-Nov-21	-	-	-	-	70,000
SELA	Subsidiary	Citibank	16-Dec-21	-	-	-	-	120,000
SEEH	Subsidiary	HSBC etc.	16-Dec-21	-	-	-	-	712,400
SERK	Subsidiary	SOCGEN etc.	16-Dec-21	-	-	-	-	289,800
SELV	Subsidiary	Citibank	16-Dec-21	-	-	-	-	10,000
SEIL	Subsidiary	Citibank	16-Dec-21	-	10,190	-	10,190	15,600
SAPL	Subsidiary	BOA etc.	16-Dec-21	-	-	-	-	345,000
SAVINA	Subsidiary	HSBC etc.	13-Jun-21	-	-	-	-	51,000
SCIC	Subsidiary	HSBC etc.	16-Dec-21	-	-	-	-	300,000
SME	Subsidiary	SCB	08-Nov-21	-	-	-	-	110,000
SAMEX	Subsidiary	Citibank	16-Dec-21	-	-	-	-	5,000
SEASA	Subsidiary	Citibank	16-Dec-21	-	-	-	-	2,000
SSAP	Subsidiary	SCB	08-Nov-21	-	-	-	-	35,000
SEPM	Subsidiary	HSBC	13-Jun-21	-	-	-	-	35,000
SESAR	Subsidiary	HSBC	13-Jun-21	-	-	-	-	50,000
AdGear Technologies Inc.	Subsidiary	BOA	08-Nov-21	-	-	-	-	2,000
Harman International Industries, Inc.	Subsidiary	JP Morgan	13-Jun-21	-	-	-	-	100,000
Harman International Japan Co., Ltd.	Subsidiary	MUFG	08-Nov-21	-	-	-	-	25,000
Harman RUS CIS LLC	Subsidiary	SocGen	08-Nov-21	-	-	-	-	15,000
Harman Holding Limited	Subsidiary	HSBC	13-Jun-21	-	-	-	-	30,000
Harman do Brasil IndustriaEletronica e Participacoes Ltda. Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Subsidiary	SocGen	08-Nov-21	-	-	-	-	15,000
Harman Finance International, SCA	Subsidiary	JP Morgan etc.	27-May-22	430,499	-	-20,351	410,148	410,148
SDN	Subsidiary	SIEL	17-Feb-23	273,243	67,148	-	340,391	476,547
Total				990131	120,219	-138,712	971,638	9,166,748

※ Information above are prepared in consolidated basis. Debt guarantees for Harman Finance International, SCA, and SDN are provided by Harman International Industries, Inc. and Samsung Display Co., Ltd., respectively.

※ SEC requires Board approval for individual guarantees exceeding 2.5% of total equity. When the guarantee amount is between 0.1% and/or less than 2.5%, the approval decision is delegated to the Management Committee. Samsung Display Co., Ltd requires Board approval for individual guarantees over KRW 10,000 million. Debt guarantees provided to SDN were approved by Board of Samsung Display Co., Ltd.

※ SEC claims fees on the debt guarantees depending on the maturity date of each debt guarantee, general loan interest rate, etc.

In 2020, the Company claimed approximately USD 345,000 as guarantee fee and, as of the reporting date, has collected the amount. In 2020, Samsung Display Co., Ltd. claimed approximately USD 69,000 as guarantee fee to SDN and, as of the reporting date, has collected the amount.

Refer to the notes to the consolidated financial statements for the information on contingent liabilities.

(4) Other matters requiring attention in relation to the use of the financial statements

Emphasis of matter and key audit matter in Independent auditor's report

Period	Emphasis of matter	Key audit matter
2021 Q1	Not applicable	Not applicable
2020	Not applicable	(Consolidated financial statement) 1. Sales deduction related to the Sales promotion activities of products 2. Impairment of goodwill and intangible assets with indefinite useful lives (Separate financial statement) 1. Sales deduction related to the Sales promotion activities of products
2019	Not applicable	(Consolidated financial statement) 1. Sales promotion activities related to the sales of products 2. Impairment of goodwill and intangible assets with indefinite useful lives 3. Appropriateness of depreciation expense cut-off on property, plant and equipment (Separate financial statement) 1. Sales promotion activities related to the sales of products 2. Appropriateness of depreciation expense cut-off on property, plant and equipment

B. Allowance for bad debt

The allowances for bad debt by account over the past 3 years are as follows:

(KRW mil)

Period	Account	Receivables amount	Allowance amount	Allowance (%)
2021 1Q	Trade receivables	34,268,143	306,066	0.9%
	Short-term loans	7,703	73	0.9%
	Other receivables	3,892,662	64,399	1.7%
	Advances	880,898	2,561	0.3%
	Trade receivables (long-term)	95,261	0	0.0%
	Other receivables (long-term)	501,777	202	0.0%
	Advances (long-term)	1,508,990	6,452	0.4%
	Long-term loans	114,200	1,302	1.1%
	Total	41,269,634	381,055	0.9%
2020	Trade receivables	31,283,789	318,731	1.0%
	Short-term loans	7,813	73	0.9%
	Other receivables	3,663,822	59,283	1.6%
	Advances	890,413	3,371	0.4%
	Trade receivables (long-term)	85,575	0	0.0%
	Other receivables (long-term)	401,582	204	0.1%
	Advances (long-term)	1,397,698	5,972	0.4%
	Long-term loans	113,944	1,309	1.1%
	Total	37,844,636	388,943	1.0%
2019	Trade receivables	35,471,674	340,331	1.0%
	Short-term loans	8,744	82	0.9%
	Other receivables	4,237,479	58,359	1.4%
	Advances	1,430,317	3,484	0.2%
	Trade receivables (long-term)	411,229	79	0.0%
	Other receivables (long-term)	346,780	307	0.1%
	Advances (long-term)	774,472	7,333	0.9%
	Long-term loans	120,540	1,335	1.1%
	Total	42,801,235	411,310	1.0%

※ Based on consolidated financial statements

※ Receivables amount represents the value after deducting present value discount account

Allowance for bad debt by year

(KRW mil)

	2021	2020	2019
1. Allowance for bad debt (beginning balance)	388,943	411,310	614,882
2. Net bad debt expense (① - ② ± ③)	7,367	65,575	16,715
① Bad debt expense, etc (Write-off)	14,753	40,487	6,579
② Bad debt recovered	0	745	11,294
③ Others	-7,386	25,833	21,430
3. Bad debts expense	-521	43,208	-186,857
4. Allowance for bad debts (Ending balance)	381,055	388,943	411,310

※ Based on consolidated financial statements.

The guideline for bad debt allowances for trade receivables

(1) Calculation of bad debt allowance

- Bad debt allowance is calculated using an expected credit loss impairment model which is based on write-off experience rate and future expected bad debt amount.

(2) Calculation basis of write-off experience rate and future expected bad debt:

- Write-off experience rate for each aging group of receivables is calculated based on the actual rate of credit losses to three-year average receivables balance.
- Future expected bad debt is determined taking into consideration cases of debtor bankruptcy, compulsory execution, death, disappearance, credit information of debtor and forward-looking information.

[Bad debt allowance by circumstance]

Circumstance	Rate of allowance
Dispute or conflict	25%
Receivable through utilization of third party collection agency	50%
Receivable under litigation	75%
Customer filed or in the process of filing bankruptcy	100%

(3) Instruction: Write-off is recorded when trade receivables contain the following characteristics:

- Objective proof of bad debts, such as bankruptcy, compulsory execution, discontinuance of business, debtor's death or disappearance
- Legal action has failed or the right of collection has been extinguished.
- When the third party collection agency notifies that collection is not possible.
- When the collateral is sold or insurance is received.
- When collection expense exceeds receivables amount.

The outstanding period of trade receivables

(KRW mil)

	Less than 6 months	6 months ~ 1 year	1 year ~ 3 years	More than 3 years	Total
Amount	34,173,752	51,528	100,579	37,545	34,363,404
Ratio	99.5%	0.1%	0.3%	0.1%	100.0%

※ Base on consolidated financial statements

※ Receivables amount in net present value

C. Inventory

- The inventory status by Division over the last three years is as follows:

(KRW mil)

Division		Category	2021	2020	2019	Note
CE		Finished goods	3,903,463	2,351,619	1,554,116	
		Work in process	148,023	136,255	146,387	
		Raw material	3,204,379	3,503,321	2,012,159	
		Material in transit	746,232	1,335,111	1,895,387	
		Total	8,002,097	7,326,306	5,608,049	
IM		Finished goods	2,204,437	3,968,844	2,426,034	
		Work in process	371,006	458,318	420,664	
		Raw material	4,618,199	3,726,192	3,228,906	
		Material in transit	553,224	824,662	810,599	
		Total	7,746,866	8,978,016	6,886,203	
DS	Semi-conductor	Finished goods	1,848,077	1,639,523	1,740,881	
		Work in process	9,491,626	10,586,921	8,772,850	
		Raw material	1,670,973	1,636,803	1,332,267	
		Material in transit	46,868	43,564	66,033	
		Total	13,057,544	13,906,811	11,912,031	
	DP	Finished goods	213,044	134,963	345,940	
		Work in process	511,733	650,762	488,468	
		Raw Material	486,961	603,779	634,990	
		Material in transit	8,598	33,271	22,214	
		Total	1,220,336	1,422,775	1,491,612	
	DS total	Finished goods	2,149,694	1,861,756	2,130,587	
		Work in process	10,039,879	11,298,157	9,302,907	
		Raw material	2,195,518	2,254,591	1,991,422	
		Material in transit	59,802	73,688	89,044	
		Total	14,444,893	15,488,192	13,513,960	
Harman	Finished goods	539,447	502,117	746,742		
	Work in process	89,799	80,237	90,249		
	Raw material	448,085	337,386	372,231		
	Material in transit	227,025	224,961	145,329		
	Total	1,304,356	1,144,701	1,354,551		
Total	Finished goods	8,830,086	9,387,886	8,115,116		
	Work in process	10,584,195	11,818,090	9,886,634		
	Raw material	10,215,320	9,790,766	7,747,110		
	Material in transit	990,375	1,046,403	1,017,604		
	Total	30,619,976	32,043,145	26,766,464		
Inventory ratio (%) [Inventory ÷ Total Assets]			7.8%	8.5%	7.6%	
Inventory turnover (x) [Yearly COGS ÷ {(Beginning of inventory + End of inventory)÷2}]			5.3	4.9	5.3	

※ Based on consolidated financial statements

Inventory counts

(1) Inspection date

- End of May and November (twice a year)
- For the difference in inventories between the inspection date and at the end of the year, the Company checks all the warehouse record during the period in order to confirm the existence of the inventories as of the date of the financial statements.

(2) Inspection method

- Internal warehouse: Closed & entire quantity inspection
- ※ Sample inspection for semi-conductor and DP work-in-progress inventories, SVC materials
- Outside warehouse
Perform check for the possession confirmation documents and sample tests at the third party warehouse and inventory-in-transit.
- External auditors join and observe the inspection and carry out sample tests to check the existence and completeness.
- ※ For the HQ, the most recent inventory inspection was conducted on November 29, November 30, and December 1, 2020. Subsidiaries conducted the inventory inspection during the same period as HQ except for countries that restrict movements due to recent spread of COVID-19.

Inventory aging and valuation

Inventories are stated at the lower of cost or net realizable value. Inventory as of March 31, 2021 are as follows:

(KRW mil)

Category	Acquisition cost	Inventory valuation reserve	Balance	Note
Finished goods	9,177,783	-347,697	8,830,086	
Work in process	11,261,152	-676,957	10,584,195	
Raw material	10,948,219	-732,899	10,215,320	
Material in transit	990,375	-	990,375	
Total	32,377,529	-1,757,553	30,619,976	

- ※ Based on consolidated financial statements

D. Fair value estimation

Refer to 6. Financial Instruments by Category and 31. Financial Risk Management in 『Ⅲ. Financial Affairs』.

E. List of issued debt securities

Issued debt securities

(As of March 31, 2021)

(KRW mil, %)

Issuing company	Type of securities	Issuance method	Date of issuance	Total nominal amount	Interest rate	Rating (rating institution)	Maturity date	Payment status	Management company
Samsung Electronics	Corporate bonds	Public offering	Oct 2, 1997	113,350	7.7	AA-(S&P), Aa3(Moody's)	Oct 1, 2027	Partial redemption	Goldman Sachs et al.
Harman International Industries, Inc	Corporate bonds	Public offering	May 11, 2015	453,400	4.2	Baa1 (Moody's), A- (S&P)	May 15, 2025	Unredeemed	J.P.Morgan et al.
Harman Finance International, SCA	Corporate bonds	Public offering	May 27, 2015	464,903	2.0	Baa1 (Moody's), A- (S&P)	May 27, 2022	Unredeemed	HSBC et al.
Dowinsys Co., Ltd	Corporate bonds	Private placement	Feb 28, 2020	23,000	0.5	-	Feb 28, 2025	Unredeemed	-
SEMES	Commercial paper	Private placement	Jan 13, 2021	70,000	1.2	A1	Apr 13, 2021	Unredeemed	-
SEMES	Commercial paper	Private placement	Jan 20, 2021	15,000	1.3	A1	Apr 20, 2021	Unredeemed	-
SEMES	Commercial paper	Private placement	Jan 28, 2021	115,000	1.3	A1	Apr 28, 2021	Unredeemed	-
SEMES	Commercial paper	Private placement	Feb 16, 2021	120,000	1.2	A1	May 17, 2021	Unredeemed	-
Total	-	-	-	1,374,653	-	-	-	-	-

※ The exchange rate as of the reporting date has been applied.

※ The rating institutions of Commercial paper are NICE Investors Service and Korea Ratings Corporation.

Details and Compliance of the Bond Management Contract (Samsung Electronics)

(Reporting Date : March 31, 2021)

(KRW mil, %)

Name of security	Date of issuance	Maturity date	Issued amount	Settlement date of bond management contract	Debenture management company
US\$ 100,000,000 7.7% debenture	Oct 2, 1997	Oct 1, 2027	113,350	Oct 2, 1997	The Bank of New York Mellon Trust Company, N.A.

(Reporting Date: March 31, 2021)

Financial ratios	Contract details	Not applicable
	Implementation status	Not applicable
Constraint on collateral	Contract details	Less than 10% of net tangible assets
	Implementation status	Compliant (there is no collateral for the relevant assets)
Constraint on disposal of assets	Contract details	Certain requirements, such as transfer of obligations on the bond, must be satisfied to dispose all or most of an asset
	Implementation status	Compliant (disposed assets accounted for 0.1% of the total assets during 2021 Q1)
Constraint on governance	Contract Details	Not applicable
	Implementation Status	Not applicable
Submission of implementation report	Implementation status	Not applicable

- ※ The date of the bond management contract was signed on the same day as the Fiscal Agency Agreement; accordingly, the Bank of New York Mellon Trust Company, N.A. is under the authority of the Fiscal Agent.
- ※ The exchange rate as of the base date has been applied.
- ※ The net tangible assets subjected to the limitation of collaterals are production facilities and stocks owned by the Company.
- ※ The reporting date is the date when most recent financial statements were prepared, which are used to determine the status of implementation.
- ※ The constraint on governance is as of the reporting date.

Commercial Paper Balance

- Commercial Paper Balance (SEMES Co., Ltd.)

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 10 days	Above 10 days / under 30 days	Above 30 days / under 90 days	Above 90 days / under 180 days	Above 180 days / under 1 year	Above 1 year / under 2 years	Above 2 years / under 3 years	Above 3 years	Total
Balance	Public	-	-	-	-	-	-	-	-	-
	Private	-	200,000	120,000	-	-	-	-	-	320,000
	Total	-	200,000	120,000	-	-	-	-	-	320,000

Short Term Bond Unredeemed Balance

Not Applicable

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 10 days	Above 10 days / under 30 days	Above 30 days / under 90 days	Above 90 days / under 180 days	Above 180 days / under 1 year	Total	Issue limit	Balance limit
Balance	Public	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Corporate Bond Unredeemed Balance

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 1 year	Above 1 year / under 2 years	Above 2 years / under 3 years	Above 3 years / under 4 years	Above 4 years / under 5 years	Above 5 years / under 10 years	Above 10 years	Total
Balance	Public	5,668	470,571	5,668	5,668	459,068	11,333	-	957,976
	Private	-	-	-	-	-	-	-	-
	Total	5,668	470,571	5,668	5,668	459,068	11,333	-	957,976

※ Based on consolidated financial statements

※ The exchange rate as of the reporting date has been applied.

- Corporate Bond Unredeemed Balance (Samsung Electronics)

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 1 year	Above 1 year / under 2 years	Above 2 years / under 3 years	Above 3 years / under 4 years	Above 4 years / under 5 years	Above 5 years / under 10 years	Above 10 years	Total
Unredeemed balance	Public	5,668	5,668	5,668	5,668	5,668	11,333	-	39,673
	Total	5,668	5,668	5,668	5,668	5,668	11,333	-	39,673

※ The exchange rate as of the reporting date has been applied.

- Corporate Bond Unredeemed Balance (Harman)

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 1 year	Above 1 year / under 2 years	Above 2 years / under 3 years	Above 3 years / under 4 years	Above 4 years / under 5 years	Above 5 years / under 10 years	Above 10 years	Total
Unredeemed balance	Public	-	464,903	-	-	453,400	-	-	918,303
	Total	-	464,903	-	-	453,400	-	-	918,303

※ The exchange rate as of the reporting date has been applied.

- Corporate Bond Unredeemed Balance (Dowinsys)

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 1 year	Above 1 year / under 2 years	Above 2 years / under 3 years	Above 3 years / under 4 years	Above 4 years / under 5 years	Above 5 years / under 10 years	Above 10 years	Total
Unredeemed balance	Private	-	-	-	23,000	-	-	-	23,000
	Total	-	-	-	23,000	-	-	-	23,000

※ Outstanding balance of corporate bonds are intercompany balances eliminated in consolidated financial statements

Hybrid Bond Outstanding Balance

Not Applicable

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 1 year	Above 1 year / under 5 years	Above 5 years / under 10 years	Above 10 years / under 15 years	Above 15 years / under 20 years	Above 20 years / under 30 years	Above 30 years	Total
Unredeemed balance	Public	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Contingent Convertible Bond Outstanding Balance

Not Applicable

(Reporting Date: March 31, 2021)

(KRW mil)

Maturity		Under 1 year	Above 1 year / under 2 years	Above 2 years / under 3 years	Above 3 years / under 4 years	Above 4 years / under 5 years	Above 5 years / under 6 years	Above 10 years / under 20 years	Above 20 years / under 30 years	Above 30 years	Total
Unredeemed balance	Public	-	-	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

IV. Management Discussion and Analysis

Pursuant to the reporting guidelines set forth by the *Financial Supervisory Service* of South Korea, the Management Discussion and Analysis section, reported in the annual Business Report, is not included in quarterly and half year reports.

V. Auditor's Report

1. Introduction

Deloitte Anjin conducted review and audit on the consolidated/separate financial statements of financial position of the Company as of March 31, 2021 and December 31, 2020, and the related consolidated/separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the periods then ended. Deloitte Anjin expressed unqualified opinion on the financial statements for the year ended December 31, 2020, and the consolidated/separate financial statements for the period ended March 31, 2021, are presented fairly, in all material respects, in accordance with Korean IFRS 1034 Interim Financial Reporting.

Samil PwC conducted audits on the the Company's consolidated/separate statements of financial position as of December 31, 2019, and the related consolidated/separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and expressed an unqualified opinion on those financial statements.

All of the Company's subsidiaries were expressed unqualified opinion for the years ended December 31, 2020, and 2019.

Period end	Company Auditor	Audit Opinion	Emphasis of Matter	Key Audit Matter(s)
Mar 31, 2021	Deloitte Anjin	Not applicable	Not applicable	Not applicable
Dec 31, 2020	Deloitte Anjin	Unqualified	Not applicable	(Consolidated) 1. Sales deduction related to the sales promotion activities of products 2. Impairment of goodwill and intangible assets with indefinite useful lives (Separate) 1. Sales deduction related to the sales promotion activities of products
Dec 31, 2019	Samil PwC	Unqualified	Not applicable	(Consolidated) 1. Sales promotion activities related to the sale of products. 2. Impairment of goodwill and intangible assets with indefinite useful lives. 3. Appropriateness of depreciation expense cut-off on property, plant and equipment. (Separate) 1. Sales promotion activities related to the sale of products. 2. Appropriateness of depreciation expense cut-off on property, plant and equipment.

※ Audit opinion on both separate and consolidated financial statements.

< Review plan for the period ended March 31, 2021 >

Review Period		Planned Dates
2021 1Q	Pre-review	Mar 8, 2021 ~ Mar 25, 2021
	Review	Apr 5, 2021 ~ May 14, 2021

※ Above schedule is for the review of separate and consolidated financial statements

[Audit Contract Description]

(KRW mil)

Fiscal Period	Auditor	Description	Contract		Actual	
			Audit fee	Total Hours	Fee Claimed	Hours spent
Quarter ended Mar 31, 2021	Deloitte Anjin	- Review of the interim separate/consolidated financial statements - Audit of separate/consolidated financial statements - Audit of Internal Control over Financial Reporting (ICFR)	7,900	76,741	1,148	11,153
Year ended Dec 31, 2020	Deloitte Anjin	- Review of the interim separate/consolidated financial statements - Audit of separate/consolidated financial statements - Audit of Internal Control over Financial Reporting (ICFR)	8,400	85,721	8,400	86,128
Year ended Dec 31, 2019	Samil PwC	- Review of the interim separate/consolidated financial statements - Audit of separate/consolidated financial statements - Audit of Internal Control over Financial Reporting (ICFR)	6,481	69,685	6,481	69,021

[Non-Audit Service Contract Description]

(KRW mil)

Fiscal Period	Contract Date	Non-audit Service Description	Period for Service	Compensation	Note
Quarter ended Mar 31, 2021	Jun 2017	E-discovery advisory services	Jan – Mar 2021	-	Deloitte Anjin
Year ended Dec 31, 2020	Jun 2017	E-discovery advisory services	Jan – Dec 2020	59	Deloitte Anjin
Year ended Dec 31, 2019	Feb 2019	SOC 2 certification and other advisory services	Feb – Sep 2019	258	Samil PwC
	Oct 2019	Custom tax and other advisory services	Oct – Dec 2019	127	
	Subtotal			385	

[Details of internal audit committee's discussion with Auditors]

No.	Date	Participants	Method	Details of discussion
1	Jan 26, 2021	Audit Committee: 3 members Company: Head of Audit Team Auditor: Signing partner and 1 other	Face-to-face meeting	- Key Audit Matters and others audit focus areas - Progress of audit of Internal Control over Financial Reporting - Other required communications at the completion stage of the audit
2	Apr 27, 2021	Audit Committee: 3 members Company: Head of Audit Team Auditor: Signing partner and 1 other	Face-to-face meeting	- Yearly plan for communication with those charged with governance - Audit plan for the year ending December 31, 2021 - Discussion of quarterly review focus areas and independence of non-audit services

2. Change of Independent Auditor

There are 238 subsidiaries as of March 31, 2021. The newly established entity, Samsung Electronics Singapore Pte. Ltd. (SESP) appointed Deloitte as the external auditor. Appointment of auditor was decided at the newly established entity's own discretion.

During the year ended December 31, 2020, upon termination of the contract with previous auditor, Samil PwC, Deloitte Anjin has been designated as the Company's external auditor for three years ending December 31, 2022, in accordance with periodic designation regulation of Article 11 (1) and (2) of the "Act on External Audit of Stock Companies, Etc.", Article 17 of the "Enforcement Decree of the Act on External Audit of Stock Companies, Etc.", and Article 10 and Article 15 (1) of "Regulations on External Audit and Accounting"

There are 241 subsidiaries as of December 31, 2020. For the year ending December 31, 2020, 6 domestic subsidiaries, including Samsung Display Co., Ltd., changed external auditor from Samil PwC to Deloitte Anjin, 24 overseas subsidiaries, including Samsung Electronics America, Inc. (SEA), changed PwC to Deloitte, and 2 overseas subsidiaries, Samsung Eletronica da Amazonia Ltda. (SEDA) and Samsung Gulf Electronics Co., Ltd. (SGE), changed KPMG to Deloitte. These changes in external auditors were to improve efficiency in audit of consolidated financial statements due to designation of the Company's external auditor.

Details of change in subsidiaries' external auditors are as follows:

Subsidiaries	Previous auditor	Current Auditor
Samsung Display Co., Ltd.	Samil PwC	Deloitte Anjin
Samsung Electronics Service Co., Ltd.	Samil PwC	Deloitte Anjin
Samsung Electronics Service CS Co., Ltd.	Samil PwC	Deloitte Anjin
Samsung Electronics Sales Co., Ltd.	Samil PwC	Deloitte Anjin
Samsung Electronics Logitech Co., Ltd.	Samil PwC	Deloitte Anjin
Mirero System Co., Ltd.	Samil PwC	Deloitte Anjin
Samsung Electronics America, Inc. (SEA)	PwC	Deloitte
Samsung Semiconductor, Inc. (SSI)	PwC	Deloitte
Samsung Mexicana S.A. de C.V (SAMEX)	PwC	Deloitte
Samsung International, Inc. (SII)	PwC	Deloitte
Samsung Austin Semiconductor LLC. (SAS)	PwC	Deloitte
Samsung Electronics Mexico S.A. De C.V. (SEM)	PwC	Deloitte
Samsung Electronics (UK) Ltd. (SEUK)	PwC	Deloitte
Samsung Electronics Holding GmbH (SEHG)	PwC	Deloitte
Samsung Semiconductor Europe GmbH (SSEG)	PwC	Deloitte
Samsung Electronics GmbH (SEG)	PwC	Deloitte
Samsung Electronics Benelux B.V. (SEBN)	PwC	Deloitte
Samsung Vina Electronics Co., Ltd. (SAVINA)	PwC	Deloitte
Samsung Asia Private Ltd. (SAPL)	PwC	Deloitte
Samsung Electronics Australia Pty. Ltd. (SEAU)	PwC	Deloitte
Thai Samsung Electronics Co., Ltd. (TSE)	PwC	Deloitte
Samsung Display Vietnam Co., Ltd. (SDV)	PwC	Deloitte
Samsung Electronics Vietnam Co., Ltd. (SEV)	PwC	Deloitte
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	PwC	Deloitte
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	PwC	Deloitte
Samsung (CHINA) Investment Co., Ltd. (SCIC)	PwC	Deloitte
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	PwC	Deloitte
Samsung Electronics Saudi Arabia Ltd. (SESAR)	PwC	Deloitte
Samsung Electronics Turkey (SETK)	PwC	Deloitte
Samsung Electronics Rus Company LLC (SERC)	PwC	Deloitte
Samsung Eletronica da Amazonia Ltda. (SEDA)	KPMG	Deloitte
Samsung Gulf Electronics Co., Ltd. (SGE)	KPMG	Deloitte

The newly acquired subsidiary during 2020, TeleWorld Solutions, Inc.(TWS), appointed PwC as their external auditor.

There were 240 subsidiaries as at December 31, 2019. The newly acquired entities during 2019, FOODIENT LTD. and Corephotonics Ltd. appointed PwC and E&Y, respectively, as the external auditor. The newly incorporated entities during 2019, Samsung Display Noida Private Limited (SDN) and Samsung Venture Capital Union SVIC No. 45 and No. 48 appointed PwC and KPMG, respectively, as the external auditor.

Appointment of auditors were decided at each newly acquired subsidiary's own discretion.

3. Regarding Internal Control

[Audit opinion of Internal Control over Financial Reporting (ICFR)]

Fiscal Period	Group Auditor	Opinion	Remarks
Quarter ended Mar 31, 2021	Deloitte Anjin	Not applicable	Not applicable
Year ended Dec 31, 2020	Deloitte Anjin	[Audit Opinion] The Company maintained, in all material respects, effective internal control over financial reporting As of March 31, 2021, based on <i>Conceptual Framework for Designing and Operating Internal Control over Financial Reporting</i> .	Not applicable
Year ended Dec 31, 2019	Samil PwC	[Audit Opinion] The Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on <i>Conceptual Framework for Designing and Operating Internal Control over Financial Reporting</i> .	Not applicable

VI. Corporate Governance

1. Board of Directors

A. Overview

The Board of Directors consisted of 11 directors, 5 of whom are Executive Directors (Ki-nam Kim, Hyun-suk Kim, Dong-jin Koh, Jong-hee Han, and Yoon-ho Choi) and 6 Independent Directors (Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, and Han-jo Kim). The Board has appointed Jae-wan Bahk as Chairman as he will be able to mediate the different opinions of Directors and is most qualified to manage Board activities. The roles of Board Chairman and CEO have been separated to enhance the Board's independence and transparency.

The Board has six committees: Management Committee, Audit Committee, Independent Director Recommendation Committee, Related Party Transactions Committee, Compensation Committee, and Governance Committee.

[As of Mar 31, 2021]

Classification	Composition	Members	Head	Role
Board of Directors	5 Executive Directors	Ki-nam Kim, Hyun-suk Kim, Dong-jin Koh, Jong-hee Han, Yoon-ho Choi	Jae-wan Bahk (Independent)	<ul style="list-style-type: none"> - Make resolutions on matters provided for by the relevant laws and regulations or the Articles of Incorporation, matters delegated by a general meeting of shareholders, as well as on important matters concerning basic policies and business execution. - Supervise management.
	6 Independent Directors	Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, Han-jo Kim		
Management Committee	5 Executive Directors	Ki-nam Kim, Hyun-suk Kim, Dong-jin Koh, Jong-hee Han, Yoon-ho Choi	Ki-nam Kim (Executive)	<ul style="list-style-type: none"> - Deliberate and decide on matters related to finance, general management, and on matters specifically delegated by the Board.
Audit Committee	3 Independent Directors	Jae-wan Bahk Sun-uk Kim Han-jo Kim	Jae-wan Bahk (Independent)	<ul style="list-style-type: none"> - Review and audit matters concerning management of the Company, including the Company's financial situation.
Independent Director Recommendation Committee	3 Independent Directors	Byung-gook Park Jeong Kim Curie Ahn	-	<ul style="list-style-type: none"> - Assess the independence, diversity, and ability of potential candidates for Independent Director positions. - Recommend candidates.
Related Party Transactions Committee	3 Independent Directors	Sun-uk Kim Jae-wan Bahk Han-jo Kim	Sun-uk Kim (Independent)	<ul style="list-style-type: none"> - Voluntarily comply with fair transaction regulations to enhance corporate transparency.
Compensation Committee	3 Independent Directors	Jae-wan Bahk Byung-gook Park Jeong Kim	-	<ul style="list-style-type: none"> - Ensure the objectivity and transparency of the decision-making process for Director compensation
Governance Committee	6 Independent Directors	Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, Han-jo Kim	Jae-wan Bahk (Independent)	<ul style="list-style-type: none"> - Promote the Company's corporate social responsibility and act to enhance shareholder value.

Mar 17, 2021: At the 2020 AGM, Ki-nam Kim, Hyun-suk Kim, and Dong-jin Koh were reappointed as Executive Directors; Byung-gook Park and Jeong Kim as Independent Directors; and Sun-uk Kim as Independent Director for Audit Committee member.

Apr 9, 2021: Executive Director Ki-nam Kim was appointed as the Head of Management Committee

Apr 27, 2021: Independent Director Sun-uk Kim was appointed as the Head of Related Party Transactions Committee.

Heads of Independent Director Recommendation Committee and Compensation Committee will be appointed at their upcoming meetings, respectively.

The number of Independent Directors and changes in the number are shown below.

Number of Directors	Number of Independent Directors	Changes of Independent Directors		
		Appointed	Dismissed	Resigned
11	6	3	-	-

Mar 17, 2021: At the 2020 AGM, Byung-gook Park and Jeong Kim were reappointed as Independent Directors; and Sun-uk Kim as Independent Director for Audit Committee member.

B. Agendas considered and voting results (2021)

Date	Agenda	Results	Executive Directors (attendance)					Independent Directors (attendance)						
			Ki-nam Kim (100%)	Hyun-suk Kim (100%)	Dong-jin Koh (100%)	Jong-hee Han (100%)	Yoon-ho Choi (100%)	Jae-wan Bahk (100%)	Sun-uk Kim (100%)	Byung-gook Park (100%)	Jeong Kim (100%)	Curie Ahn (100%)	Han-jo Kim (100%)	
Jan 28	① Approval of FY20 financial statements and annual business report	Approved	For	For	For	For	For	For	For	For	For	For	For	For
	② Approval of shareholder return policy for 2021 to 2023 ※ Reported items: 1) Report on FY20 internal accounting management system activities 2) Report on evaluation of 2020 internal accounting management system activities	Approved	For	For	For	For	For	For	For	For	For	For	For	For
Feb 16	① Decision to convene the 52nd AGM	Approved	For	For	For	For	For	For	For	For	For	For	For	For
	② Decisions on the 52nd AGM agenda items ※ Reported Items: 1) FY20 annual audit report, 2) FY20 annual business report, 3) Report on FY20 internal accounting management system activities ※ Agenda item 1: Approval of FY20 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings, etc. ※ Agenda item 2: Appointment of Directors 2-1: Appointment of Independent Directors 2-1-1: Appointment of Byung-gook Park as Independent Director 2-1-2: Appointment of Jeong Kim as Independent Director 2-2: Appointment of Executive Directors 2-2-1: Appointment of Ki-nam Kim as Independent Director 2-2-2: Appointment of Hyun-suk Kim as Executive Director 2-2-3: Appointment of Dong-jin Koh as Executive Director ※ Agenda item 3: Appointment of Sun-uk Kim as Independent Director for Audit Committee Member ※ Agenda item 4: Approval of remuneration limit for Directors ③ Approval of 2021 social	Approved	For	For	For	For	For	For	For	For	For	For	For	

Date	Agenda	Results	Executive Directors (attendance)					Independent Directors (attendance)					
			Ki-nam Kim (100%)	Hyun-suk Kim (100%)	Dong-jin Koh (100%)	Jong-hee Han (100%)	Yoon-ho Choi (100%)	Jae-wan Bahk (100%)	Sun-uk Kim (100%)	Byung-gook Park (100%)	Jeong Kim (100%)	Curie Ahn (100%)	Han-jo Kim (100%)
	contribution matching fund	Approved	For	For	For	For	For	For	For	For	For	For	For
	④ Agreement on establishment and operation of SCC and revision of regulation	Approved	For	For	For	For	For	For	For	For	For	For	For
	⑤ Donation to Chung-nam Samsung Institute	Approved	-*	For	For	For	For	For	For	For	For	For	For
	⑥ Contract with Samsung Biologics and Samsung BioEpis for use of Samsung CI	Approved	For	For	For	For	For	For	For	For	For	For	For
Mar 17	① Appointment of CEO	Approved	For	For	For	For	For	For	For	For	For	For	For
	② Appointment of Board committee members	Approved	For	For	For	For	For	For	For	For	For	For	For
	③ Remuneration limit of Directors	Approved	For	For	For	For	For	For	For	For	For	For	For
	④ Appointment of SCC member	Approved	For	For	For	For	For	For	For	For	For	For	For
	⑤ Application for product liability insurance	Approved	For	For	For	For	For	For	For	For	For	For	For

Mar 17, 2021: At the 2020 AGM, Byung-gook Park and Jeong Kim were reappointed as Independent Directors; and Sun-uk Kim as Independent Director for Audit Committee member.

*CEO Ki-nam Kim did not vote for the agenda for February 16, 2021 meeting ‘⑤ Donation to Chung-nam Samsung Institute’, as it is a transaction between a Director and the Company in accordance with the Commercial Act and Ki-nam Kim has a special interest in the agenda item did not vote.

C. Committees

(1) Composition of Board Committees

[As of March 31, 2021]

Committee	Composition	Members	Responsibilities and authorities	Note
Management	5 Executive Directors	Ki-nam Kim (head), Hyun-suk Kim, Dong-jin Koh, Jong-hee Han, Yoon-ho Choi	See below	Executive Director Ki-nam Kim appointed as the Head (Apr 9, 2021)
Related Party Transactions	3 Independent Directors	Sun-uk Kim (head), Jae-wan Bahk, Han-jo Kim		Independent Director Sun-uk Kim appointed as the Head (Apr 27, 2021)
Compensation	3 Independent Directors	, Jae-wan Bahk, Byung-gook Park, Jeong Kim		-
Governance	6 Independent Directors	Jae-wan Bahk (head), Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, Han-jo Kim		-

The Audit Committee and Independent Director Recommendation Committee were excluded according to Corporate Disclosure Guidelines

Heads of Independent Director Recommendation Committee and Compensation Committee will be appointed at the upcoming committee meetings, respectively.

(The Management Committee)

- Responsibilities: The Management Committee deliberates and decides on matters specified by Board regulations and resolutions or specifically delegated by the Board. The composition and operation of the management committee are determined by the Board.

- Authorities:

(A) General management

1. Annual or mid to long-term management policy and strategy
2. Key management strategy
3. Business planning and restructuring
4. Establishment, relocation, and withdrawal of overseas branch and corporation
5. Initiating cooperation such as strategic partnership with foreign companies
6. Acquisition or disposal of domestic and overseas subsidiaries (provided that the value of transaction exceeds 0.1% of total equity)
7. Other major management matters
8. Establishment, relocation, and withdrawal of branches and operations
9. Appointment or dismissal of supervisors
10. Suspension or shutdown of production over 5% of the total production in the recent year
11. Licensing agreements and technology transfer, partnership in regards to technology of over 0.5% of the total equity
12. Acquisitions and transfers of patents related to new material and new technology of over 0.5% of the total equity
13. Collection and destruction of products corresponding to over 5% of the total sales in the recent business year
14. Contracting for over 5% of the total sales in the recent business year
15. Contracting or canceling of single sales agency and suppliers over 5% of the total sales in the recent business year
16. Establishment of basic principles of organization management
17. Decision making on basic principles and any changes related to wages, bonus, and fringe benefits
18. Appointments, dismissals and changes of transfer agent
19. Closing of shareholder register and setting reference date
20. Establishment of corporate guidelines for business and management related activities

(B) Matters related to Finance

1. Acquisitions or disposals of equity investments with a value no less than 0.1% and less than 2.5% of the total equity
2. Direct overseas investments with a value no less than 0.1% and less than 2.5% of the total equity
3. New debt guarantee (excluding extension of period) or collateral issuance with a value no less than 0.1% and less than 2.5% of the total equity
 - A. Collateral: Only in the case of providing collateral for others
 - B. Guarantee: Excludes performance guarantee (eg, bid, contract, defect, difference guarantee) and tax payment guarantee
4. New credit agreement contract (excluding extension of period) with a value no less than 0.1% and less than 5% of the total equity
5. Approval of related party transactions:
Related party transactions with affiliates involving cash (loans and payments), equity (stocks and bonds) or assets (such as real estate and intangible property rights) with a value between KRW 3 billion and/or less than KRW 5 billion, as defined in the Monopoly Regulation and Fair Trade Act
※ Excluding cases where existing contracts are renewed without significant change.
6. Issuance of corporate bonds
7. Acquisition and disposal of real estate with a value of over 0.1% of the total equity, provided that the transaction is with a third party
8. Any matters that the CEO deems necessary and important for the business (eg, capex)

(C) All other matters except for those delegated to the Board and other committees in accordance with Board regulations

(Related Party Transactions Committee)

- Responsibilities: Improve management transparency through the establishment of a voluntary compliance system

- Authorities:

1. Right to receive reports on related party transactions:
The Committee can request reports on related party transactions with affiliates
※ According to the Monopoly Regulation and Fair Trade Act, the Related Party Transactions committee is permitted to conduct preliminary reviews and approves on related party transactions over KRW 5 billion and other transactions that are deemed as significant
2. Right to order ex officio investigation of related party transactions
3. Right to propose corrective measures for related party transactions

(Compensation Committee)

- Responsibilities: Provide transparent and objective decision making process related to remuneration of directors

- Authorities:

1. Propose remuneration limit of directors at AGM
2. Establish the director remuneration system
3. Other matters delegated by the Board

(Governance Committee)

- Responsibilities: Fulfill corporate social responsibility and enhance shareholder value

- Authorities:

1. Matters related to corporate social responsibility
2. Matters related to shareholder value enhancement
 - Preliminary review on shareholder return policies
 - Activities for improving shareholders' rights and interests
 - Other important management matters that can significantly impact shareholder value
3. Establishment, composition, operation of organizations under the committee including research groups, councils, etc.
4. Other matters delegated by the Board

(2) Committee Activities

□ The Management Committee (2021)

Date	Agenda	Voting results	Director (attendance)				
			Ki-nam Kim (100%)	Hyun-suk Kim (100%)	Dong-jin Koh (100%)	Jong-Hee Han (100%)	Yoon-Ho Choi (100%)
Jan 6	① Investment in memory business	Approved	For	For	For	For	For
Feb 5	① Investment in memory business	Approved	For	For	For	For	For
	② Investment in R&D	Approved	For	For	For	For	For
	③ Establishment of overseas subsidiary	Approved	For	For	For	For	For
	④ Contract agreement for using Samsung CI	Approved	For	For	For	For	For
Mar 5	① Investment in memory business	Approved	For	For	For	For	For
	② Investment in foundry business	Approved	For	For	For	For	For

□ The Related Party Transactions Committee (2021)

Date	Agenda	Voting Results	Directors (attendance)		
			Sun-uk Kim (100%)	Jae-wan Bahk (100%)	Han-jo Kim (100%)
Jan 26	① Report on 4Q20 related party transactions	-	-	-	-
Feb 10	① Prior review on large-scale related party transactions	-	-	-	-
	1) Contract agreement with Samsung Biologics and Samsung BioEpis for using Samsung CI	-	-	-	-
Mar 12	① Prior review on large-scale related party transactions	-	-	-	-
	1) Application for product liability insurance	-	-	-	-

□ The Compensation Committee (2021)

Date	Agenda	Voting Results	Directors (attendance)		
			Byung-gook Park (100%)	Jae-wan Bahk (100%)	Jeong Kim (100%)
Feb 10	① Review of fixed annual income for each executive Directors in 2021	Approved	For	For	For
	② Review on 2021 remuneration limit for Directors	Approved	For	For	For

□ **The Governance Committee (2021)**

Date	Agenda	Voting Results	Directors (attendance)					
			Jae-wan Bahk (100%)	Sun-uk Kim (100%)	Byung- gook Park (100%)	Jeong Kim (100%)	Curie Ahn (100%)	Han-jo Kim (100%)
Jan 26	① Prior review on the shareholder return policy for 2021 to 2023 ※ Reporting Item 1) Reporting on current status of IR	Approved	For	For	For	For	For	For

D. Director independence

(1) Appointment of Directors

The Board nominates Executive Director candidates and the Independent Director Recommendation Committee nominates Independent Director candidates. Directors are then appointed at the general meeting.

A candidate for Director needs to meet the requirements of relevant laws and the Articles of Incorporation. Executive Directors are appointed based on his or her expertise and leadership among a list of candidates that is constantly updated. Independent Directors should have no material interests with the Company and its major shareholder, possess knowledge and experience in IT, accounting, finance, law, economics, EHS, etc., and be able to fulfill the roles and responsibilities of supervising management from an independent position. The company has not set separate standards with respect to the independence of Directors besides the requirements in relevant laws and the Article of Incorporation.

Please refer to 『VIII. Executives and Employees』 for more information about the career of each Director.

The Board submits shareholders' proposal for appointment of Directors at the general shareholder meeting as a separate agenda if the proposal satisfies related laws and regulations.

The composition of the Board of Directors, as appointed by shareholders, is as follows:

[As of Mar 31, 2021]

Position	Name	Term	Reasons for appointment	Nominator	Responsibility	Transaction with the Company	Relationship with the Company's major shareholders
Executive Director (CEO)	Ki-nam Kim	Mar 2018 – Mar 2024	Director Ki-nam Kim has built expertise based on his experience as the president of Samsung Advanced Institute of Technology, head of the memory business, and president of the semiconductor business. He will play a critical role in solidifying leadership of the component business despite growing external uncertainty.	The Board	Head of DS Division	N/A	Related party
Executive Director (CEO)	Hyun-suk Kim	Mar 2018 – Mar 2024	Director Hyun-suk Kim is an expert in display R&D and played a crucial role in positioning the company as the leader in the global TV market. He will use this successful experience in other businesses such as the home appliance business to create synergies within the CE division.	The Board	Head of CE Division	N/A	Related party
Executive Director (CEO)	Dong-jin Koh	Mar 2018 – Mar 2024	Director Dong-jin Koh is an expert in mobile R&D and has contributed in advancing our mobile business with the galaxy lineup. He will play a critical role in becoming a first mover in the stagnant yet competitive smartphone market.	The Board	Head of IM Division	N/A	Related party

Position	Name	Term	Reasons for appointment	Nominator	Responsibility	Transaction with the Company	Relationship with the Company's major shareholders
Executive Director	Jong-hee Han	Mar 2020 – Mar 2023	Director Jong-hee Han is an expert in display R&D and played a leading role in continuously achieving the top position in global TV market. He will contribute to further solidifying leadership in TV market amid intensifying competition by using his excellent business capabilities.	The Board	Head of Visual Display Business	N/A	Related party
Executive Director	Yoon-ho Choi	Mar 2020 – Mar 2023	Director Yoon-ho Choi is a finance expert and contributed to enhancing synergy among businesses in SEC. He will contribute to efficient and stable management of the Company by capitalizing on his capabilities in risk management amid uncertain global economy.	The Board	General management	N/A	Related party
Independent Director	Jae-wan Bahk	Mar 2016 – Mar 2022 (second term)	Director Jae-wan Bahk is an expert in finance and public sector with abundant experience relative to state affairs and policy design. He can contribute to objective supervision of the management and the Board's strategic decisions.	Independent Director Recommendation Committee	Chairman of the Board	N/A	N/A
Independent Director	Sun-uk Kim	Mar 2018 – Mar 2024	Director Sun-uk Kim is a legal expert and has experience as a professor at a school of law and the Legislation Minister. She can present a new perspective to the Board based on objective and juridical reasoning.	Independent Director Recommendation Committee	Overall management	N/A	N/A
Independent Director	Byung-gook Park	Mar 2018– Mar 2024	Director Byung-gook Park is a professor at electrical engineering and an expert in flash memory. He will play a crucial role in strengthening expertise of the Board.	Independent Director Recommendation Committee	Overall management	N/A	N/A
Independent Director	Jeong Kim	Mar 2018 – Mar 2024	Director Jeong Kim is an IT expert and an entrepreneur. He will contribute to the Board's strategic decisions by utilizing his expertise, wide network, and business capability.	Independent Director Recommendation Committee	Overall management	N/A	N/A
Independent Director	Curie Ahn	Mar 2019 – Mar 2022	Director Curie Ahn is a medical expert who has been working for the marginalized and public good. Director Ahn will help address the increasingly important EHS issues, improving social communication and achieving sustainable growth.	Independent Director Recommendation Committee	Overall management	N/A	N/A

Position	Name	Term	Reasons for appointment	Nominator	Responsibility	Transaction with the Company	Relationship with the Company's major shareholders
Independent Director	Han-jo Kim	Mar 2019 – Mar 2022	Director Han-jo Kim has built expertise in finance and business management through his experience as a President of Korea Exchange Bank and now serves as the chairman of a social contribution foundation. He will contribute to the Company by providing valuable insight on overall business issues and by utilizing expertise in finance, co-growth, etc.	Independent Director Recommendation Committee	Overall management	N/A	N/A

Relationship with Company's major shareholders is in accordance with Article 542-8 of the Commercial Act.

Mar 17, 2021: At the 2020 AGM, Byung-gook Park and Jeong Kim were reappointed as Independent Directors; and Sun-uk Kim as Independent Director for Audit Committee member.

(2) Independent Director Recommendation Committee

The Independent Director Recommendation Committee assesses the independence and ability of potential candidates and recommends selected candidates to be appointed at the annual general meeting of shareholders. As of the reporting date (March 31, 2021), the committee is composed of three Independent Directors (Byung-gook Park, Jeong Kim, and Curie Ahn) based on related laws that states more than a majority of members should be independent directors in accordance with clause 4 of Article 542-8 of the Commercial Law.

Date	Agenda	Voting Results	Directors (attendance)		
			Jeong Kim (100%)	Byung-gook Park (100%)	Curie Ahn (100%)
Jan 28	① Decision on date of Independent Director candidate recommendation	Approved	For	For	For
Feb 10	① Recommendation of Independent Director candidate	Approved	For	For	For
	② Recommendation of Independent Director for Audit Committee candidate	Approved	For	For	For

(3) Expertise of Independent Directors

1) Support team for Independent Directors

[As of Mar 31, 2021]

Team	Number of Employees	Position (Total years served/ years in support team)	Key activities
HR	5	Executive Vice President: 1 person (30 years and 4 months / 2 years and 3 months) Vice President: 1 person (27 years and 1 month / 1 year and 2 months) Principal Professional: 1 person (18 years and 2 months / 1 year and 8 months) Senior Professional: 2 persons (average: 11 years and 11 months / 2 years and 3 months)	<ul style="list-style-type: none"> Support operation of annual shareholders' meeting, Board meetings, and Committee meetings Support education for Independent Directors and their activities Establish database on Director candidates Provide information for resolution process to each Directors Administrative work for meetings Record meeting agendas for the Board and committee meetings

2) Education programs to provide updates on key management issues for Independent Directors

① Inspection of domestic and overseas business sites

Date	Organizer	Participants	Reasons for absence	Education contents
Aug 16, 2019 – Aug 23, 2019	HR team and management team of the region where the inspection takes place	Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, Han-jo Kim	N/A	On-site inspection to check business operations

② Orientation for newly appointed Independent Directors

Date	Organizer	Participants	Reasons for absence	Education contents
Mar 20, 2019	HR team	Curie Ahn, Han-jo Kim	N/A	Key issues regarding Board activities and management
Apr 30, 2019	HR team and relevant management team	Curie Ahn, Han-jo Kim	N/A	Key issues regarding Board activities and management
Jul 30, 2019	HR team and relevant management team	Curie Ahn, Han-jo Kim	N/A	Key issues regarding Board activities and management

③ Orientation for Independent Directors

Date	Organizer	Participants	Reasons for absence	Education contents
Jan 30, 2019	Support Team	In-ho Lee, Kwang-soo Song, Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim	N/A	Business plans for 2019
Jan 31, 2019	Network business	In-ho Lee, Kwang-soo Song, Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim	N/A	Briefing on 5G technology and tour of production lines
Nov 27, 2020	Planning Team	Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, Han-jo Kim	N/A	Changing environment in post-COVID-19 era and mid- to long-term strategy

2. Audit System

A. Profiles of Audit Committee members

As of March 31, 2021, SEC operates an Audit Committee consisting of three Independent Directors. Directors Jae-wan Bahk (head) and Han-jo Kim qualify as experts in finance in accordance with relevant regulations.

Name	Major experience	Accounting/financial expertise ¹⁾	
		Classification	Relevant experience
Jae-wan Bahk (Head)	<ul style="list-style-type: none"> • 2020–present: Professor Emeritus, Department of Public Administration Graduate School of Governance at Sungkyunkwan University • 1996–2020: Professor, Department of Public Administration & Graduate School of Governance, Sungkyunkwan University • 2016–present: Independent Director, Lotte Shopping • 2014–present: Chief Director, Hansun Foundation • 2011–2013: Minister of Strategy and Finance • 2010–2011: Minister of Employment and Labor • 2004–2008: Member of the 17th National Assembly 	Type 2 ²⁾	<ul style="list-style-type: none"> • 1996–2020: Professor of Public Administration, Sungkyunkwan University • 1992: Gained Ph.D. in Financial Administration
Sun-uk Kim	<ul style="list-style-type: none"> • 2018–present: Professor Emeritus, School of Law, Ewha Womans University • 1995–2018: Professor, Ewha Law School, Ewha Womans University • 2010–2014: President, Ewha Womans University • 2005–2007: Minister of Government Legislation 	–	–
Han-jo Kim	<ul style="list-style-type: none"> • 2019–2021: CEO/Rep Director, Hana Foundation • 2015–2019: CEO/Rep Director, Hana Nanum Foundation • 2015–2016: Vice Chairman, Hana Financial Group • 2014–2015: President, Korea Exchange Bank • 2013–2014: President, KEB Capital Inc. 	Type 4 ³⁾	<ul style="list-style-type: none"> • 2015–2016: Vice Chairman, Hana Financial Group • 2014–2015: President, Korea Exchange Bank • 2013–2014: President, KEB Capital • 2012–2013: Head of Corporate Business Group, Korea Exchange Bank • 1999–2002, 2004–2005: Head of Branch, Korea Exchange Bank

1) Defined in Public Disclosure Guideline and Article 37-2 of the Enforcement Decree of the Commercial Act

2) Holds at least a master's degree in accounting or finance and who has worked for a research institute or university at least as a researcher or an assistant professor in accounting or finance for an aggregate of at least five years

3) Experience at financial, government, securities-related organizations in charge of accounting or finance or in charge of supervision over accounting or finance for an aggregate of at least five years

B. Audit Committee independence

Pursuant to related laws and the Articles of Incorporation, SEC has prepared internal audit regulations which encompass composition, operation, authority, and responsibility of the Audit Committees to carry out audit related activities.

The Audit Committee is exclusively composed of Independent Directors recommended by the Board and appointed at the general shareholder meeting. Currently, it includes financial experts Jae-wan Bahk (head) and Han-jo Kim and legal expert Sun-uk Kim. Committee members do not have any relation to the Company's major shareholders that may undermine the independence of the Committee. Also, the Audit Committee satisfies requirements of relevant laws (eg, the stipulation that the role of head of the committee be held by an Independent Director).

Requirements	Requirement status	Applicable acts, etc.
The audit committee shall consist of at least three directors.	Satisfied: the committee consists of three Directors	Article 415-2 (2) of the Commercial Act, Article 2 of the Company's Audit Committee Regulation
The ratio of independent directors shall exceed two thirds of the total number of members.	Satisfied: all members are independent directors)	
At least one member of the committee shall be an accounting or financing expert.	Satisfied: Jae-wan Bahk; Han-jo Kim	Article 542-11 (2) of the Commercial Act, Article 3 of the Company's Audit Committee Regulation
The representative of the committee shall be an independent director.	Satisfied: Independent Director Jae-wan Bahk	
Other conditions (related party of the major shareholder, etc.)	Satisfied (n/a)	Article 542-11 (3) of the Commercial Act

[As of Mar 31, 2021]

Name	Term	Reasons for appointment	Nominator	Relationship with the Company	Relationship with the Company's major shareholders	Concurrent positions
Jae-wan Bahk (Head)	Mar 2019– Mar 2022	Expertise in finance and public sector and abundant experience in state affairs and policy design. He can contribute to the committee's activities by offering an objective perspective.	Independent Director Recommendation Committee	N/A	N/A	Independent Director Lotte Shopping, Co., Ltd 2016~
Sun-uk Kim	Mar 2018– Mar 2024	Based on the legal expertise and experience running organizations in areas including administration, finance, international affairs, etc., she can carry out the duties in an aboveboard manner with strict standards.	Independent Director Recommendation Committee	N/A	N/A	-
Han-jo Kim	Mar 2019– Mar 2022	An expert in finance with broad experience, he offers impartial judgement on overall management activities while carrying out his duties	Independent Director Recommendation Committee	N/A	N/A	-

Relationship with the Company and Company's major shareholders is in accordance with Article 542-8 of the Commercial Act.

The Audit Committee reviews accounting documents including financial statements and audit process related documents presented by the external auditor, and if needed, requests the external auditor to perform additional reviews on accounting books and records. To ensure the reliability of accounting related disclosures, the audit committee receives and reviews a report on internal accounting control systems prepared by internal accounting managers. In addition, the Committee attends the Board meetings and other significant meetings. The Committee receives reports on deliberations of the Management Committee and on business performance from Directors and requests additional reviews and supplementation of data as needed.

C. Major activities of the Audit Committee (2021)

Date	Agenda	Voting Results	Directors (attendance)		
			Jae-wan Bahk (100%)	Sun-uk Kim (100%)	Han-jo Kim (100%)
Jan 26	- Report on 2020 internal accounting management system activities	-	-	-	-
	- Report on evaluation of 2020 internal accounting management system activities	-	-	-	-
	- Communication between external auditor and audit committee	-	-	-	-
	- Report on 2020 financial statement and business report	-	-	-	-
	- Report on 4Q20 non-audit activities	-	-	-	-
	- Report on 4Q20 external contributions	-	-	-	-
	- Report on 2020 audit activities	-	-	-	-
	Feb 10	- Review of the 2020 AGM agenda - Report on activities of internal compliance system in 2020	- -	- -	- -

D. Education programs for the Audit Committee

In accordance with the working guide for internal accounting management system, we are conducting additional training to ensure the expertise of the Audit Committee. Organized by external experts, finance team, and audit team, education on changes to internal control, internal accounting management system is provided more than once a year.

E. Previous education sessions

Date	Organizer	Participants	Reasons for absence	Education contents
Apr 29, 2019	Audit team Finance team HR team External experts	Jae-wan Bahk Sun-uk Kim Han-jo Kim	N/A	Introduction materials
Jul 30, 2019	External experts	Jae-wan Bahk Sun-uk Kim Han-jo Kim	N/A	Internal accounting management system
Jul 28, 2020	External experts	Jae-wan Bahk Sun-uk Kim Han-jo Kim	N/A	Internal accounting management system

F. Support team for the Audit Committee

[As of Mar 31, 2021]

Team	Composition	Service years on team	Major tasks
Audit team	1 Executive Vice President, 2 Principal Professionals 1 Senior Professional	Executive Vice President: 1 Year and 3 months Principal professional: 3 years 1 months (average) Senior Professionals: 2 years	Support the Audit Committee
Internal accounting assessment support group	1 Vice President, 1 Senior Professional	Vice President: 2 years and 3months Senior Professional: 2 months	Support assessment of the internal accounting management system

G. Compliance Officer

[As of Mar 31, 2021]

1. Personal information and major career	Name	Duk-ho Ahn
	Date of birth	July 1968
	Sex	Male
	Current position	Corporate Compliance Team leader at Samsung Electronics (Jan 2020–present)
	Career	<ul style="list-style-type: none"> - Jan 2020: Head of Compliance Team, SEC (Executive Vice President) - Nov 2017: Head of Legal Support Team, SEC DS Division (Executive Vice President) - Apr 2017: Head of Legal Support Team, SEC DS Division (Senior Vice President) - Dec 2010: Office of Compliance Management, SEC (Senior Vice President) - Mar 2006: Office of Legal Affairs, SEC (Vice President) - Mar 2005: Office of Legal Affairs, Samsung Restructuring Head Office (Vice President) - 1997–2005: Judge at the Seoul District Court, Seoul Administration Court
Academic background	Bachelor's Degree in Law (Seoul National University)	
2. Date of Board resolution		Jan 30, 2020
3. Disqualifications		N/A
4. Others		N/A

Compliance officer meets the eligibility requirement (lawyer) stated in Article 542-13 (5) of the Commercial Act.

H. Major compliance activities

The Company conducts compliance assessments on a regular and ad-hoc basis and reflects the results in the Company's business activities to improve compliance of the Company and its employees.

Date	Assessment subject	Assessment area	Results
Feb 2021	Violation of competitors' business secrets	Business secrets	Overall result was satisfactory. Internal policies were followed in areas where there was room for improvement.
	Industrial health and safety risk	Environment & safety	
Mar 2021	Compliance of domestic and overseas third-party production companies	Technology leak, product liability, etc.	

Assessment conducted in the final month of each quarter.
Each assessment was conducted on selected organizations.

I. Support team for the Compliance Officer

[As of Mar 31, 2021]

Team	Composition	Service years (average)	Major tasks
Compliance team, etc.	3 Vice Presidents 14 Principal Professionals 11 Lawyers 32 Senior Professionals 5 Professionals (Total: 65)	Vice Presidents (4 years and 6 months) Principal Professionals (7 years) Lawyers (4 years and 1 month) Senior Professionals (4 years and 3 months) Professionals (1 year and 3 months)	Supports activities of the Compliance Officer

Service years refer to time performing work relevant to support activity.

3. Voting rights of shareholders

A. Voting method

On January 30, 2020, the Board resolved to adopt electronic voting to enhance convenience in exercising voting rights for shareholders in accordance with Article 368-4 (Exercise of Voting Rights by Electronic Means) of the Commercial Act. E-voting has been used at every AGM since it was introduced at the 51st AGM on March 18, 2020.

The convocation notice of general meeting of shareholders includes the information that voting rights can be exercised electronically. Owners of shares as of the last day of every settlement term can exercise their voting rights via the electronic voting system of Korea Securities Depository ten days prior to general meeting date until the day before the meeting, without being present at the meeting.

The Company has yet to adopt a cumulative voting system and paper voting.

B. Minority shareholder rights

No minority shareholder rights were exercised during the reporting period.

C. Competition over management rights

No competition over management rights occurred during the reporting period.

VII. Information on Shareholders

1. Ownership of shares by the major shareholder and related parties

[As of Mar 31, 2021]

Name	Relationship ¹⁾	Type of share	Ownership				Notes
			Period start		Period end		
			Shares	Stake (%)	Shares	Stake (%)	
Kun-hee Lee	Major shareholder	Common	249,273,200	4.18	249,273,200	4.18	-
Kun-hee Lee	Major shareholder	Preferred	619,900	0.08	619,900	0.08	-
Samsung C&T	Affiliate	Common	298,818,100	5.01	298,818,100	5.01	-
Samsung Welfare Foundation	Funded foundation	Common	4,484,150	0.08	4,484,150	0.08	-
Samsung Foundation Of Culture	Funded foundation	Common	1,880,750	0.03	1,880,750	0.03	-
Ra-hee Hong	Spouse of the major shareholder	Common	54,153,600	0.91	54,153,600	0.91	-
Jae-yong Lee	Son of the major shareholder	Common	42,020,150	0.70	42,020,150	0.70	-
Samsung Life Insurance	Affiliate	Common	508,157,148	8.51	508,157,148	8.51	-
Samsung Life Insurance	Affiliate	Preferred	43,950	0.01	43,950	0.01	-
Samsung Life Insurance (special accounts)	Affiliate	Common	16,284,877	0.27	15,219,465	0.25	Open market transactions
Samsung Life Insurance (special accounts)	Affiliate	Preferred	772,567	0.09	623,705	0.08	Open market transactions
Samsung Fire & Marine Insurance	Affiliate	Common	88,802,052	1.49	88,802,052	1.49	-
Ki-nam Kim	Executive member	Common	200,000	0.00	200,000	0.00	-
Hyun-suk Kim	Executive member	Common	99,750	0.00	99,750	0.00	-
Dong-jin Koh	Executive member	Common	75,000	0.00	75,000	0.00	-
Jong-hee Han	Executive member	Common	5,000	0.00	5,000	0.00	-
Curie Ahn	Executive member	Common	2,600	0.00	2,900	0.00	Open market transactions
Han-jo Kim	Executive member	Common	2,175	0.00	2,175	0.00	-
Total		Common	1,264,258,552	21.18	1,263,193,440	21.16	-
		Preferred	1,436,417	0.17	1,287,555	0.16	-

Common shares carry full voting rights while preferred shares do not (owners of certain common shares have limited voting rights in accordance with relevant laws. For information on voting rights, please refer to 『1. Corporate Overview-5. Voting Shares』).

For changes after March 31, please refer to 'Ownership status of securities, etc. of executives and major shareholder' in electronic public disclosure system (<http://dart.fss.or.kr>) and 『2. Matters related to the major shareholder』.

1) In accordance with Article 3 Paragraph 1 of Enforcement Decree of the Act on Corporate Governance of Financial Companies.

2. Matters related to the major shareholder

[The major shareholder]

- 1) Name: Kun-hee Lee
- 2) Career (recent 5 years): Chairman of Samsung Electronics (2010–2020)
Honorary member of the International Olympic Committee (2017–2020)
Member of the International Olympic Committee (1996–2017)
- 3) The major shareholder of record has not changed during the reporting period.

* The major shareholder on April 29, 2021 (after the reporting date) changed to Samsung Life Insurance as the shares of Kun-hee Lee (who passed away on October 25, 2020) were inherited by Jae-yong Lee and three others. Since the total number of affiliated companies' shares owned by each shareholder is the same, Samsung Life Insurance, which has the highest number of shares on a separate basis, was announced as the major shareholder. For detailed information, please refer to 'Change of the major shareholder' and 'Report on changes to share ownership, including the major shareholder', disclosed on April 30, 2021, on the electronic public disclosure system (<http://dart.fss.or.kr>).

3. Ownership of shares

A. Share ownership status

[As of Mar 31, 2021]

Classification	Name	Number of shares owned	Share ratio	Note
Shareholders with over 5% voting shares ¹⁾	National Pension Service	581,313,761	9.74%	-
	Samsung Life Insurance	523,376,613	8.77%	-
	BlackRock Fund Advisors	300,391,061	5.03%	Based on the Report on Mass Holding of Securities (disclosed on February 7, 2019)
	Samsung C&T	298,818,100	5.01%	-
Employee Stock Ownership Association		-	-	-

BlackRock Fund Advisors information as of January 28, 2019.

The number of shares owned and share ratio of Samsung Life Insurance includes special accounts.

1) Including shares with limited voting rights in accordance with relevant laws. For more information, please refer to 『I. Corporate Overview-5. Voting Shares』

B. Minority Shareholders

[As of Mar 31, 2021]

Classification	Shareholder			Shares owned ¹⁾			Note
	Number of shareholders	Total shareholders	Portion	Number of shares	Total number of shares	Portion	
Minority shareholder	3,867,960	3,868,074	99.99%	3,855,845,827	5,969,782,550	64.59%	-

Shareholders with shares less than 1/100 of total issued stocks

1) Number of voting shares, including those with limited voting rights in accordance with relevant laws.

4. Stock affairs

Preemptive Rights in the Articles of Incorporation

1. New shares to be issued by the Company shall be allocated to the shareholders in proportion to their respective shareholdings in accordance with Paragraph 6, Article 8. If shares are not subscribed for as a result of waiver or loss of the preemptive right of the shareholders to subscribe for new shares, or if fractional shares remain at the time of allocation of new shares, such shares may be disposed of by a resolution of the Board of Directors in accordance with applicable laws and regulations.
2. Notwithstanding the above Paragraph 1, new shares may be allocated to persons other than shareholders in the following cases:
 - a. If the Company issues new shares or causes underwriters to underwrite new shares by a resolution of the Board of Directors in accordance with applicable laws and regulations including the Financial Investment Services and Capital Markets Act;
 - b. If the Company allocates new shares preferentially to members of the Employee Stock Ownership Association by a resolution of the Board of Directors in accordance with applicable laws and regulations including the Financial Investment Services and Capital Markets Act;
 - c. If the Company issues new shares for the issuance of depositary receipts (DR) by a resolution of the Board of Directors in accordance with the applicable laws and regulations including the Financial Investment Services and Capital Markets Act;
 - d. If the Company issues new shares by public offering in accordance with Article 11-3;
 - e. If new shares are issued by the exercise of stock options in accordance with Article 11-4;
 - f. If the Company issues new shares to the extent of 20% of the total issued and outstanding shares to domestic or foreign financial institutions for the purpose of obtaining financing urgently or to the relevant partner company for the purpose of inducing technology therefrom, etc., by a resolution of the Board of Directors; provided that the issue price of the new shares shall not be less than the price prescribed by the Financial Investment Services and Capital Markets Act and other applicable laws and regulations.

(Note) Paragraph 6, Article 8

In the case of rights issue, bonus issue or stock dividend, the holders of common shares shall be entitled to common shares, and the holders of preferred shares shall be entitled to preferred shares, in proportion to their respective shareholdings; provided that in the case of rights issue and stock dividend the Company may, if necessary, issue only one kind of shares, where all the shareholders shall be entitled to such kind of shares to be issued.

(Note) Article 11-3 (Public Offering)

1. The Company may issue new shares by public offering to the extent that the new shares do not exceed 20% of the total number of issued and outstanding shares by a resolution of the Board of Directors, pursuant to Article 165-6, Paragraph 1, Item 3 of the Financial Investment Services and Capital Markets Act.
2. If the Company issues new shares by public offering, the type, quantity and issue price of the shares to be newly issued shall be determined by a resolution of the Board of Directors; provided that the issue price of such new shares shall not be less than the price prescribed by the Financial Investment Services and Capital Markets Act and other applicable laws and regulations.

(Note) Article 11-4 (Stock Options)

1. The Company may grant stock options to its officers and employees (including officers and employees of the related companies as set forth in Article 542-3, Paragraph 1 of the Commercial Code; the same shall apply for the purpose of this Article) by a special resolution of the general meeting of shareholders pursuant to Article 542-3 of the Commercial Code, to the extent permitted by the Commercial Code; provided, however, that the Company may grant the stock options to its officers and employees (except for the directors of the Company) by a resolution of the Board of Directors to the extent determined by the relevant laws and regulations.
2. The person to whom stock options may be granted are the officers and employees who have contributed or have the capacity to contribute to the establishment, management, overseas business, technical innovation, etc. of the Company; provided, however, that the officers and employees who may not be entitled to stock options under the relevant laws and regulations shall be excluded.
3. The shares to be issued to the officers or employees by the exercise of their stock options (in case the Company pays, either in cash or treasury shares, the difference between the exercise price of stock options and the market price, they refer to the shares which are the basis for such calculation) shall be common shares in registered form or preferred shares in registered form.
4. Total number of shares to be delivered in accordance with the exercise of stock options shall be up to the extent permitted by the relevant laws

and regulations.

5. The stock options may be exercised until an expiry date determined by a resolution of the general meeting of shareholders or the Board of Directors and such expiry date shall be determined within a period not exceeding eight (8) years from the date when two (2) years have elapsed from the date of the general meeting of shareholders or the date of the Board of Directors' meeting at which a resolution to grant such stock options is adopted; provided, however, that the person to whom a stock option is granted should serve the Company for at least two (2) years after the date of such resolution in order to exercise such stock option, unless otherwise set forth by relevant laws and regulations.
6. The terms and conditions for stock options, such as the contents and exercise price thereof shall be determined by a special resolution of the general meeting of shareholders or by a resolution of the Board of Directors in accordance with the relevant laws and regulations and the Articles of Incorporation; provided, however, that such matters which are not provided for as matters reserved for resolutions of the general meeting of shareholders or the Board of Directors' meeting under the relevant laws and regulations or the Articles of Incorporation may be determined by the Board of Directors or a committee authorized by the Board of Directors.
7. The Company may cancel the grant of stock options by a resolution of the Board of Directors in any of the following cases:
 - a. In case the relevant officer or employee voluntarily retires from his/her office or leaves the Company after the grant of stock options;
 - b. In case the relevant officer or employee causes substantial damages to the Company due to his/her willful misconduct or negligence;
 - c. In case any of the causes for cancellation set forth in the stock option agreement occurs.

Settlement date	Dec 31	Annual General Meetings of Shareholders	Within 3 months after the end of every business year
Record date (closing period)			Last day of fiscal year (One month from Jan 1)
Transfer agent	Korea Securities Depository (T: +82-51-519-1500): 40 Munhyeongeumyung-ro, Nam-gu, Busan, Korea		
Shareholder benefit	n/a	Published on	Joongang Daily

With Act on Electronic Registration of Stocks, Bonds, etc. ("Electronic Securities Act") taking effect Sep 16, 2019, rights specified on stocks and subscription warrants are subject to mandatory electronic registration, therefore, "Stock types" are no longer applicable. Related information is published on Joongang Daily in pursuant to our Articles of Incorporation, as well as on our website (<http://www.samsung.com/sec/ir>).

5. Stock price and stock transactions

A. Domestic stock market

Type		Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	
Common stock	Stock price (KRW)	High	60,900	68,200	81,000	91,000	85,300	84,000
		Low	56,600	57,400	67,800	82,000	81,600	80,900
		Average	59,737	63,419	73,619	86,565	83,128	82,073
	Volume (shares)	High (day)	26,907,844	43,811,016	40,085,044	90,306,177	38,520,800	33,498,180
		Low (day)	9,322,232	14,063,434	16,304,910	25,211,127	15,338,765	11,625,146
		Month	327,557,687	496,431,342	529,998,852	765,471,247	432,953,240	387,612,356
Preferred stock	Stock price (KRW)	High	53,600	61,900	73,600	81,000	76,200	74,100
		Low	50,100	51,200	62,500	73,100	72,700	71,900
		Average	52,532	57,429	68,467	76,905	74,211	73,132
	Volume (shares)	High (day)	3,716,282	6,415,253	8,145,726	12,293,635	4,563,341	2,939,705
		Low (day)	1,455,825	1,447,736	2,109,156	2,243,911	1,389,495	896,035
		Month	44,891,228	70,569,616	90,213,209	97,355,027	43,742,167	34,285,512

Stock price is based on the closing exchange rate of the applicable trading day.

B. Overseas stock market

□ Name of stock exchange: London Stock Exchange (common stock)

Type			Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	
Common stock	Price per GDR	High	USD	1,345.00	1,554.00	1,847.00	2,064.00	1,921.00	1,906.00
			KRW	1,532,897	1,718,413	2,019,140	2,260,080	2,132,502	2,112,610
		Low	USD	1,263.00	1,270.00	1,544.00	1,840.00	1,848.00	1,770.00
			KRW	1,431,484	1,435,608	1,705,966	2,050,864	2,047,030	2,019,747
		Average	USD	1,307.36	1,429.57	1,683.10	1,963.60	1,875.60	1,820.30
			KRW	1,502,258	1,596,812	1,844,553	2,154,728	2,085,701	2,057,155
	Volume (shares)	High (day)		39,216	35,136	49,065	51,220	64,257	39,379
		Low (day)		10,714	10,416	3,897	18,169	11,799	9,406
		Month		438,854	464,256	462,885	645,668	473,863	393,780

Stock price in KRW is based on the closing exchange rate of the applicable trading day.

High and low price in KRW are based on the KRW/USD closing exchange rate of the applicable trading day; average price in KRW is based on monthly average KRW/USD exchange rate.

Conversion ratio between GDRs and original shares is 1:25.

□ Name of stock exchange: Luxembourg Stock Exchange (preferred stock)

Type			Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	
Preferred stock	Price per GDR	High	USD	1,184.00	1,400.00	1,676.00	1,834.00	1,720.00	1,684.00
			KRW	1,342,774	1,550,080	1,832,203	2,007,130	1,909,372	1,866,546
		Low	USD	1,098.00	1,134.00	1,402.00	1,644.00	1,628.00	1,578.00
			KRW	1,288,503	1,281,874	1,549,070	1,832,402	1,804,475	1,800,656
		Average	USD	1,143.73	1,284.00	1,552.48	1,744.90	1,672.10	1,623.57
			KRW	1,314,227	1,434,211	1,701,404	1,914,741	1,859,405	1,834,817
	Volume (shares)	High (day)		4,361	5,023	6,015	4,401	2,012	3,602
		Low (day)		598	319	92	846	280	293
		Month		42,944	45,307	47,684	45,885	22,322	29,449

Stock price in KRW is based on the closing exchange rate of the applicable trading day.

High and low price in KRW are based on the KRW/USD closing exchange rate of the applicable trading day; average price in KRW is based on monthly average KRW/USD exchange rate.

Conversion ratio between GDRs and original shares is 1:25.

VIII. Executives and Employees

1. Executives and employees

A. Registered Executives

[As of Mar 31, 2021]

(Shares)

Name	Gender	Date of birth	Position	Registered Executive	Full/part-time	Responsibility	Major career	Number of shares owned		Relationship with the major shareholder ¹⁾	Length of service (months)	Term expiration
								Common	Preferred			
Ki-nam Kim	M	Apr 1958	CEO	Yes	Full	Head of DS Division	- Doctor's degree in Electrical Engineering from UCLA - Head of DS Division	200,000	-	Executive member	37	Mar 22, 2024
Hyun-suk Kim	M	Jan 1961	CEO	Yes	Full	Head of CE Division	- Master's degree in Electrical Engineering from Portland State University - Head of CE Division	99,750	-	Executive member	37	Mar 22, 2024
Dong-jin Koh	M	Mar 1961	CEO	Yes	Full	Head of IM Division	- Master's degree in Technology Policy from University of Sussex - Head of IM Division	75,000	-	Executive member	37	Mar 22, 2024
Jong-hee Han	M	Mar 1962	Executive Director	Yes	Full	Head of Visual Display Business	- Bachelor's degree in Electronic Engineering from Inha University - Head of Visual Display Business	5,000	-	Executive member	13	Mar 17, 2023
Yoon-ho Choi	M	Jan 1963	Executive Director	Yes	Full	Overall Management	- Bachelor's degree in Business Management from Sungkyunkwan University - Head of Corporate Management Office	-	-	Executive member	13	Mar 17, 2023
Jae-wan Bahk	M	Jan 1955	Independent Director	Yes	Part	Chairman of the Board	- Doctor's degree in Public Policy from Harvard University - Professor Emeritus of Graduate School of Public Administration at Sungkyunkwan University	-	-	Executive member	61	Mar 10, 2022
Sun-uk Kim	F	Dec 1952	Independent Director	Yes	Part	Overall management	- Doctor's degree in Administrative Law from University of Konstanz - Professor Emeritus at Ewha Womans University	-	-	Executive member	37	Mar 22, 2024
Byung-gook Park	M	Apr 1959	Independent Director	Yes	Part	Overall management	- Doctor's degree in Electrical Engineering from Stanford University - Professor of Electrical Engineering at Seoul National University	-	-	Executive member	37	Mar 22, 2024
Jeong Kim	M	Aug 1960	Independent Director	Yes	Part	Overall management	- Doctor's degree in Reliability Engineering from the University of Maryland - President of Kiswe Mobile	-	-	Executive member	37	Mar 22, 2024
Curie Ahn	F	Mar 1955	Independent Director	Yes	Part	Overall management	- Doctor's degree in Medicine from Seoul National University - Professor Emeritus at the Division of Nephrology of Seoul National University	2,900	-	Executive member	25	Mar 19, 2022

Han-jo Kim	M	Jul 1956	Independent Director	Yes	Part	Overall management	- Bachelor's degree in French language and Literature from Yonsei University - Chairman of Hana Nanum Foundation	2,175	-	Executive member	25	Mar 19, 2022
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Mar 17, 2021: At the 2020 AGM, Ki-nam Kim, Hyun-suk Kim, and Dong-jin Koh were reappointed as Executive Directors; Byung-gook Park and Jeong Kim as Independent Directors; and Sun-uk Kim as Independent Director for Audit Committee member.

1) In accordance with Article 3 Paragraph 1 of Enforcement Decree Of The Act On Corporate Governance Of Financial Companies.

B. Registered Executives with concurrent positions

[As of Mar 31, 2021]

Concurrent office holder		Company		
Name	Position	Name of company	Position	Period
Jae-wan Bahk	Independent Director	Lotte Shopping Co., Ltd	Independent director	2016–present
Jeong Kim	Independent Director	Kiswe Mobile	Chairman	2013–present

C. Employees

[As of Mar 31, 2021]

(KRW mil)

Division	Gender	Number of employees ¹⁾				Average length of service (years)	Total compensation (KRW mil)	Average compensation per employee ²⁾ (KRW mil)	Non-affiliated ³⁾		
		Regular	Contract-based	Others	Total				Male	Female	Total
CE	M	10,303	56	-	10,359	16.3	-	-			
	F	2,159	16	-	2,175	11.4	-	-			
IM	M	19,708	156	-	19,864	14.3	-	-			
	F	7,098	25	-	7,123	12.2	-	-			
DS	M	43,814	135	-	43,949	10.7	-	-	-	-	-
	F	17,410	15	-	17,425	10.6	-	-			
Others	M	8,169	142	-	8,311	15.2	-	-			
	F	2,302	46	-	2,348	11.5	-	-			
Gender total	M	81,994	489	-	82,483	12.7	2,191,393	27			
	F	28,969	102	-	29,071	11.1	512,772	19			
Total		110,963	591	-	111,554	12.3	2,704,165	25			

Total compensation for 1Q21 and average compensation per employee were calculated before income tax and other deductions based on the earned income payment record submitted to the district tax office in accordance with Article 20 of the Income Tax Law.

1) Separate basis; represents employees of domestic headquarters in Korea, including employees on leave and excluding 11 registered executives (5 Executive Directors and 6 Independent Directors).

2) Calculated based on average number of employees: 108,056 employees (male: 81,042, female: 27,014).

3) Non-affiliated employees are not included in the interim or half-year business reports, as per Public Disclosure Guideline (to be included in the annual business report)

D. Remuneration of non-registered Executives

[As of Mar 31, 2021]

(KRW mil)

Classification	Number of employees ¹⁾	Total compensation	Average compensation per employee	Note
Non-registered Executives	909	220,750	243	-

Total compensation for 1Q21 and average compensation per employee is calculated based on the earned income payment record (before earned income tax credit) submitted to the district tax office in accordance with Article 20 of the Income Tax Act.

Non-registered executives whose earned income was not domestic were excluded.

Total compensation for 1Q21 includes incentives, and timing of the incentives being paid differ every year.

1) In office as of the reporting date.

2. Remuneration for directors

A. Summary on total remuneration

<Remuneration of directors and auditors>

(1) Remuneration approved at the annual general meetings of shareholders

(KRW mil)

	Number of persons ¹⁾	Amount approved at shareholders' meeting ²⁾	Note
Registered Directors	5	-	-
Independent Directors	3	-	-
Audit Committee members or Auditor	3	-	-
Total	11	41,000	-

1) As of the day of AGM, as approved on the occasion

2) Remuneration limit for directors (including those retired) approved at the AGM on March 17, 2021, as per Article 388 of Commercial Act and our Articles of Incorporation.

(2) Remuneration Paid

[Remuneration paid for directors and auditors]

(KRW mil)

Number of persons ¹⁾	Total amount of remuneration ²⁾	Average remuneration per Director	Note
11	8,654	787	-

There are no recognized expenses (compensation expenses) in this term from granting stock options.

Based on the Income Tax Act that incumbent or retired registered directors, independent directors, and members of audit committee in the fiscal year received in accordance with Article 159 of the Financial Investment Services and Capital Markets Act and Article 168 of the enforcement decree of the same law.

1) As of the reporting date.

2) Earned income as per Income Tax Law (Article 20: Wage and Salary Income, Article 21: Other Income, Article 22: Retirement income). Includes remuneration that newly appointed or resigned directors received as non-registered executives. Amount for 1Q was amount paid between January and March.

[Remuneration paid, by Director type]

(KRW mil)

	Number of persons ¹⁾	Total amount of remuneration ²⁾	Average remuneration per Director ³⁾
Registered Directors (excluding Independent Directors and Audit Committee members)	5	8,436	1,687
Independent Directors (excluding Audit Committee members)	3	133	44
Audit Committee members	3	85	28
Auditor	-	-	-

There are no recognized expenses (compensation expenses) in this term from granting stock options.

Based on the Income Tax Act that incumbent or retired registered directors, independent directors, and members of audit committee in the fiscal year received in accordance with Article 159 of the Financial Investment Services and Capital Markets Act and Article 168 of the enforcement decree of the same law.

1) As of the reporting date.

2) Earned income as per Income Tax Law (Article 20: Wage and Salary Income, Article 21: Other Income, Article 22: Retirement income). Includes remuneration that newly appointed or resigned directors received as non-registered executives. Amount for 1Q was amount paid between January and March.

(3) Criteria and methodology

Remuneration of directors is paid in accordance with internal regulations for Executive treatment and Independent Director treatment within the remuneration limit approved at the AGM.

Type	Criteria and methodology
Registered Directors (excluding Independent Directors and Audit Committee members)	<ul style="list-style-type: none"> • Salary: In accordance with internal regulations for executive treatment (Board resolution), remuneration is determined based on position, responsibilities, and performance results. • Traditional holiday bonus: 100% of monthly wage • Target achievement incentive: Paid biannual basis within the range of 0–200% of monthly wage, and CEO decides the amount according to the level of target achieved. (Adjusted according to division performance.) • Performance incentive: When performance exceeds the Company's goal; CEO decides the amount based on 20% profit. Paid once a year within 0–50% of salary. (Adjusted according to individual performance.) • Long-term incentive: Calculated within the director remuneration limit, based on the average salary of 3 years, using ROE, stock performance, and EBIT margin as criteria. Paid over the course of 3 years. • Fringe benefits: Medical services, checkups, group accident insurance are provided in line with the internal regulations for executive treatment (Board resolution)
Independent Directors (excluding Audit Committee members)	<ul style="list-style-type: none"> • Salary: In accordance with internal regulations for independent director treatment, remuneration is determined based on responsibilities, etc. • Fringe benefits: Medical services, checkups, group accident insurance are provided in line with the internal regulations for independent director treatment
Audit Committee members	<ul style="list-style-type: none"> • Salary: In accordance with internal regulations for independent director treatment, remuneration is determined based on responsibilities, etc. • Fringe benefits: Medical services, checkups, group accident insurance are provided in line with the internal regulations for independent director treatment

No bonus based on performance for Independent Directors including members of the audit committee.

<Remuneration for individual Executive Directors>

Remuneration for individual Executive directors is disclosed on a semi-annual basis, in half-year report and business report, in accordance with the Financial Investment Services and Capital Markets Act (revised on March 2016).

B. Stock options granted and exercised

(1) Status of stock options granted to registered Directors

As of March 31, 2021, there were no accumulated-basis unexercised stock options granted to registered Directors.

			(KRW mil)
Type	Number ¹⁾	Total fair value of stock options	Note
Registered Director	5	-	-
Independent Director	3	-	-
Audit Committee member or Auditor	3	-	-
Total	11	-	-

1) As of the reporting date.

(2) Status of stock options granted to non-registered Executives

As of March 31, 2021, there were no accumulated-basis unexercised stock options granted to non-registered Executives.

IX. Affiliates and Subsidiaries

1. Affiliates & subsidiaries

A. Affiliates

- Name of affiliated group: Samsung

As of March 31, 2021, Samsung Group had a total of 59 domestic affiliates. Among the Samsung Group's 59 domestic affiliates, sixteen (16) affiliates including Samsung Electronics are listed, and forty-four (43) affiliates are unlisted.

[As of March 31, 2021]

	No. of affiliates	Name of affiliates
Listed	16	Samsung C&T; Samsung Electronics; Samsung SDI; Samsung Electro-mechanics; Samsung Fire & Marine Insurance; Samsung Heavy Industries; Samsung Life Insurance; Multicampus; Samsung Securities; Samsung SDS; Samsung Card; Samsung Engineering; S1; Cheil Worldwide; Hotel Shilla; Samsung Biologics
Unlisted	43	Seoul Lakeside CC; Samwoo Architects & Engineers; CVnet Corporation; Samsung Bioepis; Samsung Display; Samsung Corning Advanced Glass; SU Materials; STECO; SEMES; Samsung Electronics Service; Samsung Electronics Sales; Samsung Electronics Logitech; Suwon Samsung Bluewings FC; Samsung Medison; Samsung Claim Adjustment Service; Samsung Fire & Marine Insurance Service; Samsung Fire & Marine Insurance Financial Service; Samsung Electronics Service CS; Samsung Futures; Samsung Asset Management; Samsung Life Service; Samsung SRA Asset Management; Samsung Life Financial Service; SD Flex; Cheil Fashion Retail Co., Ltd.; Samsung Welstory; SECUI; STM; S-Core; OpenHands; Miracom; Samsung Card Customer Service; Human TSS; S-1CRM; Shilla Stay; HDC Shilla Duty Free LTD; Samsung Economic Research Institute (SERI); Samsung Lions; Samsung Venture Investment Corporation; Samsung Active Asset Management; Samsung Hedge Asset Management; Harman International Korea; SBTM
Total	59	

B. Ownership status of affiliates and subsidiaries

1) Domestic

Investee Investor	Samsung C&T Corp	Samsung BioLogics	Samsung Life Insurance	Samsung SDI	Samsung SDS	Samsung Engineering	Samsung Electro-mechanics	Samsung Electronics	Samsung Heavy Industries	Samsung Securities	Samsung Card	Samsung Fire & Marine Insurance	MULTI CAMPUS	S1 Corporation	Cheil Worldwide
Samsung C&T Corporation		43.4	19.3		17.1	7.0		5.0	0.1						
Samsung BioLogics															
Samsung Life Insurance	0.1	0.1		0.1	0.1	0.1	0.2	8.8	3.1	29.6	71.9	15.0	0.0	5.4	0.3
Samsung SDI						11.7			0.4					11.0	
Samsung SDS													47.2		
Samsung Electro-mechanics									2.2						
Samsung Electronics		31.5		19.6	22.6		23.7		16.0						25.2
Samsung Heavy Industries															
Samsung Securities.														1.3	
Samsung Card														1.9	3.0
Samsung Fire & Marine Insurance						0.2		1.5						1.0	
S1 Corporation															
Cheil Worldwide									0.1						
Hotel Shilla															
SDC															
Samsung Asset Management															
Samsung Eelectronics Service															
Miracom															
SERI													15.2		
Harman International Industries, Inc.															
Total	0.1	75.0	19.3	19.7	39.7	19.0	23.9	15.3	21.9	29.6	71.9	15.0	62.4	20.6	28.6

※ Percent of ownership As of March 31, 2021 based on common shares

Investee Investor	Hotel Shilla	Samsung Display	Samsung Medison	Samsung BioEpis	Samsung Venture Investment	Samsung Life Service	Samsung Futures	Samsung Active Asset Management	Samsung SRA Asset Management	Samsung Welstory	Samsung Asset Management	Samsung Electronics Logitech	Samsung Electronics Service	Service CS	Samsung Electronics Sales
Samsung C&T Corporation					16.7					100.0					
Samsung BioLogics				50.0											
Samsung Life Insurance	7.5					99.8			100.0		100.0				
Samsung SDI	0.1	15.2			16.3										
Samsung SDS															
Samsung Electro-mechanics					17.0										
Samsung Electronics	5.1	84.8	68.5		16.3							100.0	99.3		100.0
Samsung Heavy Industries					17.0										
Samsung Securities.	3.1				16.7		100.0								
Samsung Card	1.3														
Samsung Fire & Marine Insurance															
S1 Corporation															
Cheil Worldwide															
Hotel Shilla															
SDC															
Samsung Asset Management								100.0							
Samsung Eelectronics Service														100.0	
Miracom															
SERI															
Harman International Industries, Inc.															
Total	17.1	100.0	68.5	50.0	100.0	99.8	100.0	100.0	100.0	100.0	100.0	100.0	99.3	100.0	100.0

※ Percent of ownership As of March 31, 2021 based on common shares

Investee Investor	Samsung Card Customer Service	Samsung Coming Advanced Glass	Samsung Hedge Asset Management	Samsung Fire & Marine Insurance Service	Samsung Claim Adjustment Service	SEMES	Suwon Samsung Bluewings FC	STECO	Shilla Stay	SD Flex	SBTM	S-1CRM	SU Materials	S-Core	STM
Samsung C&T Corporation															
Samsung BioLogics															
Samsung Life Insurance															
Samsung SDI										50.0					100.0
Samsung SDS														81.8	
Samsung Electro-mechanics															
Samsung Electronics						91.5		70.0							
Samsung Heavy Industries															
Samsung Securities.															
Samsung Card	100.0														
Samsung Fire & Marine Insurance				100.0	100.0										
S1 Corporation												100.0		0.6	
Cheil Worldwide							100.0							5.2	
Hotel Shilla									100.0		100.0				
SDC		50.0											50.0		
Samsung Asset Management			100.0												
Samsung Eelectronics Service															
Miracom														0.5	
SERI															
Harman International Industries, Inc.															
Total	100.0	50.0	100.0	100.0	100.0	91.5	100.0	70.0	100.0	50.0	100.0	100.0	50.0	88.1	100.0

※ Percent of ownership As of March 31, 2021 based on common shares

Investee Investor	HDC Shilla Duty Free LTD	Open Hands	Cheil Fashion Retail	Miracom	SERI	Samsung Lions	Samsung Life Financial Service	Samsung Fire & Marine Financial Service	Samwoo Architects & Engineers	Seoul Lakeside CC	SECUI	CVnet	Harman International Korea	Human TSS
Samsung C&T Corporation			100.0		1.0				100.0	100.0	8.7	40.1		
Samsung BioLogics														
Samsung Life Insurance					14.8		100.0							
Samsung SDI					29.6									
Samsung SDS		100.0		83.6							56.5	9.4		
Samsung Electro-mechanics					23.8									
Samsung Electronics					29.8									
Samsung Heavy Industries					1.0									
Samsung Securities.														
Samsung Card														
Samsung Fire & Marine Insurance								100.0						
S1 Corporation				0.6										100.0
Cheil Worldwide				5.4		67.5								
Hotel Shilla	50.0													
SDC														
Samsung Asset Management														
Samsung Eelectronics Service														
Miracom														
SERI														
Harman International Industries, Inc.													100.0	
Total	50.0	100.0	100.0	89.6	100.0	67.5	100.0	100.0	100.0	100.0	65.2	49.5	100.0	100.0

※ Percent of ownership As of March 31, 2021 based on common shares

2) Overseas

Investor	Investee	Ownership
Samwoo Architects & Engineers	SAMOO HU Designer and Engineering Services Limited	100.0
Samwoo Architects & Engineers	SAMOO DESIGNERS & ENGINEERS INDIA PRIVATE LIMITED	100.0
Samwoo Architects & Engineers	SAMOO (KL) SDN. BHD.	100.0
Samsung C&T America Inc.	Meadowland Distribution	100.0
Samsung C&T America Inc.	Samsung Green repower, LLC	100.0
Samsung C&T America Inc.	Samsung Solar Construction Inc.	100.0
Samsung C&T America Inc.	QSSC, S.A. de C.V.	20.0
Samsung C&T America Inc.	Samsung Solar Energy LLC	100.0
Samsung C&T America Inc.	Equipment Trading Solutions Group, LLC	70.0
Samsung C&T America Inc.	FLOWFY COMMERCE SERVICE LLC	100.0
Samsung Renewable Energy Inc.	SP Armow Wind Ontario LP	50.0
Samsung Renewable Energy Inc.	SRE GRW EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE GRW EPC LP	100.0
Samsung Renewable Energy Inc.	SRE SKW EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE SKW EPC LP	100.0
Samsung Renewable Energy Inc.	SRE WIND PA GP INC.	100.0
Samsung Renewable Energy Inc.	SRE WIND PA LP	100.0
Samsung Renewable Energy Inc.	SRE GRS Holdings GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE GRS Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE K2 EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE K2 EPC LP	100.0
Samsung Renewable Energy Inc.	SRE KS HOLDINGS GP INC.	100.0
Samsung Renewable Energy Inc.	SRE KS HOLDINGS LP	100.0
Samsung Renewable Energy Inc.	SP Belle River Wind LP	42.5
Samsung Renewable Energy Inc.	SRE Armow EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Armow EPC LP	100.0
Samsung Renewable Energy Inc.	North Kent Wind 1 LP	35.0
Samsung Renewable Energy Inc.	SRE Wind GP Holding Inc.	100.0
Samsung Renewable Energy Inc.	South Kent Wind LP Inc.	50.0
Samsung Renewable Energy Inc.	Grand Renewable Wind LP Inc.	45.0
Samsung Renewable Energy Inc.	SRE North Kent 2 LP Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE Solar Development GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Solar Development LP	100.0
Samsung Renewable Energy Inc.	SRE Windsor Holdings GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Southgate Holdings GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Solar Construction Management GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Solar Construction Management LP	100.0
Samsung Renewable Energy Inc.	SRE DEVELOPMENT GP INC.	100.0
Samsung Renewable Energy Inc.	SRE DEVELOPMENT LP	100.0
Samsung Renewable Energy Inc.	SRE BRW EPC GP INC.	100.0
Samsung Renewable Energy Inc.	SRE BRW EPC LP	100.0
Samsung Renewable Energy Inc.	SRE North Kent 1 GP Holdings Inc	100.0
Samsung Renewable Energy Inc.	SRE North Kent 2 GP Holdings Inc	100.0
Samsung Renewable Energy Inc.	SRE Belle River GP Holdings Inc	100.0
Samsung Renewable Energy Inc.	SRE NK1 EPC GP Inc	100.0
Samsung Renewable Energy Inc.	SRE NK1 EPC LP	100.0
Samsung Renewable Energy Inc.	SRE Summerside Construction GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Summerside Construction LP	100.0
Samsung Renewable Energy Inc.	Kneehill Solar GP	100.0
Samsung Renewable Energy Inc.	Kneehill Solar LP	100.0
Samsung Renewable Energy Inc.	Michichi Solar GP Inc.	100.0
Samsung Renewable Energy Inc.	Michichi Solar LP	100.0
Samsung Green repower, LLC	SOLAR PROJECTS SOLUTIONS,LLC	50.0

Investor	Investee	Ownership
Samsung Green repower, LLC	Monument Power, LLC	100.0
SP Armow Wind Ontario GP Inc	SP Armow Wind Ontario LP	0.0
Samsung C&T Oil & Gas Parallel Corp.	PLL Holdings LLC	83.6
Samsung C&T Oil & Gas Parallel Corp.	PLL E&P LLC	90.0
SRE GRW EPC GP Inc.	SRE GRW EPC LP	0.0
SRE SKW EPC GP Inc.	SRE SKW EPC LP	0.0
PLL Holdings LLC	Parallel Petroleum LLC	61.0
SRE WIND PA GP INC.	SRE WIND PA LP	0.0
SRE GRS Holdings GP Inc.	Grand Renewable Solar GP Inc.	50.0
SRE GRS Holdings GP Inc.	SRE GRS Holdings LP	0.0
SRE K2 EPC GP Inc.	SRE K2 EPC LP	0.0
SRE KS HOLDINGS GP INC.	KINGSTON SOLAR GP INC.	50.0
SRE KS HOLDINGS GP INC.	SRE KS HOLDINGS LP	0.0
SP Belle River Wind GP Inc	SP Belle River Wind LP	0.0
SRE Armow EPC GP Inc.	SRE Armow EPC LP	0.0
SRE Wind GP Holding Inc.	SP Armow Wind Ontario GP Inc	50.0
SRE Wind GP Holding Inc.	South Kent Wind GP Inc.	50.0
SRE Wind GP Holding Inc.	Grand Renewable Wind GP Inc.	50.0
South Kent Wind GP Inc.	South Kent Wind LP Inc.	0.0
Grand Renewable Wind GP Inc.	Grand Renewable Wind LP Inc.	0.0
North Kent Wind 1 GP Inc	North Kent Wind 1 LP	0.0
SRE Solar Development GP Inc.	SRE Solar Development LP	0.0
SRE Solar Construction Management GP Inc.	SRE Solar Construction Management LP	0.0
SRE DEVELOPMENT GP INC.	SRE DEVELOPMENT LP	0.0
SRE BRW EPC GP INC.	SRE BRW EPC LP	0.0
SRE North Kent 1 GP Holdings Inc	North Kent Wind 1 GP Inc	50.0
SRE North Kent 2 GP Holdings Inc	SRE North Kent 2 LP Holdings LP	0.0
SRE Belle River GP Holdings Inc	SP Belle River Wind GP Inc	50.0
SRE NK1 EPC GP Inc	SRE NK1 EPC LP	0.0
SRE Summerside Construction GP Inc.	SRE Summerside Construction LP	0.0
Samsung Solar Energy LLC	Samsung Solar Energy 1 LLC	100.0
Samsung Solar Energy LLC	Samsung Solar Energy 2 LLC	100.0
Samsung Solar Energy LLC	Samsung Solar Energy 3, LLC	100.0
Samsung Solar Energy 1 LLC	CS SOLAR LLC	50.0
Samsung Solar Energy 3, LLC	SST SOLAR, LLC	50.0
Samsung C&T Deutschland GmbH	POSS-SLPC, S.R.O	20.0
Samsung C&T Deutschland GmbH	Solluce Romania 1 B.V.	20.0
Samsung C&T Deutschland GmbH	S.C. Otelinox S.A	99.7
Solluce Romania 1 B.V.	LJG GREEN SOURCE ENERGY ALPHA S.R.L.	78.0
Samsung C&T Malaysia SDN. BHD	WARIS GIGIH ENGINEERING AND TECHNOLOGY SDN. BHD.	70.0
Samsung C&T Singapore Pte., Ltd.	Samsung Chemtech Vina LLC	48.3
Samsung C&T Singapore Pte., Ltd.	Samsung C&T Thailand Co., Ltd	0.2
Samsung C&T Singapore Pte., Ltd.	PT. INSAM BATUBARA ENERGY	10.0
Samsung C&T Singapore Pte., Ltd.	Malaysia Samsung Steel Center Sdn.Bhd	30.0
Samsung C&T Singapore Pte., Ltd.	S&G Biofuel PTE.LTD	12.6
S&G Biofuel PTE.LTD	PT. Gandaerah Hendana	95.0
S&G Biofuel PTE.LTD	PT. Inecda	95.0
Samsung C&T Hongkong Ltd.	Samsung C&T Thailand Co., Ltd	6.8
Samsung C&T Hongkong Ltd.	SAMSUNG TRADING (SHANGHAI) CO., LTD	100.0
Samsung C&T Hongkong Ltd.	Samsung Precision Stainless Steel(pinghu) Co.,Ltd.	45.0
Samsung Electronics	Samsung Japan Corporation	100.0
Samsung Electronics	Samsung R&D Institute Japan Co. Ltd.	100.0
Samsung Electronics	Samsung Electronics America, Inc.	100.0
Samsung Electronics	Samsung Electronics Canada, Inc.	100.0
Samsung Electronics	Samsung Electronics Mexico S.A. De C.V.	63.6

Investor	Investee	Ownership
Samsung Electronics	Samsung Electronics Ltd.	100.0
Samsung Electronics	Samsung Electronics (UK) Ltd.	100.0
Samsung Electronics	Samsung Electronics Holding GmbH	100.0
Samsung Electronics	Samsung Electronics Iberia, S.A.	100.0
Samsung Electronics	Samsung Electronics France S.A.S	100.0
Samsung Electronics	Samsung Electronics Hungarian Private Co. Ltd.	100.0
Samsung Electronics	Samsung Electronics Italia S.P.A.	100.0
Samsung Electronics	Samsung Electronics Europe Logistics B.V.	100.0
Samsung Electronics	Samsung Electronics Benelux B.V.	100.0
Samsung Electronics	Samsung Electronics Overseas B.V.	100.0
Samsung Electronics	Samsung Electronics Polska, SP.Zo.o	100.0
Samsung Electronics	Samsung Electronics Portuguesa S.A.	100.0
Samsung Electronics	Samsung Electronics Nordic Aktiebolag	100.0
Samsung Electronics	Samsung Electronics Austria GmbH	100.0
Samsung Electronics	Samsung Electronics Slovakia s.r.o	55.7
Samsung Electronics	Samsung Electronics Europe Holding Cooperatief U.A.	100.0
Samsung Electronics	Samsung Electronics Display (M) Sdn. Bhd.	75.0
Samsung Electronics	Samsung Electronics (M) Sdn. Bhd.	100.0
Samsung Electronics	Samsung Vina Electronics Co., Ltd.	100.0
Samsung Electronics	Samsung Asia Private Ltd.	100.0
Samsung Electronics	Samsung India Electronics Private Ltd.	100.0
Samsung Electronics	Samsung R&D Institute India-Bangalore Private Limited	100.0
Samsung Electronics	Samsung Electronics Australia Pty. Ltd.	100.0
Samsung Electronics	PT Samsung Electronics Indonesia	100.0
Samsung Electronics	Thai Samsung Electronics Co., Ltd.	91.8
Samsung Electronics	Samsung Malaysia Electronics (SME) Sdn. Bhd.	100.0
Samsung Electronics	Samsung Electronics Hong Kong Co., Ltd.	100.0
Samsung Electronics	Suzhou Samsung Electronics Co., Ltd.	69.1
Samsung Electronics	Samsung (CHINA) Investment Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Suzhou Semiconductor Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Huizhou Co., Ltd.	89.6
Samsung Electronics	Tianjin Samsung Electronics Co., Ltd.	48.2
Samsung Electronics	Samsung Electronics Taiwan Co., Ltd.	100.0
Samsung Electronics	Tianjin Samsung Telecom Technology Co., Ltd.	90.0
Samsung Electronics	Shanghai Samsung Semiconductor Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Suzhou Computer Co., Ltd.	73.7
Samsung Electronics	Shenzhen Samsung Electronics Telecommunication Co., Ltd.	100.0
Samsung Electronics	Samsung Semiconductor (China) R&D Co., Ltd.	100.0
Samsung Electronics	Samsung (China) Semiconductor Co., Ltd.	100.0
Samsung Electronics	Samsung SemiConductor Xian Co., Ltd.	100.0
Samsung Electronics	Samsung Gulf Electronics Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Egypt S.A.E	0.1
Samsung Electronics	Samsung Electronics South Africa(Pty) Ltd.	100.0
Samsung Electronics	Samsung Electronics Latinoamerica(Zona Libre), S. A.	100.0
Samsung Electronics	Samsung Eletronica da Amazonia Ltda.	87.0
Samsung Electronics	Samsung Electronics Argentina S.A.	98.0
Samsung Electronics	Samsung Electronics Chile Limitada	4.1
Samsung Electronics	Samsung Electronics Rus Company LLC	100.0
Samsung Electronics	Samsung Electronics Rus Kaluga LLC	100.0
Samsung Electronics	Tianjin Samsung LED Co., Ltd.	100.0
Samsung Biologics	Samsung Biologics America, Inc.	100.0
Samsung BioEpis	SAMSUNG BIOEPIS UK LIMITED	100.0
Samsung BioEpis	Samsung Bioepis NL B.V.	100.0
Samsung BioEpis	Samsung Bioepis CH GmbH	100.0
Samsung BioEpis	Samsung Bioepis PL Sp z o.o.	100.0

Investor	Investee	Ownership
Samsung BioEpiS	SAMSUNG BIOEPIS AU PTY LTD	100.0
Samsung BioEpiS	SAMSUNG BIOEPIS NZ LIMITED	100.0
Samsung BioEpiS	SAMSUNG BIOEPIS TW Limited	100.0
Samsung BioEpiS	Samsung Bioepis HK Limited	100.0
Samsung BioEpiS	SAMSUNG BIOEPIS IL LTD	100.0
Samsung BioEpiS	SAMSUNG BIOEPIS BR PHARMACEUTICAL LTDA	100.0
Samsung Display	Intellectual Keystone Technology LLC	41.9
Samsung Display	Samsung Display Slovakia, s.r.o.	100.0
Samsung Display	Samsung Display Vietnam Co., Ltd.	100.0
Samsung Display	Samsung Display Noida Private Limited	100.0
Samsung Display	Samsung Suzhou Module Co., Ltd.	100.0
Samsung Display	Samsung Suzhou LCD Co., Ltd.	60.0
Samsung Display	Samsung Display Dongguan Co., Ltd.	100.0
Samsung Display	Samsung Display Tianjin Co., Ltd.	95.0
Samsung Display	Novald GmbH	9.9
SEMES	SEMES America, Inc.	100.0
SEMES	SEMES (XIAN) Co., Ltd.	100.0
Samsung Electronics America, Inc.	NeuroLogica Corp.	100.0
Samsung Electronics America, Inc.	Dacor Holdings, Inc.	100.0
Samsung Electronics America, Inc.	Samsung HVAC America, LLC	100.0
Samsung Electronics America, Inc.	SmartThings, Inc.	100.0
Samsung Electronics America, Inc.	Samsung Oak Holdings, Inc.	100.0
Samsung Electronics America, Inc.	Joyent, Inc.	100.0
Samsung Electronics America, Inc.	TeleWorld Solutions, Inc.	100.0
Samsung Electronics America, Inc.	Prismview, LLC	100.0
Samsung Electronics America, Inc.	Samsung Semiconductor, Inc.	100.0
Samsung Electronics America, Inc.	Samsung Research America, Inc	100.0
Samsung Electronics America, Inc.	Samsung Electronics Home Appliances America, LLC	100.0
Samsung Electronics America, Inc.	Samsung International, Inc.	100.0
Samsung Electronics America, Inc.	Harman International Industries, Inc.	100.0
Dacor Holdings, Inc.	Dacor, Inc.	100.0
Dacor, Inc.	Dacor Canada Co.	100.0
TeleWorld Solutions, Inc.	TWS LATAM B, LLC	100.0
TeleWorld Solutions, Inc.	TWS LATAM S, LLC	100.0
TWS LATAM B, LLC	SNB Technologies, Inc. Mexico S.A. de C.V	50.0
TWS LATAM S, LLC	SNB Technologies, Inc. Mexico S.A. de C.V	50.0
Samsung Semiconductor, Inc.	Samsung Austin Semiconductor LLC.	100.0
Samsung Electronics Canada, Inc.	AdGear Technologies Inc.	100.0
Samsung Research America, Inc	SAMSUNG NEXT LLC	100.0
SAMSUNG NEXT LLC	SAMSUNG NEXT FUND LLC	100.0
Samsung International, Inc.	Samsung Mexicana S.A. de C.V	100.0
Samsung Electronics Mexico S.A. De C.V.	Samsung Electronics Digital Appliance Mexico, SA de CV	100.0
Harman International Industries, Inc.	Harman International Japan Co., Ltd.	100.0
Harman International Industries, Inc.	Harman International Industries Canada Ltd.	100.0
Harman International Industries, Inc.	Harman Becker Automotive Systems, Inc.	100.0
Harman International Industries, Inc.	Harman Professional, Inc.	100.0
Harman International Industries, Inc.	Harman Connected Services, Inc.	100.0
Harman International Industries, Inc.	Harman Financial Group LLC	100.0
Harman International Industries, Inc.	Harman Belgium SA	100.0
Harman International Industries, Inc.	Harman France SNC	100.0
Harman International Industries, Inc.	Red Bend Software SAS	100.0
Harman International Industries, Inc.	Harman Inc. & Co. KG	66.0
Harman International Industries, Inc.	Harman KG Holding, LLC	100.0
Harman International Industries, Inc.	Harman Becker Automotive Systems Italy S.R.L.	100.0
Harman International Industries, Inc.	Harman Finance International, SCA	100.0

Investor	Investee	Ownership
Harman International Industries, Inc.	Harman Finance International GP S.a.r.l	100.0
Harman International Industries, Inc.	Harman Industries Holdings Mauritius Ltd.	100.0
Harman International Industries, Inc.	Harman International Mexico, S. de R.L. de C.V.	99.9
Harman Becker Automotive Systems, Inc.	Harman International Estonia OU	100.0
Harman Professional, Inc.	AMX UK Limited	100.0
Harman Professional, Inc.	Harman Singapore Pte. Ltd.	100.0
Harman Professional, Inc.	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	0.0
Harman Professional, Inc.	Harman do Brasil Industria Eletronica e Participacoes Ltda.	0.0
Harman Connected Services, Inc.	Harman Connected Services Engineering Corp.	100.0
Harman Connected Services, Inc.	Harman Connected Services AB.	100.0
Harman Connected Services, Inc.	Harman Connected Services UK Ltd.	100.0
Harman Connected Services, Inc.	Harman Connected Services Corp. India Pvt. Ltd.	1.6
Harman Connected Services, Inc.	Global Symphony Technology Group Private Ltd.	100.0
Harman Financial Group LLC	Harman International (India) Private Limited	0.0
Harman Financial Group LLC	Harman International Mexico, S. de R.L. de C.V.	0.1
Harman Financial Group LLC	Harman de Mexico, S. de R.L. de C.V.	0.0
Samsung Electronics (UK) Ltd.	Samsung Semiconductor Europe Limited	100.0
Samsung Electronics Holding GmbH	Samsung Semiconductor Europe GmbH	100.0
Samsung Electronics Holding GmbH	Samsung Electronics GmbH	100.0
Samsung Electronics Hungarian Private Co. Ltd.	Samsung Electronics Czech and Slovak s.r.o.	31.4
Samsung Electronics Hungarian Private Co. Ltd.	Samsung Electronics Slovakia s.r.o	44.3
Samsung Electronics Benelux B.V.	Samsung Electronics Mexico S.A. De C.V.	36.4
Samsung Electronics Benelux B.V.	SAMSUNG ELECTRONICS BALTICS SIA	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics West Africa Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics East Africa Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Saudi Arabia Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Egypt S.A.E	99.9
Samsung Electronics Benelux B.V.	Samsung Electronics Israel Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Tunisia S.A.R.L	99.0
Samsung Electronics Benelux B.V.	Samsung Electronics Pakistan(Private) Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics South Africa Production (pty) Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Turkey	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Industry and Commerce Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Semiconductor Israel R&D Center, Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Levant Co.,Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Maghreb Arab	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Venezuela, C.A.	100.0
Samsung Electronics Benelux B.V.	Samsung Eletronica da Amazonia Ltda.	13.0
Samsung Electronics Benelux B.V.	Samsung Electronics Chile Limitada	95.9
Samsung Electronics Benelux B.V.	Samsung Electronics Peru S.A.C.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Ukraine Company LLC	100.0
Samsung Electronics Benelux B.V.	Samsung R&D Institute Rus LLC	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Central Eurasia LLP	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Caucasus Co. Ltd	100.0
Samsung Electronics Benelux B.V.	Corephotonics Ltd.	100.0
Zhilabs, S.L.	Zhilabs Inc.	100.0
Samsung Electronics Nordic Aktiebolag	Samsung Nanoradio Design Center	100.0
AKG Acoustics GmbH	Harman Professional Denmark ApS	100.0
AKG Acoustics GmbH	Studer Professional Audio GmbH	100.0
Harman Professional Denmark ApS	Martin Professional Japan Ltd.	40.0
Harman Professional Denmark ApS	Harman International s.r.o	100.0
Harman Becker Automotive Systems GmbH	Harman International Romania SRL	0.0
Harman Holding GmbH & Co. KG	Harman Becker Automotive Systems GmbH	100.0
Harman Holding GmbH & Co. KG	Harman Deutschland GmbH	100.0
Harman Holding GmbH & Co. KG	Harman Becker Automotive Systems Manufacturing Kft	100.0

Investor	Investee	Ownership
Harman Holding Gmbh & Co. KG	Harman RUS CIS LLC	100.0
Harman Inc. & Co. KG	Harman Holding Gmbh & Co. KG	100.0
Harman Inc. & Co. KG	Harman Management Gmbh	100.0
Harman Inc. & Co. KG	Harman Hungary Financing Ltd.	100.0
Harman Connected Services GmbH	Harman Connected Services OOO	100.0
Harman KG Holding, LLC	Harman Inc. & Co. KG	34.0
Harman Becker Automotive Systems Manufacturing Kft	Harman Professional Kft	100.0
Harman Becker Automotive Systems Manufacturing Kft	Harman Consumer Nederland B.V.	100.0
Harman Becker Automotive Systems Manufacturing Kft	Harman International Romania SRL	100.0
Harman Becker Automotive Systems Manufacturing Kft	Red Bend Ltd.	100.0
Harman Becker Automotive Systems Manufacturing Kft	Harman do Brasil Industria Eletronica e Participacoes Ltda.	100.0
Harman Hungary Financing Ltd.	Harman International Industries Limited	100.0
Harman Finance International GP S.a.r.l	Harman Finance International, SCA	0.0
Harman Consumer Nederland B.V.	AKG Acoustics Gmbh	100.0
Harman Consumer Nederland B.V.	Harman Audio Iberia España Sociedad Limitada	100.0
Harman Consumer Nederland B.V.	Harman Holding Limited	100.0
Harman Audio Iberia España Sociedad Limitada	Harman France SNC	0.0
Harman Connected Services AB.	Harman Finland Oy	100.0
Harman Connected Services AB.	Harman Connected Services GmbH	100.0
Harman Connected Services AB.	Harman Connected Services Poland Sp.zoo	100.0
Harman Connected Services AB.	Harman Connected Services Solutions (Chengdu) Co., Ltd.	100.0
Harman International Industries Limited	Harman Automotive UK Limited	100.0
Harman International Industries Limited	Martin Manufacturing (UK) Ltd	100.0
Harman International Industries Limited	Harman Connected Services Limited	100.0
Harman International Industries Limited	A&R Cambridge Limited	100.0
Harman International Industries Limited	Harman International Industries PTY Ltd.	100.0
Harman International Industries Limited	Harman de Mexico, S. de R.L. de C.V.	100.0
Harman Connected Services UK Ltd.	Harman Connected Services Morocco	100.0
Samsung Electronics Austria GmbH	Samsung Electronics Switzerland GmbH	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Czech and Slovak s.r.o.	68.6
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Romania LLC	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Zhilabs, S.L.	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Porta Nuova Varesine Building 2 S.r.l.	49.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Poland Manufacturing SP.Zo.o	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Greece S.M.S.A	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Air Conditioner Europe B.V.	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	FOODIENT LTD.	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Denmark Research Center ApS	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Cambridge Solution Centre Limited	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Novald GmbH	40.0
Samsung Electronics Singapore Pte. Ltd.	Samsung Electronics Display (M) Sdn. Bhd.	25.0
Samsung Electronics Singapore Pte. Ltd.	iMarket Asia Co., Ltd.	11.4
Samsung Asia Private Ltd.	Samsung Electronics Japan Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics Singapore Pte. Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics New Zealand Limited	100.0
Samsung Asia Private Ltd.	Samsung Electronics Philippines Corporation	100.0
Samsung Asia Private Ltd.	Samsung R&D Institute BanglaDesh Limited	100.0
Samsung Asia Private Ltd.	Samsung Electronics Vietnam Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics Vietnam THAINGUYEN Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics HCMC CE Complex Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electro-Mechanics(Thailand) Co., Ltd.	25.0
Samsung India Electronics Private Ltd.	Samsung Nepal Services Pvt, Ltd	100.0
PT Samsung Electronics Indonesia	PT Samsung Telecommunications Indonesia	100.0
Thai Samsung Electronics Co., Ltd.	Laos Samsung Electronics Sole Co., Ltd	100.0
Samsung Electronics Hong Kong Co., Ltd.	iMarket Asia Co., Ltd.	11.3

Investor	Investee	Ownership
Suzhou Samsung Electronics Co., Ltd.	Samsung Suzhou Electronics Export Co., Ltd.	100.0
Samsung (CHINA) Investment Co., Ltd.	Suzhou Samsung Electronics Co., Ltd.	19.2
Samsung (CHINA) Investment Co., Ltd.	Samsung Mobile R&D Center China-Guangzhou	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung R&D Institute China-Shenzhen	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics Huizhou Co., Ltd.	10.4
Samsung (CHINA) Investment Co., Ltd.	Tianjin Samsung Electronics Co., Ltd.	43.1
Samsung (CHINA) Investment Co., Ltd.	Beijing Samsung Telecom R&D Center	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics Suzhou Computer Co., Ltd.	26.3
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics China R&D Center	100.0
Harman International (China) Holdings Co., Ltd.	Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.	100.0
Harman International (China) Holdings Co., Ltd.	Harman Technology (Shenzhen) Co., Ltd.	100.0
Harman International (China) Holdings Co., Ltd.	Harman (China) Technologies Co., Ltd.	100.0
Harman Holding Limited	Harman Commercial (Shanghai) Co., Ltd.	100.0
Harman Holding Limited	Harman International (China) Holdings Co., Ltd.	100.0
Harman Holding Limited	Harman Automotive Electronic Systems (Suzhou) Co., Ltd.	100.0
Samsung Gulf Electronics Co., Ltd.	Samsung Electronics Egypt S.A.E	0.1
Samsung Electronics Maghreb Arab	Samsung Electronics Tunisia S.A.R.L	1.0
Harman Industries Holdings Mauritius Ltd.	Harman International (India) Private Limited	100.0
Global Symphony Technology Group Private Ltd.	Harman Connected Services Corp. India Pvt. Ltd.	98.4
Red Bend Ltd.	Red Bend Software Ltd.	100.0
Samsung Electronics Latinoamerica(Zona Libre), S. A.	Samsung Electronics Latinoamerica Miami, Inc.	100.0
Samsung Electronics Latinoamerica(Zona Libre), S. A.	Samsung Electronica Colombia S.A.	100.0
Samsung Electronics Latinoamerica(Zona Libre), S. A.	Samsung Electronics Panama. S.A.	100.0
Samsung Eletronica da Amazonia Ltda.	Samsung Electronics Argentina S.A.	2.0
Harman do Brasil Industria Eletronica e Participacoes Ltda.	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	100.0
Samsung Electronics Central Eurasia LLP	Samsung Electronics Caucasus Co. Ltd	0.0
Samsung SDI	Intellectual Keystone Technology LLC	41.0
Samsung SDI	Samsung SDI Japan Co., Ltd.	89.2
Samsung SDI	Samsung SDI America, Inc.	91.7
Samsung SDI	Samsung SDI Hungary., Zrt.	100.0
Samsung SDI	Samsung SDI Europe GmbH	100.0
Samsung SDI	Samsung SDI Battery Systems GmbH	100.0
Samsung SDI	Samsung SDI Vietnam Co., Ltd.	100.0
Samsung SDI	Samsung SDI Energy Malaysia Sdn, Bhd.	100.0
Samsung SDI	Samsung SDI India Private Limited	100.0
Samsung SDI	Samsung SDI(Hong Kong) Ltd.	97.6
Samsung SDI	Samsung SDI China Co., Ltd.	100.0
Samsung SDI	Samsung SDI-ARN (Xi'An) Power Battery Co., Ltd.	65.0
Samsung SDI	Samsung SDI (Tianjin) Battery Co.,Ltd.	80.0
Samsung SDI	Novald GmbH	50.1
Samsung SDI	SAMSUNG SDI WUXI CO.,LTD.	100.0
Samsung SDI	Samsung SDI(Wuxi) Battery Systems Co., Ltd.	50.0
Samsung SDI	iMarket Asia Co., Ltd.	8.7
Samsung SDI(Hong Kong) Ltd.	Samsung SDI India Private Limited	0.0
Samsung SDI(Hong Kong) Ltd.	Tianjin Samsung SDI Co., Ltd.	80.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Japan Co., Ltd.	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics America, Inc.	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics GmbH	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics(Thailand) Co., Ltd.	75.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Philippines, Corp.	100.0
Samsung Electro-Mechanics	Calamba Premier Realty Corporation	39.8
Samsung Electro-Mechanics	Samsung Electro-Mechanics Pte Ltd.	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Vietnam Co., Ltd.	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Software India Bangalore Private Limited	99.9

Investor	Investee	Ownership
Samsung Electro-Mechanics	Dongguan Samsung Electro-Mechanics Co., Ltd.	100.0
Samsung Electro-Mechanics	Tianjin Samsung Electro-Mechanics Co., Ltd.	81.8
Samsung Electro-Mechanics	Samsung High-Tech Electro-Mechanics(Tianjin) Co., Ltd.	95.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics (Shenzhen) Co., Ltd.	100.0
Samsung Electro-Mechanics	Kunshan Samsung Electro-Mechanics Co., Ltd.	100.0
Samsung Electro-Mechanics	iMarket Asia Co., Ltd.	8.7
Calamba Premier Realty Corporation	Batino Realty Corporation	100.0
Samsung Electro-Mechanics Pte Ltd.	Samsung Electro-Mechanics Software India Bangalore Private Limited	0.1
Samsung Fire & Marine Insurance	Samsung Fire & Marine Management Corporation	100.0
Samsung Fire & Marine Insurance	SAMSUNG FIRE & MARINE INSURANCE COMPANY OF EUROPE LTD.	100.0
Samsung Fire & Marine Insurance	PT. Asuransi Samsung Tugu	70.0
Samsung Fire & Marine Insurance	SAMSUNG VINA INSURANCE COMPANY LIMITED	75.0
Samsung Fire & Marine Insurance	Samsung Reinsurance Pte. Ltd.	100.0
Samsung Fire & Marine Insurance	Samsung Property & Casualty Insurance Company(China), Ltd	100.0
Samsung Fire & Marine Insurance	Samsung Fire & Marine Insurance Management Middle East Limited	100.0
Samsung Heavy Industries Co.,Ltd.	Camellia Consulting Corporation	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries India Pvt.Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	SAMSUNG HEAVY INDUSTRIES (M) SDN.BHD	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries(Ningbo) Co., Ltd	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries(Rongcheng) Co., Ltd	100.0
Samsung Heavy Industries Co.,Ltd.	Rongcheng Gaya Heavy Industries Co., Ltd	100.0
Samsung Heavy Industries Co.,Ltd.	SAMSUNG HEAVY INDUSTRIES NIGERIA LIMITED	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries Mozambique LDA	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries Rus LLC	100.0
SAMSUNG HEAVY INDUSTRIES NIGERIA LIMITED	SHI - MCI FZE	70.0
Samsung Life Insurance	Porta Nuova Varesine Building 2 S.r.l.	51.0
Samsung Life Insurance	THAI SAMSUNG LIFE INSURANCE CO., LTD.	48.9
Samsung Life Insurance	Beijing Samsung Real Estate Co.. Ltd	90.0
Samsung Asset Management	Samsung Asset Management (New York), Inc.	100.0
Samsung Asset Management	Samsung Global SME Private Equity Manager Fund Co., Ltd.	100.0
Samsung Asset Management	Samsung Asset Management(London) Ltd.	100.0
Samsung Asset Management	Samsung Private Equity Manager I Co., Ltd.	100.0
Samsung Asset Management	Samsung Asset Management (Hong Kong) Ltd.	100.0
Samsung Asset Management (Hong Kong) Ltd.	Samsung Asset Management (Beijing) Ltd.	100.0
CHEIL INDUSTRIES ITALY SRL	COLOMBO VIA DELLA SPIGA S.R.L	100.0
Samsung C&T Corporation	MYODO METAL CO., LTD.	100.0
Samsung C&T Corporation	Samsung C&T Japan Corporation	100.0
Samsung C&T Corporation	Samsung C&T America Inc.	100.0
Samsung C&T Corporation	Samsung E&C America, INC.	100.0
Samsung C&T Corporation	Samsung Renewable Energy Inc.	100.0
Samsung C&T Corporation	QSSC, S.A. de C.V.	60.0
Samsung C&T Corporation	Samsung C&T Oil & Gas Parallel Corp.	100.0
Samsung C&T Corporation	Samsung C&T Lima S.A.C.	100.0
Samsung C&T Corporation	Samsung C&T Deutschland GmbH	100.0
Samsung C&T Corporation	Samsung C&T U.K. Ltd.	100.0
Samsung C&T Corporation	Samsung C&T ECUK Limited	100.0
Samsung C&T Corporation	Whessoe engineering Limited	100.0
Samsung C&T Corporation	POSS-SLPC, S.R.O	50.0
Samsung C&T Corporation	Solluce Romania 1 B.V.	80.0
Samsung C&T Corporation	SAM investment Manzanilo.B.V	53.3
Samsung C&T Corporation	Samsung C&T (KL) Sdn.,Bhd.	100.0
Samsung C&T Corporation	Samsung C&T Malaysia SDN. BHD	100.0
Samsung C&T Corporation	Erdsam Co., Ltd.	100.0
Samsung C&T Corporation	Samsung Chemtech Vina LLC	51.7
Samsung C&T Corporation	Samsung C&T Thailand Co., Ltd	93.0

Investor	Investee	Ownership
Samsung C&T Corporation	PT. INSAM BATUBARA ENERGY	90.0
Samsung C&T Corporation	Samsung E&C India Private Limited	100.0
Samsung C&T Corporation	Samsung C&T Corporation India Private Limited	100.0
Samsung C&T Corporation	Malaysia Samsung Steel Center Sdn.Bhd	70.0
Samsung C&T Corporation	Samsung C&T Singapore Pte., Ltd.	100.0
Samsung C&T Corporation	S&G Biofuel PTE.LTD	50.5
Samsung C&T Corporation	SAMSUNG C&T Mongolia LLC.	70.0
Samsung C&T Corporation	Samsung C&T Eng.&Const. Mongolia LLC.	100.0
Samsung C&T Corporation	S&WOO CONSTRUCTION PHILIPPINES,INC.	100.0
Samsung C&T Corporation	VSSC STEEL CENTER LIMITED LIABILITY COMPANY	85.0
Samsung C&T Corporation	Samsung C&T Hongkong Ltd.	100.0
Samsung C&T Corporation	Samsung C&T Taiwan Co., Ltd.	100.0
Samsung C&T Corporation	Samsung Precision Stainless Steel(pinghu) Co.,Ltd.	55.0
Samsung C&T Corporation	SAMSUNG C&T (SHANGHAI) CO., LTD.	100.0
Samsung C&T Corporation	Samsung C&T (Xi'an) Co., Ltd.	100.0
Samsung C&T Corporation	WARIS GIGIH ENGINEERING AND TECHNOLOGY SDN. BHD.	30.0
Samsung C&T Corporation	SAMSUNG C&T CORPORATION SAUDI ARABIA	100.0
Samsung C&T Corporation	SAM Gulf Investment Limited	100.0
Samsung C&T Corporation	Samsung C&T Chile Copper SpA	100.0
Samsung C&T Corporation	SCNT Power Kelar Inversiones Limitada	100.0
Samsung C&T Corporation	Samsung C&T Corporation Rus LLC	100.0
Samsung C&T Corporation	Samsung SDI America, Inc.	8.3
Samsung C&T Corporation	Samsung SDI(Hong Kong) Ltd.	2.4
Samsung C&T Corporation	Beijing Samsung Real Estate Co.. Ltd	10.0
Samsung C&T Corporation	Cheil Industries Corp., USA	100.0
Samsung C&T Corporation	CHEIL INDUSTRIES ITALY SRL	100.0
Samsung C&T Corporation	Samsung Fashion Trading Co. ,Ltd	100.0
Samsung C&T Corporation	SAMSUNG C&T CORPORATION VIETNAM CO., LTD	100.0
Samsung C&T Corporation	Samsung C&T Corporation UEM Construction JV Sdn Bhd	60.0
Samsung C&T Corporation	iMarket Asia Co., Ltd.	19.3
Samsung Welstory	WELSTORY VIETNAM COMPANY LIMITED	100.0
Samsung Welstory	Shanghai Ever-Hongjun Business Mgt Service Co.,LTD	85.0
Samsung Welstory	Shanghai Welstory Food Company Limited	81.6
MULTICAMPUS	LANGUAGE TESTING INTERNATIONAL, INC.	82.4
Pengtai Greater China Company Limited	PENGTAI CHINA CO.,LTD.	100.0
Pengtai Greater China Company Limited	PengTai Taiwan Co., Ltd.	100.0
PENGTAI CHINA CO.,LTD.	PENGTAI E-COMMERCE CO.,LTD	100.0
PENGTAI CHINA CO.,LTD.	PENGTAI MARKETING SERVICE CO.,LTD.	100.0
PENGTAI INTERACTIVE ADVERTISING CO.,LTD	Medialytics Inc.	100.0
PENGTAI INTERACTIVE ADVERTISING CO.,LTD	Beijing Pengtai Baozun E-commerce Co., Ltd.	51.0
iMarket Asia Co., Ltd.	iMarket China Co., Ltd.	80.0
Samsung Securities	Samsung Securities (America), Inc.	100.0
Samsung Securities	Samsung Securities (Europe) Limited.	100.0
Samsung Securities	Samsung Securities (Asia) Limited.	100.0
Samsung SDS	iMarket Asia Co., Ltd.	40.6
Samsung SDS	Samsung SDS Global SCL America, Inc.	100.0
Samsung SDS	SAMSUNG SDS GSCL Canada., Ltd.	100.0
Samsung SDS	Samsung SDS America, Inc.	100.0
Samsung SDS	Neo EXpress Transportation (NEXT), Inc.	51.0
Samsung SDS	Samsung SDS Europe, Ltd.	100.0
Samsung SDS	Samsung SDS Global SCL Hungary, Kft.	100.0
Samsung SDS	Samsung SDS Global SCL Slovakia, S.R.O.	100.0
Samsung SDS	Samsung SDS Global SCL Poland Sp. Z.o.o.	100.0
Samsung SDS	Samsung GSCL Sweden AB	100.0
Samsung SDS	Samsung SDS Global SCL France SAS	100.0

Investor	Investee	Ownership
Samsung SDS	Samsung SDS Global SCL Greece Societe Anonyme	100.0
Samsung SDS	Samsung SDS Global SCL Baltics, SIA	100.0
Samsung SDS	Samsung SDS Global SCL Italy S.R.L. A Socio Unico	100.0
Samsung SDS	Samsung SDS Global Supply Chain Logistics Spain S.L.U	100.0
Samsung SDS	Samsung SDS Global SCL Netherlands Cooperatief U.A.	100.0
Samsung SDS	Samsung SDS Global SCL Germany GmbH	100.0
Samsung SDS	Samsung SDS Global SCL Austria GmbH	100.0
Samsung SDS	Samsung SDS Global SCL Romania S.R.L	100.0
Samsung SDS	Samsung SDS Asia Pacific Pte, Ltd.	100.0
Samsung SDS	Samsung Data Systems India Private Limited	100.0
Samsung SDS	Samsung SDS India Private Limited	100.0
Samsung SDS	VASCO Supply Chain Solutions Private Limited	51.0
Samsung SDS	Samsung SDS Vietnam Co., Ltd.	100.0
Samsung SDS	PT. Samsung SDS Global SCL Indonesia	100.0
Samsung SDS	Samsung SDS Global SCL Philippines Co., Ltd.Inc.	100.0
Samsung SDS	Samsung SDS Global SCL Thailand Co.,Ltd	100.0
Samsung SDS	Samsung SDS Global SCL Malaysia SDN.BHD.	100.0
Samsung SDS	SAMSUNG SDS Global SCL Australia Pty.,Ltd.	100.0
Samsung SDS	SDS-ACUTECH CO., Ltd.	50.0
Samsung SDS	ALS SDS Joint Stock Company	51.0
Samsung SDS	SDS-MP Logistics Joint Stock Company	51.0
Samsung SDS	Samsung SDS China Co., Ltd.	100.0
Samsung SDS	Samsung IT Services (Beijing) Co., Ltd.	100.0
Samsung SDS	Samsung SDS Global SCL Hong Kong Co., Ltd.	100.0
Samsung SDS	SAMSUNG SDS Global SCL Egypt	100.0
Samsung SDS	Samsung SDS Global SCL South Africa (PTY) Ltd.	100.0
Samsung SDS	Samsung SDS Global SCL Nakliyat ve Lojistik Anonim Sirketi	100.0
Samsung SDS	Samsung SDS Global Supply Chain Logistics Middle East DWC-LLC	100.0
Samsung SDS	Samsung SDS Latin America Solucoes Em Tecnologia Ltda.	99.7
Samsung SDS	SAMSUNG SDS Glogal SCL Latin America Logistica Ltda	99.7
Samsung SDS	INTE-SDS Logistics S.A. de C.V.	51.0
Samsung SDS	Samsung SDS Global SCL Rus Limited Liability Company	100.0
Miracom	MIRACOM INC ASIA PACIFIC LIMITED	100.0
Samsung SDS Global SCL America, Inc.	Samsung SDS Latin America Solucoes Em Tecnologia Ltda.	0.3
Samsung SDS Global SCL America, Inc.	Samsung SDS Mexico, S.A. DE C.V.	99.0
Samsung SDS Global SCL America, Inc.	Samsung SDS Global SCL Panama S. A.	100.0
Samsung SDS Global SCL America, Inc.	Samsung SDS Global SCL Chile Limitada	100.0
Samsung SDS Global SCL America, Inc.	Samsung SDS Global SCL Peru S.A.C.	100.0
Samsung SDS Global SCL America, Inc.	Samsung SDS Global SCL Colombia S.A.S.	100.0
Samsung SDS Global SCL America, Inc.	SAMSUNG SDS Glogal SCL Latin America Logistica Ltda	0.3
Samsung SDS Europe, Ltd.	Samsung SDS Global SCL Netherlands Cooperatief U.A.	0.0
Samsung SDS Global SCL Netherlands Cooperatief U.A.	Samsung SDS Global SCL Poland Sp. Z.o.o.	0.0
Samsung SDS Global SCL Netherlands Cooperatief U.A.	Samsung SDS Global SCL Greece Societe Anonyme	0.0
Samsung SDS Global SCL Netherlands Cooperatief U.A.	Samsung SDS Global SCL Romania S.R.L	0.0
Samsung SDS Global SCL Netherlands Cooperatief U.A.	Samsung SDS Global SCL Rus Limited Liability Company	0.0
Samsung SDS China Co., Ltd.	Samsung SDS Global SCL Beijing Co., Ltd	100.0
Samsung IT Services (Beijing) Co., Ltd.	Samsung SDS Global Development Center Xi'an	100.0
Samsung Engineering	Samsung Engineering America Inc.	100.0
Samsung Engineering	Samsung Engineering Hungary Ltd.	100.0
Samsung Engineering	Samsung Engineering Italy S.R.L.	100.0
Samsung Engineering	Samsung Engineering (Malaysia) SDN. BHD.	100.0
Samsung Engineering	PT Samsung Engineering Indonesia Co., Ltd.	100.0

Investor	Investee	Ownership
Samsung Engineering	Samsung Engineering (Thailand) Co., Ltd.	81.0
Samsung Engineering	Samsung Engineering India Private Limited	100.0
Samsung Engineering	Samsung Engineering Vietnam Co., Ltd.	100.0
Samsung Engineering	Samsung Engineering Construction(Shanghai) Co., Ltd	100.0
Samsung Engineering	Samsung Engineering Construction Xi' an Co., Ltd.	100.0
Samsung Engineering	Samsung Saudi Arabia Co., Ltd.	100.0
Samsung Engineering	Muharraq Wastewater Services Company W.L.L.	99.8
Samsung Engineering	Muharraq STP Company B.S.C.	6.6
Samsung Engineering	Muharraq Holding Company 1 Ltd.	65.0
Samsung Engineering	Samsung Ingenieria Mexico Construccion Y Operacion S.A. De C.V.	99.9
Samsung Engineering	Samsung Engineering Trinidad Co., Ltd.	100.0
Samsung Engineering	Samsung Ingenieria Manzanillo, S.A. De C.V.	99.9
Samsung Engineering	Grupo Samsung Ingenieria Mexico, S.A. De C.V.	100.0
Samsung Engineering	Samsung Ingenieria Energia S.A. De C.V.	100.0
Samsung Engineering	Samsung Engineering Bolivia S.A	100.0
Samsung Engineering	Samsung Ingenieria DUBA S.A. de C.V.	100.0
Samsung Engineering	Samsung Engineering Kazakhstan L.L.P.	100.0
Samsung Engineering America Inc.	SEA Construction, LLC	100.0
Samsung Engineering America Inc.	SEA Louisiana Construction, L.L.C.	100.0
Samsung Engineering (Malaysia) SDN. BHD.	Muharraq Wastewater Services Company W.L.L.	0.3
Samsung Engineering India Private Limited	Samsung Saudi Arabia Co., Ltd.	0.0
Samsung Saudi Arabia Co., Ltd.	Samsung EPC Company Ltd.	75.0
Muharraq Holding Company 1 Ltd.	Muharraq Holding Company 2 Ltd.	100.0
Muharraq Holding Company 2 Ltd.	Muharraq STP Company B.S.C.	89.9
Samsung Ingenieria Manzanillo, S.A. De C.V.	Asociados Constructores DBNR, S.A. de C.V.	49.0
S1 Corporation	S-1 CORPORATION HUNGARY LLC	100.0
S1 Corporation	SOCM LLC	100.0
S1 Corporation	S-1 CORPORATION VIETNAM CO., LTD	100.0
S1 Corporation	Samsung Beijing Security Systems	100.0
Cheil Worldwide	PENGTAI INTERACTIVE ADVERTISING CO.,LTD	100.0
Cheil Worldwide	Cheil USA Inc.	100.0
Cheil Worldwide	Cheil Central America Inc.	100.0
Cheil Worldwide	Iris Worldwide Holdings Limited	100.0
Cheil Worldwide	CHEIL EUROPE LIMITED	100.0
Cheil Worldwide	Cheil Germany GmbH	100.0
Cheil Worldwide	Cheil France SAS	100.0
Cheil Worldwide	CHEIL SPAIN S.L	100.0
Cheil Worldwide	Cheil Benelux B.V.	100.0
Cheil Worldwide	Cheil Nordic AB	100.0
Cheil Worldwide	Cheil India Private Limited	100.0
Cheil Worldwide	Cheil (Thailand) Ltd.	100.0
Cheil Worldwide	Cheil Singapore Pte. Ltd.	100.0
Cheil Worldwide	CHEIL VIETNAM COMPANY LIMITED	99.0
Cheil Worldwide	Cheil Integrated Marketing Philippines, Inc.	100.0
Cheil Worldwide	CHEIL MALAYSIA SDN. BHD.	100.0
Cheil Worldwide	Cheil New Zealand Limited	100.0
Cheil Worldwide	CHEIL CHINA	100.0
Cheil Worldwide	Cheil Hong Kong Ltd.	100.0
Cheil Worldwide	Caishu (Shanghai) Business Consulting Co., Ltd	100.0
Cheil Worldwide	Cheil MEA FZ-LLC	100.0
Cheil Worldwide	Cheil South Africa (Pty) Ltd	100.0
Cheil Worldwide	CHEIL KENYA LIMITED	99.0
Cheil Worldwide	Cheil Communications Nigeria Ltd.	99.0
Cheil Worldwide	Cheil Worldwide Inc./Jordan LLC.	100.0
Cheil Worldwide	Cheil Ghana Limited	100.0

Investor	Investee	Ownership
Cheil Worldwide	Cheil Egypt LLC	99.9
Cheil Worldwide	Cheil Brasil Comunicacoes Ltda.	100.0
Cheil Worldwide	Cheil Mexico, S.A. de C.V.	98.0
Cheil Worldwide	Cheil Chile SpA.	100.0
Cheil Worldwide	Cheil Peru S.A.C.	100.0
Cheil Worldwide	CHEIL ARGENTINA S.A.	98.0
Cheil Worldwide	Cheil Rus LLC	100.0
Cheil Worldwide	Cheil Ukraine LLC	100.0
Cheil Worldwide	Cheil Kazakhstan LLC	100.0
Hotel Shilla	Samsung Hospitality America Inc.	100.0
Hotel Shilla	Shilla Travel Retail Pte. Ltd.	100.0
Hotel Shilla	Samsung Shilla Business Service Beijing Co., Ltd.	100.0
Hotel Shilla	Shilla Travel Retail Hong Kong Limited	100.0
Hotel Shilla	Shilla Travel Retail Taiwan Limited	64.0
HDC Shilla Duty Free LTD	HDC SHILLA (SHANGHAI) CO., LTD	100.0
SBTM	Samsung Hospitality U.K. Inc.	100.0
SBTM	Samsung Hospitality Europe GmbH	100.0
SBTM	SAMSUNG HOSPITALITY ROMANIA SRL	100.0
SBTM	Samsung Hospitality Vietnam Co., Ltd.	99.0
SBTM	Samsung Hospitality Philippines Inc.	100.0
SBTM	Samsung Hospitality India Private Limited	100.0
Iris Americas, Inc.	Iris (USA) Inc.	100.0
Iris Americas, Inc.	Iris Atlanta, Inc.	100.0
Iris Americas, Inc.	Iris Experience, Inc.	100.0
Iris Americas, Inc.	Iris Latin America, Inc.	100.0
Iris Americas, Inc.	Iris Worldwide San Diego, Inc.	100.0
Iris Americas, Inc.	89 Degrees, Inc.	100.0
Iris Latin America, Inc.	Irisnation Latina No.2, S. de R.L. de C.V.	0.0
Iris Latin America, Inc.	Irisnation Latina, S. de R.L. de C.V.	0.0
Iris Canada Holdings Ltd	Pricing Solutions Ltd	100.0
Cheil USA Inc.	The Barbarian Group LLC	100.0
Cheil USA Inc.	McKinney Ventures LLC	100.0
Cheil USA Inc.	Cheil India Private Limited	0.0
Cheil USA Inc.	Cheil Mexico, S.A. de C.V.	2.0
Iris Worldwide Holdings Limited	Iris Nation Worldwide Limited	100.0
Iris Nation Worldwide Limited	Iris Americas, Inc.	100.0
Iris Nation Worldwide Limited	Irisnation Latina No.2, S. de R.L. de C.V.	100.0
Iris Nation Worldwide Limited	Irisnation Latina, S. de R.L. de C.V.	100.0
Iris Nation Worldwide Limited	Iris Canada Holdings Ltd	100.0
Iris Nation Worldwide Limited	Iris London Limited	100.0
Iris Nation Worldwide Limited	Iris Promotional Marketing Ltd	100.0
Iris Nation Worldwide Limited	Iris Ventures 1 Limited	98.6
Iris Nation Worldwide Limited	Founded Partners Limited	100.0
Iris Nation Worldwide Limited	Iris Products (Worldwide) Limited	100.0
Iris Nation Worldwide Limited	Iris Korea Limited	100.0
Iris Nation Worldwide Limited	Iris Digital Limited	100.0
Iris Nation Worldwide Limited	Iris Amsterdam B.V.	100.0
Iris Nation Worldwide Limited	Datalytics Limited	100.0
Iris Nation Worldwide Limited	Iris Ventures (Worldwide) Limited	100.0
Iris Nation Worldwide Limited	Iris Culture Limited	100.0
Iris Nation Worldwide Limited	Concise Consultants Limited	100.0
Iris Nation Worldwide Limited	Atom42 Ltd	100.0
Iris Nation Worldwide Limited	WDMP Limited	49.0
Iris Nation Worldwide Limited	Pricing Solutions (UK) Limited	100.0
Iris Nation Worldwide Limited	Iris Services Limited Doel Skopje	100.0

Investor	Investee	Ownership
Iris Nation Worldwide Limited	Irisnation Singapore Pte. Ltd.	100.0
Iris Nation Worldwide Limited	Iris Worldwide Integrated Marketing Private Limited	100.0
Iris Nation Worldwide Limited	Iris Sydney PTY Ltd	100.0
Iris Nation Worldwide Limited	Iris Worldwide (Thailand) Limited	100.0
Iris Nation Worldwide Limited	Iris Beijing Advertising Company Limited	100.0
Iris London Limited	Iris Partners LLP	100.0
Iris Promotional Marketing Ltd	Holdings BR185 Limited	100.0
Iris Ventures 1 Limited	Iris Germany GmbH	100.0
Founded Partners Limited	Founded, Inc.	100.0
Iris Germany GmbH	Pepper NA, Inc.	100.0
Iris Germany GmbH	Pepper Technologies Pte. Ltd.	100.0
CHEIL EUROPE LIMITED	Beattie McGuinness Bungay Limited	100.0
CHEIL EUROPE LIMITED	Cheil Italia S.r.l	100.0
Cheil Germany GmbH	Cheil Austria GmbH	100.0
Cheil Germany GmbH	Centrade Integrated SRL	80.0
Centrade Integrated SRL	Centrade Cheil HU Kft.	100.0
Centrade Integrated SRL	Centrade Cheil Adriatic D.O.O.	100.0
Cheil India Private Limited	Experience Commerce Software Private Limited	100.0
Cheil Singapore Pte. Ltd.	Pengtai Greater China Company Limited	95.7
Cheil Singapore Pte. Ltd.	PT. CHEIL WORLDWIDE INDONESIA	100.0
Cheil Integrated Marketing Philippines, Inc.	Cheil Philippines Inc.	30.0
Cheil Hong Kong Ltd.	Pengtai Greater China Company Limited	3.1
Samsung Shilla Business Service Beijing Co., Ltd.	Tianjin Samsung International Travel Service Co., Ltd	100.0
Shilla Travel Retail Hong Kong Limited	Shilla Retail Limited	100.0
Shilla Travel Retail Hong Kong Limited	Shilla Travel Retail Duty Free HK Limited	100.0
Cheil MEA FZ-LLC	One Agency FZ-LLC	100.0
Cheil MEA FZ-LLC	One RX Project Management Design and Production Limited Company	0.0
Cheil MEA FZ-LLC	Cheil Egypt LLC	0.1
Cheil South Africa (Pty) Ltd	CHEIL KENYA LIMITED	1.0
Cheil South Africa (Pty) Ltd	Cheil Communications Nigeria Ltd.	1.0
One Agency FZ-LLC	One RX India Private Limited	100.0
One Agency FZ-LLC	One RX Project Management Design and Production Limited Company	100.0
One Agency FZ-LLC	ONE RX INTERIOR DECORATION L.L.C	100.0
One Agency FZ-LLC	ONE AGENCY PRINTING L.L.C	100.0
One Agency FZ-LLC	One Agency South Africa (Pty) Ltd	100.0
ONE RX INTERIOR DECORATION L.L.C	One RX India Private Limited	0.0
Holdings BR185 Limited	Brazil 185 Participacoes Ltda	100.0
Brazil 185 Participacoes Ltda	Iris Router Marketing Ltda	100.0
Cheil Brasil Comunicacoes Ltda.	CHEIL ARGENTINA S.A.	2.0

※ Percent of ownership As of March 31, 2021 based on common shares

C. Related statute & regulation

Restrictions on cross-holdings within Samsung Group in accordance with the Monopoly Regulation and Fair Trade Act

(1) Date of announcement by authorities of companies deemed Samsung Group companies for the current year:
May 1, 2021

(2) Summary of Regulation

- Restriction on cross-holdings
- Restriction on debt guarantee between affiliates
- Restriction on affiliate voting rights of financial & insurance companies
- Decision making of board committee and public disclosure of large-scale inter-affiliate transactions
- Public disclosure of important matters of unlisted companies
- Other public disclosures related to Group status

D. Concurrent position with other affiliates

[As of March 31, 2021]

		Concurrent position		
Name	Position	Name of company	Position	Full/part time
Hark-kyu Park	President	Samsung Display	Non-Executive director	Part time
Yong-kwan Kim	Executive VP	Samsung Medison	Representative Director	Full time
Yeon-sung Kim	Senior VP	Samsung Electronics Sales	Auditor	Part time
		Samsung Electronics Logitech	Auditor	Part time
		Samsung Electronics Service	Auditor	Part time
Sung-won Son	Senior VP	Samsung Medison	Auditor	Part time
Khi-jae Cho	Senior VP	Samsung Display	Auditor	Part time
Sung-woo Shin	Senior VP	STECO	Auditor	Part time
Eung-joon Chi	VP	SEMES	Auditor	Part time
Han-jong Yoo	VP	SERI	Auditor	Part time
Myeong-cheol Kim	VP	SEMES	Non-Executive director	Part time
Doug-yong Sung	VP	SEMES	Non-Executive director	Part time
Hyung-joon Moon	VP	STECO	Non-Executive director	Part time
Sung-wuk Kang	VP	Samsung Venture Investment	Auditor	Part time

E. Equity investments in other corporations

(1) The total book value of equity investments in other corporations as of March 31, 2021 is KRW 58,218 billion (for the purpose of business operations, etc.)

[As of March 31, 2021]

(1,000 shares, KRW million, %)

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship (%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Listed	Samsung Electro-Mechanics	1977.01	Business	250	17,693	23.7	445,244	-	-	-	17,693	23.7	445,244	9,225,498	623,811
Listed	Samsung SDI	1977.01	Business	304	13,463	19.6	1,242,605	-	-	-	13,463	19.6	1,242,605	21,534,232	630,966
Listed	Samsung Heavy Industries	1977.09	Business	125	100,693	16.0	708,882	-	-	73,506	100,693	16.0	782,388	12,922,171	-1,492,700
Listed	Hotel Shilla	1979.12	Business	252	2,005	5.1	164,988	-	-	9,222	2,005	5.1	174,210	2,893,842	-283,346
Listed	Cheil Worldwide	1988.09	Business	185	29,038	25.2	491,599	-	-	-	29,038	25.2	491,599	2,242,464	158,280
Listed	Samsung SDS	1992.07	Business	6,160	17,472	22.6	560,827	-	-	-	17,472	22.6	560,827	9,154,919	452,909
Listed	Samsung BioLogics	2011.04	Business	30,000	20,837	31.5	443,193	-	-	-	20,837	31.5	443,193	6,424,201	240,975
Unlisted	Samsung Display	2012.04	Business	16,009,547	221,969	84.8	18,509,307	-	-	-	221,969	84.8	18,509,307	50,039,755	1,798,100
Unlisted	STECO	1995.06	Business	24,000	2,590	70.0	35,861	-	-	-	2,590	70.0	35,861	164,027	9,295
Unlisted	SEMES	1992.12	Business	1,000	2,173	91.5	71,906	-	-	-	2,173	91.5	71,906	1,596,649	201,985
Unlisted	Samsung Electronics Service	1998.01	Business	30,000	6,000	99.3	48,121	-	-	-	6,000	99.3	48,121	514,221	-7,959
Unlisted	Samsung Electronics Sales	2000.12	Business	3,100	1,767	100.0	247,523	-	-	-	1,767	100.0	247,523	1,135,295	21,995
Unlisted	Samsung Electronics Logitech	1999.04	Business	76	1,011	100.0	46,669	-	-	-	1,011	100.0	46,669	349,516	21,068
Unlisted	Samsung Medison	2011.02	Business	286,384	87,350	68.5	302,283	-	-	-	87,350	68.5	302,283	370,529	1,538
Unlisted	SERI	1991.05	Business	320	3,576	29.8	24,942	-	-	-	3,576	29.8	24,942	144,572	430
Unlisted	Samsung Venture Investment	1999.11	Business	4,900	980	16.3	22,060	-	-	-22	980	16.3	22,038	132,460	10,175
Unlisted	SVIC #21	2011.11	Business	19,800	1	99.0	80,888	0	307	-	1	99.0	81,195	100,891	861
Unlisted	SVIC #22	2011.11	Business	19,800	1	99.0	93,624	-0	-18,166	-	1	99.0	75,458	81,530	-17,022
Unlisted	SVIC #26	2014.11	Business	19,800	1	99.0	98,577	-0	-2,134	-	1	99.0	96,443	83,941	-50,147
Unlisted	SVIC #27	2014.09	Business	5,940	0	99.0	43,785	-	-	-	0	99.0	43,785	42,249	-6,528

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship(%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Unlisted	SVIC #28	2015.02	Business	7,425	2	99.0	168,980	-	-	-	2	99.0	168,980	366,921	33,542
Unlisted	SVIC #32	2016.08	Business	19,800	2	99.0	182,606	-0	-11,465	-	2	99.0	171,141	291,176	64,353
Unlisted	SVIC #33	2016.11	Business	4,950	2	99.0	173,307	0	238	-	2	99.0	173,545	342,053	135,637
Unlisted	SVIC #42	2018.11	Business	4,950	0	99.0	11,048	-	-	-	0	99.0	11,048	8,558	-1,583
Unlisted	SVIC #45	2019.05	Business	19,800	1	99.0	113,417	0	1,448	-	1	99.0	114,865	101,781	-10,873
Unlisted	Semiconductor Growth Fund	2017.03	Business	500	50,000,000	66.7	50,000	-	-	-	50,000,000	66.7	50,000	75,082	-316
Unlisted	System LSI Mutual benefit private equity trust	2020.04	Business	25,000	25,000,000	62.5	25,000	-	-	-	25,000,000	62.5	25,000	40,036	-407
Listed	iMarket Korea	2000.12	Business	1,900	647	1.8	5,658	-	-	213	647	1.9	5,871	1,110,821	28,800
Listed	KT Skylife	2001.12	Business	3,344	240	0.5	2,114	-	-	-40	240	0.5	2,074	919,476	58,190
Listed	Yongpyong Resort	2007.05	Business	1,869	400	0.8	1,702	-	-	220	400	0.8	1,922	911,905	-17,562
Listed	ATech Solution	2009.11	Business	26,348	1,592	15.9	19,263	-	-	5,731	1,592	15.9	24,994	182,295	2,911
Listed	Wonik Holdings	2013.12	Business	15,411	1,759	2.3	11,153	-	-	475	1,759	2.3	11,628	1,607,661	96,913
Listed	Wonik IPS	2016.04	Business	16,214	1,851	3.8	81,904	-	-	13,789	1,851	3.8	95,693	1,099,641	97,819
Listed	Dongjin Semichem	2017.11	Business	48,277	2,468	4.8	90,078	-	-	-9,625	2,468	4.8	80,453	960,792	85,258
Listed	Soulbrain Holdings	2017.11	Business	30,752	462	2.2	20,825	-	-	-1,247	462	2.2	19,578	1,339,378	1,444,437
Listed	Soulbrain	2020.07	Business	24,866	373	4.8	101,668	-	-	6,497	373	4.8	108,165	717,745	64,883
Listed	S&S Tech	2020.08	Business	65,933	1,716	8.0	74,651	-	-	-19,392	1,716	8.0	55,259	185,991	10,996
Listed	YIK Corp	2020.08	Business	47,336	9,602	11.9	60,010	-	-	3,265	9,602	11.9	63,275	280,796	20,467
Listed	KCTech	2020.11	Business	20,720	1,022	4.9	31,433	-	-	-4,549	1,022	4.9	26,884	407,295	42,590
Listed	lotvacuum	2020.11	Business	18,990	1,268	7.7	24,086	-	-	-3,043	1,268	7.4	21,043	227,581	4,008
Listed	NEW POWER PLASMA	2020.11	Business	12,739	2,141	4.9	14,109	-	-	-642	2,141	4.9	13,467	476,930	30,343
Listed	FineSemitech	2021.03	Business	43,009	-	-	-	1,523	43,009	91	1,523	7.0	43,100	224,226	18,687
Unlisted	The Korea Economic Daily	1987.05	Business	150	72	0.4	365	-	-	-	72	0.4	365	518,088	35,124

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship (%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Unlisted	Korea Business Banking	1995.01	Business	5,000	1,000	17.2	3,040	-	-	-	1,000	17.2	3,040	85,905	1,365
Unlisted	Cyber Bank	2000.12	Business	8,000	1,083	7.5	0	-	-	-	1,083	7.5	0	0	0
Unlisted	FineChips	2001.12	Business	10	2	3.2	10	-	-	-	2	3.2	10	10,682	1,667
Unlisted	Inkel	2006.11	Business	130	0	0.0	0	-	-	-	0	0.0	0	92,839	-4,750
Unlisted	Intellectual Discovery	2011.05	Business	5,000	357	10.7	1,922	-	-	-	357	10.7	1,922	51,670	3,923
Unlisted	Maltani Corp.	2012.04	Business	16,544	45	15.0	9,121	-	-	-	45	15.0	9,121	72,010	1,731
Unlisted	Pantech	2013.06	Business	53,000	53,000	10.0	0	-	-	-	53,000	10.0	0	43,812	-16,267
Unlisted	AI Research Institute	2016.07	Business	3,000	600	14.3	3,000	-	-	-	600	14.3	3,000	15,273	-1,810
Unlisted	Mico Ceramics	2020.11	Business	21,667	747	15.7	21,667	-	-	-	747	15.7	21,667	119,719	8,569
Unlisted	Shinsung Eng & Construction	2010.07	Debt Collection	1	0	0.0	0	-	-	-	0	0.0	0	205,649	3,583
Unlisted	Woobang	2010.07	Debt Collection	0	1	0.0	0	-	-	-	1	0.0	0	692,809	54,371
Unlisted	Sambo Computer	2012.09	Debt Collection	0	0	0.0	0	-	-	-	0	0.0	0	44,816	4,901
Unlisted	Daewoo Development	2012.12	Debt Collection	0	0	0.0	0	-	-	-	0	0.0	0	330,806	6,409
Unlisted	Daewoo Songdo Development	2012.12	Debt Collection	0	9	0.0	0	-	-	-	9	0.0	0	19,369	-350
Unlisted	Zyle Motor Sales	2012.12	Debt Collection	0	1	0.0	0	-	-	-	1	0.0	0	316,041	20,038
Unlisted	Sungwon Construction	2014.04	Debt Collection	0	1	0.0	0	-	-	-	1	0.0	0	27,744	-627
Unlisted	Inhee	2014.04	Debt Collection	0	0	0.1	0	-	-	-	0	0.1	0	2,972	-6,039
Unlisted	Point Anybeam	2019.12	Debt Collection	61	12	3.5	61	-	-	-	12	3.5	61	1,727	-209
Unlisted	JNT	2011.02	Business	1,800	0	24.0	1,758	-	-	-	0	24.0	1,758	3,503	-1,336
Unlisted	Daishin Aju IB	2011.08	Business	258	0	3.0	681	-0	-45	-	0	3.0	636	12,980	-171
Unlisted	TS	2011.11	Business	1,700	0	20.5	0	-0	-0	-	-	-	-	-	-
Unlisted	L&S	2012.07	Business	848	0	7.5	309	-0	-44	-	0	7.5	265	14,200	19,441
Unlisted	KTCNP-GC	2013.12	Business	960	0	3.6	1,816	-	-	-	0	3.6	1,816	97,660	-22,314

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship(%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Unlisted	POSCO Social Enterprise Fund	2013.12	Business	600	0	10.0	240	-	-	-	0	10.0	240	2,242	-94
Unlisted	SEA	1978.07	Overseas Base, etc.	59,362	492	100.0	17,166,557	-	-	-	492	100.0	17,166,557	36,765,070	1,623,555
Unlisted	SECA	1992.08	Overseas Base, etc.	3,823	0	100.0	90,922	-	-	-	0	100.0	90,922	1,539,360	24,835
Unlisted	SEDA	1994.01	Overseas Base, etc.	13,224	77,205,709	87.0	647,620	-	-	-	77,205,709	87.0	647,620	6,280,131	819,561
Unlisted	SEM	1995.07	Overseas Base, etc.	3,032	3,837	63.6	165,638	-	-	-	3,837	63.6	165,638	1,166,317	61,216
Unlisted	SELA	1989.04	Overseas Base, etc.	319	40	100.0	86,962	-	-	-	40	100.0	86,962	481,023	25,369
Unlisted	SEASA	1996.06	Overseas Base, etc.	4,696	21,854	98.0	6,779	-	-	-	21,854	98.0	6,779	45,396	4,851
Unlisted	SECH	2002.12	Overseas Base, etc.	597	0	4.1	597	-	-	-	0	4.1	597	623,743	19,563
Unlisted	SEUK	1995.07	Overseas Base, etc.	33,908	109,546	100.0	433,202	-	-	-	109,546	100.0	433,202	2,767,563	133,016
Unlisted	SEL	1998.12	Overseas Base, etc.	8,280	4,393	100.0	0	-	-	-	4,393	100.0	0	6,512	0
Unlisted	SEHG	1982.02	Overseas Base, etc.	28,042	0	100.0	354,846	-	-	-	0	100.0	354,846	993,490	106,190
Unlisted	SEF	1991.08	Overseas Base, etc.	230	2,700	100.0	234,115	-	-	-	2,700	100.0	234,115	1,688,580	61,596
Unlisted	SEI	1993.05	Overseas Base, etc.	862	677	100.0	143,181	-	-	-	677	100.0	143,181	1,287,050	46,819
Unlisted	SESA	1989.01	Overseas Base, etc.	3,276	8,021	100.0	142,091	-	-	-	8,021	100.0	142,091	1,094,002	28,742
Unlisted	SEP	1982.09	Overseas Base, etc.	204	1,751	100.0	37,616	-	-	-	1,751	100.0	37,616	222,273	6,413
Unlisted	SEH	1991.05	Overseas Base, etc.	1,954	753	100.0	650,157	-	-	-	753	100.0	650,157	2,230,457	148,056
Unlisted	SELS	1991.05	Overseas Base, etc.	18,314	1,306	100.0	24,288	-	-	-	1,306	100.0	24,288	1,700,033	20,623
Unlisted	SEBN	1995.07	Overseas Base, etc.	236	539,138	100.0	914,751	-	-	-	539,138	100.0	914,751	2,145,488	58,579
Unlisted	SEEH	2008.01	Overseas Base, etc.	4,214	0	100.0	1,369,992	-	-	-	0	100.0	1,369,992	11,495,430	16,150
Unlisted	SENA	1992.03	Overseas Base, etc.	392	1,000	100.0	69,372	-	-	-	1,000	100.0	69,372	1,315,256	43,423
Unlisted	SESK	2002.06	Overseas Base, etc.	8,976	0	55.7	263,767	-	-	-	0	55.7	263,767	1,428,228	62,271
Unlisted	SEPOL	1996.04	Overseas Base, etc.	5,462	106	100.0	78,267	-	-	-	106	100.0	78,267	979,474	56,998

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship (%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Unlisted	SEAG	2002.01	Overseas Base, etc.	40	0	100.0	32,162	-	-	-	0	100.0	32,162	455,973	19,341
Unlisted	SERC	2006.01	Overseas Base, etc.	24,877	0	100.0	188,290	-	-	-	0	100.0	188,290	1,244,802	119,980
Unlisted	SERK	2007.07	Overseas Base, etc.	4,600	0	100.0	204,555	-	-	-	0	100.0	204,555	1,124,492	93,207
Unlisted	SEO	1997.01	Overseas Base, etc.	120	0	100.0	-10,043	-	-	-	0	100.0	-10,043	93,508	777
Unlisted	SGE	1995.05	Overseas Base, etc.	827	0	100.0	32,836	-	-	-	0	100.0	32,836	1,092,268	2,200
Unlisted	SEEG	2012.07	Overseas Base, etc.	23	0	0.1	39	-	-	-	0	0.1	39	751,563	136,950
Unlisted	SSA	1998.12	Overseas Base, etc.	263	2,000	100.0	32,622	-	-	-	2,000	100.0	32,622	434,304	18,322
Unlisted	SAPL	2006.07	Overseas Base, etc.	793	877,133	100.0	981,483	-	-	-	877,133	100.0	981,483	9,552,755	968,504
Unlisted	SME	2003.05	Overseas Base, etc.	4,796	17,100	100.0	7,644	-	-	-	17,100	100.0	7,644	397,704	13,099
Unlisted	SDMA	1995.03	Overseas Base, etc.	21,876	71,400	75.0	18,741	-	-	-	71,400	75.0	18,741	23,975	-741
Unlisted	SEMA	1989.09	Overseas Base, etc.	4,378	16,247	100.0	103,402	-	-	-	16,247	100.0	103,402	213,160	22,402
Unlisted	SAVINA	1995.01	Overseas Base, etc.	5,839	0	100.0	28,365	-	-	-	0	100.0	28,365	299,818	27,986
Unlisted	SEIN	1991.08	Overseas Base, etc.	7,463	46	100.0	118,909	-	-	-	46	100.0	118,909	966,723	54,763
Unlisted	TSE	1988.01	Overseas Base, etc.	1,390	11,020	91.8	279,163	-	-	-	11,020	91.8	279,163	2,920,299	160,264
Unlisted	SEAU	1987.11	Overseas Base, etc.	392	53,200	100.0	111,964	-	-	-	53,200	100.0	111,964	596,587	34,804
Unlisted	SIEL	1995.08	Overseas Base, etc.	5,414	216,787	100.0	75,263	-	-	-	216,787	100.0	75,263	6,250,492	611,571
Unlisted	SRI-B	2005.05	Overseas Base, etc.	7,358	17	100.0	31,787	-	-	-	17	100.0	31,787	399,137	48,399
Unlisted	SJC	1975.12	Overseas Base, etc.	273	1,560	100.0	253,108	-	-	-	1,560	100.0	253,108	1,668,902	7,684
Unlisted	SRJ	1992.08	Overseas Base, etc.	3,120	122	100.0	117,257	-	-	-	122	100.0	117,257	162,609	3,634
Unlisted	SCIC	1996.03	Overseas Base, etc.	23,253	0	100.0	640,452	-	-	-	0	100.0	640,452	15,438,819	127,051
Unlisted	SEHK	1988.09	Overseas Base, etc.	349	274,250	100.0	79,033	-	-	-	274,250	100.0	79,033	1,377,388	17,584
Unlisted	SET	1994.11	Overseas Base, etc.	456	27,270	100.0	112,949	-	-	-	27,270	100.0	112,949	1,580,003	22,910

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship (%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Unlisted	SEHZ	1992.12	Overseas Base, etc.	792	0	89.6	255,535	-	-	-	0	89.6	255,535	1,428,868	10,177
Unlisted	TSEC	1993.04	Overseas Base, etc.	15,064	0	48.2	103,134	-	-	-	0	48.2	103,134	417,423	-154,881
Unlisted	SSEC	1995.04	Overseas Base, etc.	32,128	0	69.1	130,551	-	-	-	0	69.1	130,551	570,871	70,569
Unlisted	SESC	2002.09	Overseas Base, etc.	5,471	0	73.7	34,028	-	-	-	0	73.7	34,028	830,015	-2,717
Unlisted	TSTC	2001.03	Overseas Base, etc.	10,813	0	90.0	260,092	-	-	-	0	90.0	260,092	581,611	6,440
Unlisted	SSET	2002.02	Overseas Base, etc.	6,009	0	100.0	41,182	-	-	-	0	100.0	41,182	42,469	1,144
Unlisted	SSS	2001.01	Overseas Base, etc.	1,200	0	100.0	19,189	-	-	-	0	100.0	19,189	7,678,989	271,691
Unlisted	SCS	2012.09	Overseas Base, etc.	111,770	0	100.0	5,275,760	-	-	-	0	100.0	5,275,760	14,348,735	1,100,619
Unlisted	SSCX	2016.04	Overseas Base, etc.	1,141	0	100.0	1,141	-	-	-	0	100.0	1,141	779,561	35,288
Unlisted	SESS	1994.12	Overseas Base, etc.	18,875	0	100.0	504,313	-	-	-	0	100.0	504,313	1,197,268	81,762
Unlisted	TSLED	2012.04	Overseas Base, etc.	119,519	0	100.0	119,519	-	-	-	0	100.0	119,519	536,956	36,630
Unlisted	SSCR	2006.09	Overseas Base, etc.	3,405	0	100.0	9,332	-	-	-	0	100.0	9,332	56,016	5,752
Unlisted	TSST Japan	2004.03	Business	1,639	30	49.0	0	-	-	-	30	49.0	0	237	-33
Unlisted	STE	1996.01	Overseas Base, etc.	4,206	2	49.0	0	-	-	-	2	49.0	0	6,189	0
Unlisted	Semiconductor Portal	2002.12	Business	38	0	1.2	10	-	-	-	0	1.2	10	2,041	60
Unlisted	Nanosys	2010.08	Business	4,774	1,747	1.3	2,387	-	-	-	1,747	1.0	2,387	27,733	-9,709
Unlisted	One-Blue	2011.07	Business	1,766	0	16.7	1,766	-	-	-	0	16.7	1,766	30,238	650
Unlisted	TidalScale	2013.08	Business	1,112	2,882	4.3	1,112	-	-	-	2,882	4.3	1,112	6,173	-7,641
Unlisted	Sentiance	2012.12	Business	3,422	7	7.2	3,422	-	-	-	7	7.2	3,422	6,457	-4,566
Unlisted	Mantis Vision	2014.01	Business	1,594	355	2.1	1,980	-	-	-	355	2.1	1,980	31,758	-20,478
Unlisted	Leman	2014.08	Business	1,019	17	3.4	1,019	-	-	-	17	3.4	1,019	3,584	-3,919
Unlisted	Keyssa	2016.01	Business	3,332	1,235	1.9	3,332	-	-	-	1,235	1.9	3,332	6,371	-16,193

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats	
					Qty	Owner ship (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Owner ship (%)	Book Value	Total Asset	Net Income (Loss)
								Qty	Amount						
Unlisted	SensiFree	2016.01	Business	2,111	666	9.5	2,111	-	-	-	666	9.5	2,111	1,610	-2,173
Unlisted	Unispectral	2016.02	Business	1,112	2,308	7.9	2,130	-	-	-	2,308	7.9	2,130	1,273	-2,521
Unlisted	Quobyte	2016.04	Business	2,865	729	11.8	2,865	-	-	-	729	11.8	2,865	2,483	-650
Unlisted	Afero	2016.05	Business	5,685	723	5.5	5,685	-	-	-	723	5.5	5,685	4,926	-4,101
Unlisted	Graphcore	2016.06	Business	3,494	12,000	3.3	3,494	-	-	-	12,000	1.4	3,494	279,496	-148,852
Unlisted	Soundhound	2016.12	Business	7,059	306	1.1	7,059	-	-	-	306	1.1	7,059	119,637	-38,507
Unlisted	Aimotive	2017.12	Business	3,302	2	3.2	3,302	-	-	-	2	3.2	3,302	47,351	-8,200
Unlisted	Fasetto	2019.01	Business	6,701	475	5.2	12,554	-	-	-	475	5.2	12,554	5,436	-12,689
Unlisted	Innovium	2020.09	Business	11,705	987	0.9	11,705	-	-	-	987	0.9	11,705	195,883	-56,116

※ Based on separate financial statements

※ Ownership percentage is calculated based on the number of common shares issued

※ The Company measures fairvalue of financial instruments (equity shares) in accordance with K-IFRS. The Company annually evaluates if there is indication of impairment that investment in subsidiaries or affiliates may be impaired, and estimates the recoverable amount of assets with indication of impairment.

※ Financial stats of Sungwon Construction is as of December 31 2016, financial stats of Daewoo Songdo Development is as of December 31 2017, financial stats of Mantis Vision, Soundhound are as of December 31 2018, financial stats of One-Blue, LLC is as of March 31 2020, due to difficulties of obtaining the most recent financial data.

X. Related Party Transactions

1. Credit offerings for affiliates and subsidiaries

As of March 31, 2021, SEC provides a debt guarantee for financing of subsidiaries, including Samsung Electronics America, Inc. (SEA).

(USD thousand)

Company	Relationship	Creditor	Type	Purpose	Guarantee start date	Guarantee expiry date	Limit of Guarantee		Transactions			Interest Rate (%)
							Beginning of period	End of period	Beginning of period	Increase/decrease	End of period	
SEA	Subsidiary	BOA etc.	Payment guarantee	Operating fund	Apr 17, 2020	Dec 16, 2021	1,328,000	1,328,000	-	-	-	
SEM	Subsidiary	BBVA etc.	Payment guarantee	Operating fund	Jun 14, 2020	Mar 27, 2022	485,000	906,000	-	-	-	
SAMCOL	Subsidiary	Citibank etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	310,000	310,000	117,109	-117,109	-	
SEDA	Subsidiary	BRADESCO etc.	Payment guarantee	Operating fund	Oct 26, 2020	Dec 16, 2021	559,000	409,000	-	-	-	
SECH	Subsidiary	Citibank etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	142,000	62,000	-	-	-	
SEPR	Subsidiary	BBVA etc.	Payment guarantee	Operating fund	Jun 01, 2020	Dec 16, 2021	230,000	150,000	-	-	-	
SSA	Subsidiary	SCB etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	318,000	318,000	-	42881	42881	5.1
SEMAG	Subsidiary	SocGen etc.	Payment guarantee	Operating fund	Nov 09, 2020	Dec 16, 2021	110,000	110,000	-	-	-	
SETK	Subsidiary	BNP etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	837,000	837,000	169,280	-1,252	168,028	14.2
SETK-P	Subsidiary	BNP etc.	Payment guarantee	Operating fund	Mar 01, 2021	Dec 16, 2021	-	100,000	-	-	-	
SECE	Subsidiary	Citibank etc.	Payment guarantee	Operating fund	Jul 19, 2020	Dec 16, 2021	74,434	74,316	-	-	-	
SEEG	Subsidiary	HSBC	Payment guarantee	Operating fund	Jun 14, 2020	Jun 13, 2021	85,000	85,000	-	-	-	
SEIN	Subsidiary	BNP etc.	Payment guarantee	Operating fund	Jun 14, 2020	Nov 08, 2021	145,000	70,000	-	-	-	
SJC	Subsidiary	Mizuho Bank etc.	Payment guarantee	Operating fund	Apr 30, 2020	Dec 16, 2021	916,062	891,937	-	-	-	
SEUC	Subsidiary	Credit Agricole etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	150,000	150,000	-	-	-	
SEDAM	Subsidiary	Citibank etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	222,000	141,000	-	-	-	
SECA	Subsidiary	BoA	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	70,000	70,000	-	-	-	
SELA	Subsidiary	Citibank	Payment guarantee	Operating fund	Dec 17, 2020	Dec 16, 2021	120,000	120,000	-	-	-	
SEEH	Subsidiary	HSBC etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	653,000	712,400	-	-	-	
SERK	Subsidiary	SocGen etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	269,800	289,800	-	-	-	
SELV	Subsidiary	Citibank	Payment guarantee	Operating fund	Dec 17, 2020	Dec 16, 2021	10,000	10,000	-	-	-	
SEIL	Subsidiary	Citibank	Payment guarantee	Operating fund	Jan 01, 2021	Dec 16, 2021	-	15,600	-	10190	10190	1.4
SAPL	Subsidiary	BOA etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	395,000	345,000	-	-	-	
SEV	Subsidiary	SCB	Payment guarantee	Operating fund	Nov 09, 2020	Feb 28, 2021	15,000	-	-	-	-	
SAVINA	Subsidiary	HSBC	Payment guarantee	Operating fund	Jun 14, 2020	Jun 13, 2021	71,000	51,000	-	-	-	
SET	Subsidiary	SCB	Payment guarantee	Operating fund	Nov 09, 2020	Feb 28, 2021	30,000	-	-	-	-	
SCIC	Subsidiary	HSBC etc.	Payment guarantee	Operating fund	Jun 14, 2020	Dec 16, 2021	300,000	300,000	-	-	-	
SME	Subsidiary	SCB	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	110,000	110,000	-	-	-	
SAMEX	Subsidiary	Citibank	Payment guarantee	Operating fund	Dec 17, 2020	Dec 16, 2021	5,000	5,000	-	-	-	
SEASA	Subsidiary	Citibank	Payment guarantee	Operating fund	Dec 17, 2020	Dec 16, 2021	2,000	2,000	-	-	-	
SSAP	Subsidiary	SCB	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	30,000	35,000	-	-	-	
SEPM	Subsidiary	HSBC	Payment guarantee	Operating fund	Jun 14, 2020	Jun 13, 2021	35,000	35,000	-	-	-	
SESAR	Subsidiary	HSBC	Payment guarantee	Operating fund	Jun 14, 2020	Jun 13, 2021	50,000	50,000	-	-	-	

AdGear Technologies Inc.	Subsidiary	BOA	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	2,000	2,000	-	-	-
Harman International Industries, Inc.	Subsidiary	JP Morgan	Payment guarantee	Operating fund	Jun 14, 2020	Jun 13, 2021	100,000	100,000	-	-	-
Harman International Japan Co., Ltd.	Subsidiary	MUFG	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	25,000	25,000	-	-	-
Harman RUS CIS LLC	Subsidiary	SocGen	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	15,000	15,000	-	-	-
Harman Holding Limited	Subsidiary	HSBC	Payment guarantee	Operating fund	Jun 14, 2020	Jun 13, 2021	30,000	30,000	-	-	-
Harman do Brasil Industria Eletronica e Participacoes Ltda.	Subsidiary	SocGen	Payment guarantee	Operating fund	Nov 09, 2020	Nov 08, 2021	15,000	15,000	-	-	-
Harman da Amazonia Industria Eletronica e Participacoes Ltda.											
Total							8,264,296	8,280,053	286,389	-65,290	221,099

Separate basis.

See G. Subsidiaries subject to consolidated financial statements in 『I. Corporate Overview』 for names of subsidiaries.

The approval decision is resolved by the Management Committee when the guarantee amount per transaction is between 0.1% and/or less than 2.5%, and by the Board of Directors when the guarantee amount per transaction is 2.5% and above.

SEC receives fees on the debt it guarantees depending on the maturity date of each debt guarantee, general loan interest rate, etc.

The Company claimed approximately USD 345 thousand in guarantee fees in 2020 and has received the total amount in 2021.

2. Acquisitions and disposals of assets with affiliates and subsidiaries

In 1Q21, the Company sold assets to affiliates, including Samsung China Semiconductor LLC. (SCS), to increase production capacity of such affiliates. Also, the Company acquired assets including facility equipment from affiliates to improve efficiency of domestic production.

(KRW mil)

Company	Relationship	Transaction type	Transaction date ¹⁾	Asset	Purpose of transaction	Amount ²⁾	Gain or loss on disposal
SCS	Affiliates	Asset sale/purchase	Mar 28, 2021	Machinery, etc.	Enhance capacity and production efficiency	98,286	66,543
SESS	Affiliates	Asset purchase	Jan 18, 2021	Machinery, etc.	Enhance capacity and production efficiency	3,519	-
SIEL	Affiliates	Asset sale	Mar 09, 2021	Machinery, etc.	Enhance capacity and production efficiency	2,543	356
SEHC	Affiliates	Asset sale	Feb 17, 2021	Machinery, etc.	Enhance capacity and production efficiency	2,006	29
SAS	Affiliates	Asset sale	Mar 16, 2021	Machinery, etc.	Enhance capacity and production efficiency	1,183	730
SEV	Affiliates	Asset sale/purchase	Mar 08, 2021	Machinery, etc.	Enhance capacity and production efficiency	466	17
SEVT	Affiliates	Asset sale/purchase	Feb 19, 2021	Machinery, etc.	Enhance capacity and production efficiency	250	17
SEIN	Affiliates	Asset purchase	Jan 11, 2021	Machinery, etc.	Enhance capacity and production efficiency	162	-
Samsung SDI	Affiliates	Asset sale	Feb 17, 2021	Machinery, etc.	Enhance capacity and production efficiency	154	154
TSEC	Affiliates	Asset purchase	Mar 24, 2021	Machinery, etc.	Enhance capacity and production efficiency	102	-

Separate basis; acquisitions and disposals of assets listed above are not subject to a resolution of the Board

See G. Subsidiaries subject to consolidated financial statements in 『I. Corporate Overview』 for names of subsidiaries.

1) Most recent transaction.

2) Properly calculated by an appropriate method based upon market value assessment. Transaction was made under normal conditions (eg, terms of cash payment within the 15th, 30th of the following month of transaction).

3. Business Transactions with Affiliates and Subsidiaries

In 1Q21, there are no transactions with affiliates and subsidiaries that are subject to disclosure.

(KRW mil)

Company	Relationship	Type of transaction	Date	Details	Amount
-	-	-	-	-	-

Separate basis; Transactions worth 5% and above of revenue of the current business year are subject to public disclosure

4. Transactions with Stakeholders other than Affiliates and Subsidiaries

As of March 31, 2021, the Company's outstanding loan amount is KRW 114.8 billion related to support for supplier companies for product competitiveness and mutual development as well as home loan and educational expenses for employee welfare.

(KRW mil)

Company	Relationship	Loans			
		Account title	Transaction		
			Beginning of period (Jan 1, 2021)	Change	End of period (Mar 31, 2021)
Elentec Co., Ltd., etc.	Partner company and employee	Short-term loans	32,818	17	32,835
Bumjin I&D, etc.	Partner company and employee	Long-term loans	81,283	670	81,953
Total			114,101	687	114,788

Separate basis; amounts reflect the discounted present value of debts before accounting for impaired debts (impairment losses).

XI. Other information

1. Changes in public disclosure

- N/A

2. Results of shareholder meetings

[As of Mar 31, 2021]

Date	Agenda	Results
The 52nd AGM (Mar 17, 2021)	1. Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings, etc. for 2020 2. Appointment of Directors 2.1: Appointment of Independent Directors 2.1.1: Byung-gook Park 2.1.2: Jeong Kim 2.2: Appointment of Executive Directors 2.2.1: Ki.nam Kim 2.2.2: Hyun.suk Kim 2.2.3: Dong.jin Koh 3. Appointment of Sun-uk Kim as Independent Director for Audit Committee Member 4. Approval of remuneration limit for Directors	Approved Approved Approved Approved Approved Approved Approved Approved
The 51st AGM (Mar 18, 2020)	1. Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (draft), etc. for 2019 2. Appointment of Executive Directors 2.1: Jong-hee Han 2.2: Yoon-ho Choi 3. Approval of remuneration limit for Directors	Approved Approved Approved Approved
The 50th AGM (Mar 20, 2019)	1. Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (draft), etc. for 2018 2. Appointment of Directors/Committee Members 2.1: Independent Directors 2.1.1: Jae-wan Bahk 2.1.2: Han-jo Kim 2.1.3: Curie Ahn 2.2: Audit Committee 2.2.1: Jae-wan Bahk 2.2.2: Han-jo Kim 3. Approval of remuneration limit for Directors	Approved Approved Approved Approved Approved Approved Approved

An extraordinary meeting of shareholders was not held during the reporting period.

3. Litigation

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

4. Guarantees

- Domestic: Not applicable

- Overseas:

(USD thousand)

Company	Relationship	Creditor	Guarantee	Transactions				Limit of guarantee
			Expiry date	Beginning of period	Increase	Decrease	End of period	
SEA	Subsidiary	BOA etc.	16-Dec-21	-	-	-	-	1,328,000
SEM	Subsidiary	BBVA etc.	27-Mar-22	-	-	-	-	906,000
SAMCOL	Subsidiary	Citibank etc.	16-Dec-21	117,109	-	-117,109	-	310,000
SEDA	Subsidiary	BRADESCO etc.	16-Dec-21	-	-	-	-	409,000
SECH	Subsidiary	Santander etc.	16-Dec-21	-	-	-	-	62,000
SEPR	Subsidiary	BBVA etc.	16-Dec-21	-	-	-	-	150,000
SSA	Subsidiary	SCB etc.	16-Dec-21	-	42,881	-	42,881	318,000
SEMAG	Subsidiary	SocGen etc.	16-Dec-21	-	-	-	-	110,000
SETK	Subsidiary	BNP etc.	16-Dec-21	169,280	-	-1,252	168,028	837,000
SETK-P	Subsidiary	BNP etc.	16-Dec-21	-	-	-	-	100,000
SECE	Subsidiary	Citibank etc.	16-Dec-21	-	-	-	-	74,316
SEEG	Subsidiary	HSBC	13-Jun-21	-	-	-	-	85,000
SEIN	Subsidiary	BNP etc.	08-Nov-21	-	-	-	-	70,000
SJC	Subsidiary	Mizuho Bank etc.	16-Dec-21	-	-	-	-	891,937
SEUC	Subsidiary	Credit Agricole etc.	16-Dec-21	-	-	-	-	150,000
SEDAM	Subsidiary	Citibank etc.	16-Dec-21	-	-	-	-	141,000
SECA	Subsidiary	BoA	08-Nov-21	-	-	-	-	70,000
SELA	Subsidiary	Citibank	16-Dec-21	-	-	-	-	120,000
SEEH	Subsidiary	HSBC etc.	16-Dec-21	-	-	-	-	712,400
SERK	Subsidiary	SOCGEN etc.	16-Dec-21	-	-	-	-	289,800
SELV	Subsidiary	Citibank	16-Dec-21	-	-	-	-	10,000
SEIL	Subsidiary	Citibank	16-Dec-21	-	10,190	-	10,190	15,600
SAPL	Subsidiary	BOA etc.	16-Dec-21	-	-	-	-	345,000
SAVINA	Subsidiary	HSBC etc.	13-Jun-21	-	-	-	-	51,000
SCIC	Subsidiary	HSBC etc.	16-Dec-21	-	-	-	-	300,000
SME	Subsidiary	SCB	08-Nov-21	-	-	-	-	110,000
SAMEX	Subsidiary	Citibank	16-Dec-21	-	-	-	-	5,000
SEASA	Subsidiary	Citibank	16-Dec-21	-	-	-	-	2,000
SSAP	Subsidiary	SCB	08-Nov-21	-	-	-	-	35,000
SEPM	Subsidiary	HSBC	13-Jun-21	-	-	-	-	35,000
SESAR	Subsidiary	HSBC	13-Jun-21	-	-	-	-	50,000
AdGear Technologies Inc.	Subsidiary	BOA	08-Nov-21	-	-	-	-	2,000
Harman International Industries, Inc.	Subsidiary	JP Morgan	13-Jun-21	-	-	-	-	100,000
Harman International Japan Co., Ltd.	Subsidiary	MUFG	08-Nov-21	-	-	-	-	25,000
Harman RUS CIS LLC	Subsidiary	SocGen	08-Nov-21	-	-	-	-	15,000
Harman Holding Limited	Subsidiary	HSBC	13-Jun-21	-	-	-	-	30,000
Harman do Brasil IndustriaEletronica e Participacoes Ltda. Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Subsidiary	SocGen	08-Nov-21	-	-	-	-	15,000
Total				286,389	53,071	-118,361	221,099	8,280,053

※ Information above are prepared in separate financial statement basis.

※ SEC requires Board approval for individual guarantees exceeding 2.5% of total equity. When the guarantee amount is between 0.1% and/or less than 2.5%, the approval decision is delegated to the Management Committee.

※ SEC claims fees on the debt guarantees depending on the maturity date of each debt guarantee, general loan interest rate, etc.
In 2020, the Company claimed approximately USD 345,000 as guarantee fee and, as of the reporting date, has collected the amount.

5. Sanctions and others

Pursuant to the results of the 2nd PSM inspection on the Pyeongtaek site (P1-2) by the Ministry of Employment and Labor over September 10 through September 13, 2018, the Company was ordered to pay a fine of KRW 10 million for violating Article 48 (Submission, etc. of Plans for Prevention of Harm and Dangers) paragraph 1 of the former Occupational Safety and Health Act on January 3, 2019 and has subsequently paid the fine.

Pursuant to the results of a PSM inspection on the Onyang site by the Ministry of Employment and Labor on February 19, 2020, the Company was ordered to pay a fine of KRW 200 thousand for violating Article 46 (Implementation etc. Process-Safety Reports) paragraph 1 of the Occupational Safety and Health Act on February 25, 2020 and has subsequently paid the fine.

Pursuant to the results of a PSM inspection on the Cheonan site by the Ministry of Employment and Labor from May 26–28, 2020, the Company was ordered to pay a fine of KRW 900 thousand for violating Article 46 (Implementation etc. Process-Safety Reports) paragraph 1 of the Occupational Safety and Health Act on June 29, 2020 and has subsequently paid the fine.

Pursuant to the results of a PSM inspection on the Pyeongtaek site by the Ministry of Employment and Labor from November 16–18, 2020, the Company was ordered to pay a fine of KRW 2.1 million for violating Article 46 (Implementation etc. Process-Safety Reports) paragraph 1 of the Occupational Safety and Health Act on November 26, 2020 and has subsequently paid the fine.

Pursuant to the results of a PSM inspection on the Giheung·Hwaseong site by the Ministry of Employment and Labor from December 7–11, 2020, the Company was ordered to pay a fine of KRW 900 thousand for violating Article 46 (Implementation etc. Process-Safety Reports) paragraph 1 of the Occupational Safety and Health Act on December 14, 2020 and has subsequently paid the fine.

The Company took measures regarding the violations above and submitted a report on improvements to the Ministry of Employment and Labor. We also established a PSM Innovation Organization and a PSM Management System which manages activities related to approval, design, 12 key tasks, expertise improvement, etc. We also foster development of on-site process safety experts and conduct voluntary process safety evaluation.

With regards to a CO₂ leak accident at the Giheung plant on September 4, 2018, the Company was ordered to pay a fine of KRW 7 million and an executive (Executive Vice President P, health & safety chief officer; 27 years of service) was ordered to pay a fine of KRW 5 million for violating Article 23 (Safety Measures), 24 (Health Measures), 29 (Safety and Health Measures When Conducting Contracted Projects), etc. on February 14, 2020 and has subsequently paid the fine.

In addition, pursuant to the results of a special investigation by the Yongin Fire Station conducted from November 27 through December 6, 2018, the Company was ordered to pay a fine of KRW 0.5 million for violating Article 20-6 of the Occupational Safety and Health Act on January 18, 2019 and has subsequently paid the fine.

To prevent recurrence and strengthen compliance, the Company has built a legal safety assessment evaluation system and conducts regular assessment.

On November 28, 2019, following the investigation on MSDS warning signs compliance at Gwangju office by the Ministry of Employment and Labor, the Company was ordered to pay a fine of KRW 1.4 million for violating Article 41 (Preparation, Keeping, etc. of Material Safety Data Sheets) Paragraph 3 of the Occupational Safety and Health Act, and has subsequently paid the fine. (Paragraph 3 has since been deleted.) We conducted a company-wide investigation on the handling space of chemical substances and implemented relevant improvement measures. In addition, we are improving the prior evaluation process on new G-EHS chemical substances and providing education for supervisors in departments handling chemical substances.

Regarding the industrial incident at Gwangju site on May 19, 2020, the Company delayed the submission of industrial accident questionnaire to the Gwangju Regional Employment and Labor Administration and as a result was ordered to pay a fine of KRW 7 million for violating Article 57 (Prohibition of Concealment; Reporting of Incidents) Paragraph 3 of Occupational Safety and Health Act on June 26, 2020, and has subsequently paid the fine.

To prevent the recurrence and strengthen compliance, the Company has provided special education for the on-site environment and safety managers and supervisors.

With regards to the investigation from August 18, 2020 to January 18, 2021 by the Gwangju Regional Employment and Labor Administration on the Gwangju operation, the Company was ordered to pay the following fines regarding industrial incidents that have taken place since 2015: KRW 6 million for violating Article 10 (Recording and Reporting of Industrial Accidents) Paragraph 2 of the Occupational Safety and Health Act on September 1, 2020 (Paragraph 2 has since been deleted); KRW 60.4 million and 11.5 million, respectively, for violating Article 57 (Prohibition of Concealment; Reporting of Incidents) Paragraph 3 and Article 164 (Preservation of Documents) Paragraph 1 of the Occupational Safety and Health Act on September 10 and 23. The Company has subsequently paid the fines. Other fines include: KRW 20 million for violating Article 57 (Prohibition of Concealment; Reporting of Incidents) Paragraph 3 of Occupational Safety and Health Act on October 19, 2020; and KRW 280 million for violating Article 10 (Prohibition of Concealment; Reporting of Incidents) Paragraph 2 of the former Occupational Safety and Health Act on December 28, 2020. The Company subsequently paid the fines.

To prevent the recurrence and strengthen compliance, the Company has provided special education for the on-site environment and safety managers and supervisors.

On March 2, 2021, Yeongsangang River Basin Environmental Office of Ministry of Environment, based on its air pollutant measurement, cancelled the Green Enterprise designation on our Gwangju site in pursuant to Paragraph 1, Item 1 of Article 16-3 (Cancellation of Designation of Green Enterprise) of Environmental Technology and Industry Support Act.

On October 4, 2018 the Company was subject to a correction order and ordered to pay a fine of KRW 488 million for violating the Prohibition, etc. against Unfair Labeling or Advertising in accordance with Article 3 (Paragraph 1.2) of Act on Fair Labeling and Advertising and Article 3 (Paragraph 2) of the Enforcement Decree Of The Act On Fair Labeling And Advertising and has subsequently paid the fine. In a litigation to cancel the order, the Supreme Court on March 11, 2021 ruled partially in favor of the Company.

The Fair Trade Commission filed a complaint against Chairman Kun-hee Lee on November 21, 2018 for omitting Samoo Architects & Engineers and Seoyoung Engineering from Samsung affiliates when submitting required materials in 2014 under Article 14-4 of the Monopoly Regulation and Fair Trade Act. The prosecution filed a summary indictment and Chairman Kun-hee Lee was ordered to pay a fine of KRW 100 million by the Seoul Central District Court on April 18, 2019, and the fine was subsequently paid.

Regarding matters related to Milk Music, on August 23, 2019, the Company was subject to correction measures and ordered to pay a fine of KRW 0.5 million by the Fair Trade Commission for violating Duty to Provide Online Completion Service in accordance to Article 5 Paragraph 4 and Cybermall Operators' Indication Duty in accordance to Article 10 Paragraph 1 of the Act on the Consumer Protection in Electronic Commerce, etc.; and the Company subsequently paid the fine. To ensure compliance with relevant regulations, the Company has strengthened internal management standard and provides preventive education to employees to prevent unfair trade practices and advertising.

Regarding an influence-peddling scandal involving South Korea's president and indictment of five of the Company's executives (Vice Chairman Jae-yong Lee, former Vice Chairman Gee-sung Choi, former President Choong-ki Chang, former President Sang-jin Park, and former Senior Vice President Seong-soo Hwang) on allegations of violating the Act on the Aggravated Punishment, etc. of Specific Economic Crimes (embezzlement), the Supreme Court on August 29, 2019 rejected part of the lower court's ruling and ordered a retrial to the Seoul High Court. On January 18, 2021, the Seoul High Court at a retrial sentenced Jae-yong Lee, Gee-sung Choi, and Choong-ki Chang each to two and a half years in jail, and Sang-jin Park and Seong-soo Hwang each to two and a half years in jail and a four-year suspended sentence. The ruling was finalized on January 25, 2021.

To prevent any reoccurrences, we have strengthened the process regarding external contributions and established Samsung Compliance Committee, an external independent body.

Regarding violations of Article 81 and 90, etc., of the Trade Union and Labor Relations Adjustment Act by employees of SEC and Samsung Electronics Service, the Supreme Court dismissed an appeal on February 4, 2021. As a result, the following prison terms that the Seoul High Court ordered on August 10, 2020 were finalized: 1 year and 4 months for Executive Vice President A (29 service years); 1 year and 2 months and a 2-year suspended sentence for former Executive Vice President B; 10 months and a 2-year suspended sentence for Executive Vice President C (34 service years); 1 year and a 2-year suspended sentence for former Executive Vice President D; 1 year for Senior Vice President E (32 service years); 1 year and 2 months and a 2-year suspended sentence for Senior Vice President F (24 service years); 10 months and a 2-year suspended sentence for Vice President G (27 service years); and 10 months and a 2-year suspended sentence for Vice President H (18 service years). Samsung Electronics Service was ordered to pay a fine of KRW 50 million and

the following prison terms were issued: 1 year and 4 months for former CEO (4 service years at Samsung Electronics Service); 1 year for Senior Vice president I (11 service years at Samsung Electronics Service); and 10 months and a 2-year suspended sentence for Vice President J (21 service years at Samsung Electronics Service). SEC and former SEC Chairman of the Board (39 service years) were pronounced not guilty.

We are working to prevent any reoccurrences, such as including a section on the three basic labor rights and conducting education on prevention of unfair labor practices for all employees.

On December 9, 2019, the Seoul Central District Court ruled on allegations that an SEC executive ordered executives and employees of Samsung Biologics and Samsung Bioepis to hide/destroy evidence related to the alleged fraudulent accounting. For violating Article 30, 31-1, and 155-1 of the Criminal Act, Executive Vice President K (27 service years) was sentenced to 1 years and 6 months in prison; Executive Vice President L (31 service years) was sentenced to 1 year and 6 months in prison and a 3-year suspended sentence; Executive Vice President M (9 service years) was sentenced to 2 years in prison; Vice President N (16 service years) was sentenced to 1 year and 6 months in prison and a 3-year suspended sentence; Vice President O (10 service years) was sentenced to 1 year and 6 months in prison and a 3-year suspended sentence.

The appeal against the decision has been filed. The Company will check on future developments of the court proceedings and relevant matters.

Korea Communications Commission ordered Samsung Electronics Sales to implement corrective measures and to pay a fine of KRW 36 million for violating Article 3 (Prohibition of Discriminative Subsidy Payment) Paragraph 1 and Article 4 (Restriction on Payment of Excessive Subsidies and Public Announcement) Paragraph 5 of the Mobile Device Distribution Improvement Act on July 8, 2020 and have subsequently paid the fine.

In order to prevent reoccurrences and comply with the relevant law, Samsung Electronics Sales strengthened its internal management standard, provided education for executives and employees.

Regarding a fatal accident on September 16, 2020 during the construction of an elevator wall structure, part of the construction process of newly-opening Hongdae branch of Samsung Digital Plaza, a site inspection was conducted on September 17, 2020 and Seoul West District Office of Seoul Regional Employment and Labor Administration on September 18, 2020 ordered Samsung Electronics Sales to suspend construction in pursuant to Article 55 (Suspension, etc. of Work on Occurrence of Serious Accidents) of Occupational Safety and Health Act. In addition, Samsung Electronics Sales was ordered to pay a fine of KRW 5 million for violating Article 68 (Safety and Health Coordinator) Paragraph 1 of Occupational Safety and Health Act and has subsequently paid the fine, and the Company appointed a safety and health coordinator.

To prevent reoccurrences and comply with the relevant law, Samsung Electronics Sales provided a special training for on-site safety managers and supervisors.

The Company (including Samsung Display) has joint responsibility for reimbursement of liabilities that Samsung Display accrued before the separation.

For information on the Company's commitments and contingencies, refer to. 'notes on consolidated financial statements and notes on financial statements of III. Financial Affairs.

6. Return of short-swing profits

In 1Q21, The Company has not received any notification of short-swing profits from the Securities & Futures Commission.

7. Use of Direct Financing Fund

N/A

8. External Contributions

Contribution	Amount	Details	Date of Board approval
Management plans for Social Contribution Fund for 2019	KRW 11.73 billion	<ul style="list-style-type: none"> The Social Contribution Fund consists of voluntary contributions of employees and matching funds raised by SEC. SEC plans to contribute KRW 11.73 billion in matching funds for 2019. The contribution will be used for domestic and overseas volunteer programs as well as and local social contribution activities. 	January 31, 2019
Samsung Dream Scholarship Foundation	KRW 1.12 billion	<ul style="list-style-type: none"> The contribution was made to support education of low-income high school students. 	
Sponsoring the WorldSkills Competition	EUR 1.5 million (approximately KRW 1.95 billion)	<ul style="list-style-type: none"> The contribution was made to support the Organizing Committee of WorldSkills International in WordSkills Kazan 2019 as the top sponsor. 	February 26, 2019
Donation to Chung-nam Samsung Institute	KRW 2.991 billion	<ul style="list-style-type: none"> The contribution was made to improve education of the region. 	
Foundation of Samsung Welfare, etc	KRW 73.0 billion	<ul style="list-style-type: none"> The contribution was made to support Dream Class, a program to support learning for underprivileged middle school students (Samsung Welfare Foundation, KRW 19.5 billion) The contribution was made to improve facilities and research infrastructure at Samsung Medical Center and support research for MERS vaccine development (Samsung Life Public Welfare Foundation, KRW 31.0 billion) The contribution was made for the Ho-Am Prize (Ho-Am Foundation, KRW 5.0 billion) The contribution was made to provide funds for legal expenses for faculty members and Samsung scholarships for students (Sungkyunkwan University, KRW 17.5 billion) 	April 30, 2019
Contribution to the Korea Occupational Safety & Health Agency	KRW 31.0 billion	<ul style="list-style-type: none"> The fund is for building an electronics industry health and safety center and establishing health and safety infrastructure. 	
Performance incentive to suppliers of the DS division	KRW 77.45 billion	<ul style="list-style-type: none"> The contribution was provided to 296 primary and secondary suppliers of the DS division to prevent work accidents, improve productivity, and promote co-prosperity of the Company and its partner companies. 	
Financial support for startup program at Daegu, Gyeongbuk Creative Innovation Center	KRW 12.0 billion	<ul style="list-style-type: none"> Vitalize startup ecosystem and contribute to job creation to nurture startups in Korea Donation to Daegu Gyeongbuk University Start-up <ul style="list-style-type: none"> ※ Daegu Gyeongbuk University Start-up established a fund with the donation from Samsung Electronics. 	July 31, 2019
Donation to Heemang 2020 Nanum Campaign	KRW 31.0 billion	<ul style="list-style-type: none"> The contribution was made to Community Chest of Korea to fulfill corporate social responsibilities and help the marginalized. 	November 29, 2019
Samsung Dream Scholarship Foundation	KRW 1.12 billion	<ul style="list-style-type: none"> The contribution was made to support education of low-income high school students. 	January 30, 2020
Management plans for Social Contribution Fund for 2020	KRW 11.89 billion	<ul style="list-style-type: none"> The Social Contribution Fund consists of voluntary contributions of employees and matching funds raised by SEC. SEC plans to contribute KRW 11.89 billion in matching funds for 2020. The contribution was made to support adolescent education. 	February 21, 2020
Donation to Chung-nam Samsung Institute	KRW 2.576 billion	<ul style="list-style-type: none"> The contribution was made to improve education of the region. 	
Donation to support emergency relief related to COVID-19	KRW 23.0 billion	<ul style="list-style-type: none"> The contribution was made to support emergency relief measures for persons and communities impacted by COVID-19. 	February 26, 2020
Donation to Samsung Welfare Foundation, etc.	KRW 51.8 billion	<ul style="list-style-type: none"> The contribution was made to support Dream Class, a program to support learning for underprivileged middle school students (Samsung Welfare Foundation, KRW 10.6 billion) The contribution was made to improve facilities and research infrastructure at Samsung Medical Center and support research for MERS vaccine development (Samsung Life Public Welfare Foundation, KRW 26.5 billion) The contribution was made for the Ho-Am Prize (Ho-Am Foundation) 	April 29, 2020

Contribution	Amount	Details	Date of Board approval
		• The contribution was made to provide funds for legal expenses for faculty members and Samsung scholarships for students (Sungkyunkwan University, KRW 14.7 billion)	
Performance incentive to suppliers of the DS division	Approximately KRW 62.0 billion	• The incentive was provided to prevent safety incidents at sites, enhance productivity, and promote co-growth with suppliers • For the first and secondary suppliers of the DS division stationed at the sites	
Ho-Am Foundation	KRW 4.1 billion	• The contribution was made to help award those with significant contributions in the field of academia, art, and human welfare	May 27, 2020
Donation to Heemang 2021 Nanum Campaign	KRW 33.8 billion	• The contribution was made to Community Chest of Korea to fulfill corporate social responsibilities and help the marginalized.	
Contribution to the United Nations Development Programme (Samsung Global Goals)	USD 1,421,154 (approximately KRW 1.57 billion)	• The contribution was made to the UNDP (United Nations Development Programme) for relief activities in different countries.	Nov 30, 2020
Management plans for Social Contribution Fund for 2021	KRW 11.61 billion	• The Fund consists of voluntary contributions of employees and matching funds raised by SEC. SEC plans to contribute KRW 11.61 billion in matching funds in 2021. • The contribution will be used for educating adolescents and vulnerable population.	Feb 16, 2021
Donation to Chung-nam Samsung Institute	KRW 2.446 billion	• The contribution was made to improve education of the region.	

External contributions are based on a resolution of the Board.

9. Subsequent events

In 2019, Samsung Display decided to sell its 100% ownership in Samsung Suzhou Module Co., Ltd. (“SSM”) and 60% ownership in Samsung Suzhou LCD Co., Ltd. (“SSL”) to TCL China Star Opto-electronics Technologies Co. (CSOT). The Company entered into the sales agreement on August 28, 2020, and the sales were completed on April 1, 2021.

On April 8, 2021, Samsung SDI converted Corning Incorporated’s 2,300 convertible preferred shares to 115 million common shares, 35 million of which were sold to Corning Incorporated.

10. Acquisition and divestments

The major divestment and transfer of business transactions in the past three business years on a parent basis (separate basis) are as follows. For information on the business combinations and divestitures of subsidiaries, please refer to the notes on the business combination and assets held for sale (assets of disposal group) of the consolidated financial statements.

[PLP Business]

(1) Details of acquisition

In accordance to the resolution of the Board of Directors on April 30, 2019, the Company acquired PLP business from Samsung Electro-Mechanics Co., Ltd.(location: South Korea; CEO: Kye Hyun Kyung) at a price of KRW 785,000 million on June 1, 2019 to strengthen its semiconductor competitiveness through securing next-generation packaging technology.

Details of the above statement can be found in the “Business Acquisition from Related Parties”, published in DART (<http://dart.fss.or.kr/>) on April 30, 2019.

(KRW 100 mil)

	Account	Forecast		Actual			
		1st Year	2nd Year	1st Year		2nd Year	
				Actual	Difference	Actual	Difference
PLP Business	Sales	101	219	-	-	-	-
	Operating Income	-1,273	-2,155	-1,095	14%	-44	98%
	Net Income	-1,273	-2,155	-1,095	14%	-2,146	0%

- ※ No third-party sales is recognized from PLP business as its products are internally transferred within the Company's manufacturing process.
- ※ Actual operating income and net income for first year of acquisition (seven month period ended December 31, 2019) differs by 14% from the forecast due to several factors such as reduction in wages.
- ※ Actual operating income for the second year (the year ended December 31, 2020) of acquisition differs by 98% from the forecast due to several factors such as reduction in wages.

11. Green management

The Company is actively securing "Designation of Green Enterprise" and "Green Technology Certifications" to follow the Low Carbon Green Growth policy of the Korean government. In particular, greenhouse gas emission and energy consumption generated at our operations are reported to the government, required by relevant law. Also, relevant information are provided transparently to stakeholders through the Sustainability Report, etc.

(Designation of Green Enterprise)

The Company strives to fulfill its responsibility as an eco-friendly enterprise by reducing pollutants, conserving resources and energy, establishing/utilizing a green management system, etc. As of March 31, 2021 (on a separate basis), our business sites in Suwon, Gumi, Giheung, Hwaseong, Pyeongtaek, and Onyang have been designated as green enterprises in accordance with Article 16-2 (Designation, etc., of Green Enterprise) of the Support for Environmental Technology and Environmental Industry Act. In 1Q21, the Green Enterprise designation was cancelled for Gwangju site in pursuant to Paragraph 1, Item 1 of Article 16-3 (Cancellation of Designation of Green Enterprise) of Environmental Technology and Industry Support Act.

(Green Technology Certification)

The Company is acquiring Green Technology Certifications in accordance with Article 32 (Standardization and Certification and Green Technology Green Industries) Paragraph 2 of the Framework Act on Low Carbon Green Growth. Green technology development is a part of our "Planet First" strategy, which strives to conduct business activities in a manner that respect people and nature. Since the certification system was introduced in 2010, the Company has secured 9 valid Green Technology Certifications as of March 31, 2021. In addition, the Company has acquired 'Green Technology' product certificates for 207 models of commercialized products.

Certified Green Technologies as of March 31, 2021 are as follows:

Division	Certified Green Technologies	No.
CE	Technology to: 1) enhance energy efficiency of dryers using high-efficiency heat pump and heat exchanger; and 2) reduce stand-by power use by monitors etc.	9

Separate basis.

(Greenhouse gas emission and energy consumption management)

The Company is a “controlled entity” according to Article 42 (Coping with Climate Change and Management of Targets for Energy), Paragraph 6 of Korea’s “Framework Act on Low Carbon, Green Growth.” Thus, the Company has been reporting the amount of greenhouse gas emission and energy consumption, verified by a third-party, to the authorities and disclosing it to stakeholders according to Article 44 (Reporting on Quantity of Greenhouse Gases Emitted and Quantity of Energy Consumed) of the same Act since May 2011.

The reported amount of greenhouse gas emission and energy use on a separate basis are provided below:

(Unit: tCO₂-eq, TJ)

	2020	2019	2018
Greenhouse gas (tCO ₂ -eq)	12,531,900	11,143,405	10,752,832
Energy (TJ)	177,122	161,123	154,344

Separate basis.

Domestic manufacturing facilities, office buildings, buildings owned by the Company, leased buildings, etc.

Reported Greenhouse gas emission excludes ozone depletion substances (ODS).

Amounts may differ based on the result of governmental evaluations on emissions.

From 2015, in accordance with the Article 8 (Designation of Business Entities Eligible for Allocation) of the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits, the Company is an eligible business entity under the Act.