

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2025 and December 31, 2024, and
for the three-month periods ended March 31, 2025 and 2024

1. General Information

1.1 Company Overview

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

These consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards (“*Korean IFRS*”) 1110, *Consolidated Financial Statements*. SEC, as the controlling company, consolidates its 230 subsidiaries, including Samsung Display Co., Ltd. and Samsung Electronics America Inc. The Company also applies the equity method of accounting for its 34 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of March 31, 2025 are as follows:

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Region	Subsidiaries	Business	Percentage of ownership (%)^(*)
	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of display panel components	50.0
	STECO Co., Ltd.	Manufacture of semiconductor components	70.0
	SEMES Co., Ltd.	Manufacture and sale of semiconductor/FPD	91.5
	Samsung Electronics Service Co., Ltd.	Repair services for electronic devices	99.3
	Samsung Electronics Service Customer Satisfaction Co., Ltd.	Call center for repair services for electronic devices	100.0
	Samsung Electronics Sales Co., Ltd.	Sale of electronic devices	100.0
	Samsung Electronics Logitech Co., Ltd.	General logistics agency	100.0
	Samsung Medison Co., Ltd.	Manufacture and sale of medical equipment	68.5
	Stella Forest of Hope	Manufacture of food	100.0
	Mirero System Co., Ltd.	Development and supply of semiconductor process defect and quality control software	99.9
	Harman International Korea	Software development and supply	100.0
	Rainbow Robotics Co., Ltd.	Manufacture and sale of robots and robot parts	35.0
	Samsung Venture Capital Union #21	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
Domestic	Samsung Venture Capital Union #26	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #28	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #32	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #33	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #37	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #67	Venture capital investments in technology business	99.0
	Growth Type Private Equity Trust Specialized in Semiconductors	Investment in semiconductor industry	66.7
	System LSI Mutual Benefit Private Equity Trust	Investment in semiconductor industry	62.5
	Semiconductor Ecosystem Private Equity Trust	Investment in semiconductor industry	66.7

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

1.3 Summary of Financial Data of Major Consolidated Subsidiaries

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

(1) 2025

<i>(In millions of Korean won)</i>	As of March 31, 2025		For the three-month period ended March 31, 2025	
	Assets	Liabilities	Sales	Profit (loss) for the period
Major subsidiaries^(*)				
Samsung Display Co., Ltd.	67,062,224	6,303,491	4,997,613	1,771,889
Samsung Electronics America, Inc. (SEA)	53,150,556	20,596,279	10,745,329	519,723
Samsung Asia Pte. Ltd. (SAPL)	35,504,644	412,264	-	4,257,369
Samsung Austin Semiconductor LLC. (SAS)	28,701,583	17,035,728	1,260,276	250,728
Harman and its subsidiaries ^(*)	21,223,257	6,547,406	3,407,203	221,856
Samsung (China) Semiconductor Co., Ltd. (SCS)	19,139,290	925,610	2,244,357	277,424
Samsung Semiconductor, Inc. (SSI)	17,460,865	9,116,302	11,173,398	104,920
Samsung (CHINA) Investment Co., Ltd. (SCIC)	15,498,974	14,568,895	779,838	63,170
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	11,604,082	3,882,055	10,752,874	385,556
Samsung India Electronics Private Ltd. (SIEL)	10,723,614	3,733,208	5,353,288	658,633
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,359,768	3,411,402	-	87,139
Samsung Electronics Vietnam Co., Ltd. (SEV)	6,561,447	2,220,029	6,342,126	312,936
Samsung Display Vietnam Co., Ltd. (SDV)	6,529,903	1,752,276	3,691,019	120,519
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	5,197,422	1,002,686	2,031,256	146,968
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,182,653	1,780,157	2,063,974	(14,555)
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	4,987,398	4,887,425	5,492,290	92,472
Samsung Electronics (UK) Ltd. (SEUK)	3,302,442	2,225,094	1,803,028	142,973
Samsung Electronics Europe Logistics B.V. (SELS)	2,869,544	2,507,004	4,726,561	129,718
Samsung International, Inc. (SII)	2,548,950	647,557	1,785,204	67,005
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,532,153	1,236,784	1,181,423	109,090
Samsung Electronics GmbH (SEG)	2,425,444	2,300,704	1,858,894	51,045
Thai Samsung Electronics Co., Ltd. (TSE)	2,387,013	869,059	1,460,599	107,395
SEMES Co., Ltd.	2,348,438	650,136	535,021	39,860
Samsung Electronics Benelux B.V. (SEBN)	2,130,456	861,664	905,081	53,279
Samsung Japan Corporation (SJC)	1,941,768	1,637,520	732,564	3,043

(*) Summary of financial information is based on separate financial statements of each subsidiary.

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) 2024

<i>(In millions of Korean won)</i>	As of December 31, 2024		For the three-month period ended March 31, 2024	
	Assets	Liabilities	Sales	Profit for the period
Major subsidiaries^(*)				
Samsung Display Co., Ltd.	67,541,382	8,305,660	4,416,769	1,988,742
Samsung Electronics America, Inc. (SEA)	50,777,503	18,653,435	10,802,156	320,694
Samsung Asia Pte. Ltd. (SAPL)	31,226,978	353,722	-	4,268,036
Samsung Austin Semiconductor LLC. (SAS)	27,546,958	16,107,374	1,047,393	137,751
Samsung Semiconductor, Inc. (SSI)	21,719,875	13,462,128	6,886,736	71,338
Harman and its subsidiaries ^(*)	20,934,732	6,714,174	3,188,425	181,434
Samsung (China) Semiconductor Co., Ltd. (SCS)	18,796,411	900,205	3,062,668	278,116
Samsung (CHINA) Investment Co., Ltd. (SCIC)	16,111,528	15,246,946	824,353	56,727
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	13,497,264	3,802,597	11,035,651	955,233
Samsung India Electronics Private Ltd. (SIEL)	9,561,708	3,226,735	4,473,966	485,100
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,093,393	3,452,430	-	74,334
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,819,080	2,167,121	5,682,381	404,813
Samsung Display Vietnam Co., Ltd. (SDV)	7,724,664	1,955,376	3,580,221	167,858
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	6,467,878	5,635,634	7,245,188	112,888
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,863,158	807,341	1,685,609	55,077
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,679,383	1,486,272	2,127,073	151,276
Samsung Electronics (UK) Ltd. (SEUK)	3,267,763	2,042,914	1,662,705	44,582
Thai Samsung Electronics Co., Ltd. (TSE)	2,637,138	502,266	1,246,205	30,487
Samsung International, Inc. (SII)	2,484,711	646,678	1,657,803	144,799
Samsung Electronics Taiwan Co., Ltd. (SET)	2,411,145	1,642,510	1,493,143	52,453
SEMES Co., Ltd.	2,365,712	705,818	576,056	36,966
Samsung Electronics GmbH (SEG)	2,118,638	2,049,463	1,803,932	24,164
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,017,910	845,480	1,093,900	40,778
Samsung Electronics Europe Logistics B.V. (SELS)	1,928,760	1,710,124	4,310,686	465,913
Samsung Electronics Benelux B.V. (SEBN)	1,894,968	726,412	847,508	70,004

(*) Summary of financial information is based on separate financial statements of each subsidiary.

(*) 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, 2025 are as follows:

Change	Region	Subsidiary	Description
Newly included	Domestic	Rainbow Robotics Co., Ltd.	Acquisition
	America	RAINBOW ROBOTICS USA Co., Ltd.	Acquisition

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2. Material 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 period ended March 31, 2025 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, 2025.

(A) New and amended standards adopted by the Company

The Company applied the following amended standards for the first time for the annual reporting period commencing January 1, 2025:

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

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

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

The amended accounting standards issued that are not yet effective for the annual reporting period commencing January 1, 2025 and have not been early adopted by the Company are as follows:

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

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

- Permission to regard a financial liability as extinguished via an electronic payment system prior to the actual due date of settlement, when specified criteria are met.
- Guidelines to assess whether financial assets are merely composed of principal and interest are clarified and added.
- Disclosure of impact of contract terms that modify time and amount of contractual cash flows and the extent to which company is exposed are disclosed per each category of financial instruments
- Additional disclosure of financial assets measured at fair value through other comprehensive income

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2.2 Accounting Policies

Material accounting policies and method of computation used in the preparation of the interim consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2024, except for the changes due to the application of amendments of standards described in Note 2.1 and as described below.

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 considering global minimum top-up tax. 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 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 ₩1,451.2 to \$1, the average exchange rate for the three-month period ended March 31, 2025. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollars at this or at any other rate.

2.4 Material 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

Material 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, 2024, except for the estimates used to determine the income tax expense.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

3. Financial Instruments by Category

Categorizations of financial assets and liabilities as of March 31, 2025 and December 31, 2024 are as follows:

(1) As of March 31, 2025

<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 ^(*)	Total
Financial assets					
Cash and cash equivalents	53,161,004	-	-	-	53,161,004
Short-term financial instruments	51,943,037	-	-	-	51,943,037
Short-term financial assets at fair value through profit or loss	-	-	29,521	-	29,521
Trade receivables	44,866,585	-	-	-	44,866,585
Financial assets at fair value through other comprehensive income	-	10,288,577	-	-	10,288,577
Financial assets at fair value through profit or loss	-	-	1,230,070	-	1,230,070
Other	15,567,830	-	109,097	22,507	15,699,434
Total	165,538,456	10,288,577	1,368,688	22,507	177,218,228

(*) 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 liabilities ^(*)	Total
Financial liabilities				
Trade payables	14,496,195	-	-	14,496,195
Short-term borrowings	315,140	-	5,018,719	5,333,859
Other payables	19,337,259	-	-	19,337,259
Current portion of long-term liabilities	950,219	-	1,085,773	2,035,992
Debentures	14,518	-	-	14,518
Long-term borrowings	6,240	-	3,753,339	3,759,579
Long-term other payables	4,881,844	-	-	4,881,844
Other	13,836,922	47,052	42,551	13,926,525
Total	53,838,337	47,052	9,900,382	63,785,771

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) As of December 31, 2024

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

^(*) Other financial assets include derivatives designated as hedging instruments 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 ^(*)	Total
Financial liabilities				
Trade payables	12,370,177	-	-	12,370,177
Short-term borrowings	338,058	-	12,834,446	13,172,504
Other payables	17,390,861	-	-	17,390,861
Current portion of long-term liabilities	1,106,764	-	1,100,526	2,207,290
Debentures	14,530	-	-	14,530
Long-term borrowings	6,537	-	3,929,323	3,935,860
Long-term other payables	4,779,141	-	-	4,779,141
Other	13,698,485	36,795	57,764	13,793,044
Total	49,704,553	36,795	17,922,059	67,663,407

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

4. Financial Assets at Fair Value

(A) Details of financial assets at fair value as of March 31, 2025 and December 31, 2024 are as follows:

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

<i>(In millions of Korean won)</i>	March 31, 2025	December 31, 2024
Non-current portion		
Equity instruments	10,288,577	10,580,932

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

<i>(In millions of Korean won)</i>	March 31, 2025	December 31, 2024
Current portion		
Debt instruments	29,521	36,877
Non-current portion		
Equity instruments	567,651	544,374
Debt instruments	662,419	631,375
Subtotal	1,230,070	1,175,749
Total	1,259,591	1,212,626

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

	March 31, 2025			December 31, 2024	
<i>(In millions of Korean won and number of shares and percentage)</i>	Number of shares owned	Percentage of ownership ^(*) (%)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	1,806,688	1,514,508
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	77,182	73,974
iMarketKorea Inc.	647,320	1.9	324	5,017	5,179
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	13,317	8,972
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	89,585	82,737
Wacom Co., Ltd.	8,398,400	5.8	62,013	47,163	57,021
Corning Incorporated	71,000,000	8.3	3,532,814	4,766,682	5,169,226
Other			559,923	828,340	861,115
Total			5,164,438	7,633,974	7,772,732

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

5. Inventories

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

(In millions of Korean won)	March 31, 2025			December 31, 2024		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	15,444,441	(1,471,107)	13,973,334	15,061,526	(1,219,250)	13,842,276
Work in process	25,947,244	(2,606,999)	23,340,245	24,808,183	(2,467,701)	22,340,482
Raw materials and supplies	15,739,355	(1,294,487)	14,444,868	15,442,327	(1,296,048)	14,146,279
Materials in transit	1,461,820	-	1,461,820	1,425,828	-	1,425,828
Total	58,592,860	(5,372,593)	53,220,267	56,737,864	(4,982,999)	51,754,865

6. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the three-month periods ended March 31, 2025 and 2024 are as follows:

(In millions of Korean won)	2025	2024
Balance as of January 1	12,592,117	11,767,444
Acquisition	13,965	6,342
Disposal	(2,081)	(11,731)
Share of profit	118,853	214,833
Other ^(*)	(121,901)	(69,115)
Balance as of March 31	12,600,953	11,907,773

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

(B) Major investments in associates and joint ventures as of March 31, 2025 are as follows:

(1) Investments in associates

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

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

(*) The Company's ownership of ordinary shares outstanding is 20.6%.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) Investments in joint ventures

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

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

(C) Details of investments in associates and joint ventures as of March 31, 2025 and December 31, 2024 are as follows:

(1) Investments in associates

<i>(In millions of Korean won)</i>		March 31, 2025	
Investee	Acquisition cost	Net asset value of equity shares ^(*)	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	2,063,898	2,077,700
Samsung SDS Co., Ltd.	147,963	2,111,858	2,124,500
Samsung Biologics Co., Ltd.	1,424,358	3,521,141	3,525,700
Samsung SDI Co., Ltd.	1,242,605	3,947,348	2,869,667
Cheil Worldwide, Inc.	506,162	396,572	696,822
Other	627,624	867,722	1,073,515
Total	4,307,949	12,908,539	12,367,904

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) Investments in joint ventures

<i>(In millions of Korean won)</i>		March 31, 2025	
Investee	Acquisition cost	Net asset value of equity shares ^(*)	Carrying amount
Samsung Corning Advanced Glass LLC	215,000	144,142	144,122
Other	259,994	81,001	88,927
Total	474,994	225,143	233,049

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

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

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

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

(1) For the three-month period ended March 31, 2025

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of profit (loss)	Share of other comprehensive income (loss)	Other^(*)	Balance as of March 31
Samsung Electro-Mechanics Co., Ltd.	2,067,669	35,865	6,014	(31,848)	2,077,700
Samsung SDS Co., Ltd.	2,120,417	48,193	6,559	(50,669)	2,124,500
Samsung Biologics Co., Ltd.	3,406,062	119,692	(54)	-	3,525,700
Samsung SDI Co., Ltd.	2,923,991	(75,215)	34,354	(13,463)	2,869,667
Cheil Worldwide, Inc.	718,561	8,117	5,861	(35,717)	696,822
Samsung Corning Advanced Glass LLC	143,178	945	-	(1)	144,122
Other	1,212,239	(18,744)	3,133	(34,186)	1,162,442
Total	12,592,117	118,853	55,867	(165,884)	12,600,953

^(*) Other consists of acquisitions, disposals, dividends, impairment and reclassification.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) For the three-month period ended March 31, 2024

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of profit (loss)	Share of other comprehensive income (loss)	Other^(*)	Balance as of March 31
Samsung Electro-Mechanics Co., Ltd.	1,841,393	45,620	19,518	(20,346)	1,886,185
Samsung SDS Co., Ltd.	1,966,206	48,113	14,407	(47,175)	1,981,551
Samsung Biologics Co., Ltd.	3,073,595	56,544	(836)	-	3,129,303
Samsung SDI Co., Ltd.	2,912,564	34,211	17,833	(13,463)	2,951,145
Cheil Worldwide, Inc.	669,363	12,260	6,287	(32,232)	655,678
Samsung Corning Advanced Glass LLC	138,938	(710)	-	-	138,228
Other	1,165,385	18,795	(17,400)	(1,097)	1,165,683
Total	11,767,444	214,833	39,809	(114,313)	11,907,773

(*) 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, 2025 and December 31, 2024, and for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	6,466,794	9,235,224	5,263,229	9,734,509	2,494,743
Non-current assets	6,825,737	4,111,373	12,173,748	30,975,557	631,130
Current liabilities	3,558,754	2,648,330	3,619,094	10,095,550	1,397,279
Non-current liabilities	685,885	980,234	2,537,775	9,077,569	329,411
Non-controlling interests	235,307	368,696	-	1,929,432	16,024
Condensed statements of comprehensive income:					
Revenue	2,738,649	3,489,764	1,298,273	3,176,818	1,039,417
Profit from continuing operations, net of tax ^(*)	134,179	211,496	375,554	(226,169)	28,327
Loss from discontinued operations, net of tax ^(*)	(448)	-	-	5,621	-
Other comprehensive income ^(*)	25,820	28,037	(121)	128,613	21,408
Total comprehensive income ^(*)	159,551	239,533	375,433	(91,935)	49,735
2. Dividends from associates					
Dividends	31,848	50,669	-	13,463	35,717

(*) Profit (loss) attributable to owners of the investee

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	2024				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
<i>(In millions of Korean won)</i>					
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	5,891,746	9,003,787	5,518,118	10,334,313	2,754,194
Non-current assets	6,900,656	4,234,543	11,818,179	30,263,032	568,459
Current liabilities	3,056,861	2,495,409	3,853,188	10,855,694	1,594,190
Non-current liabilities	719,688	1,037,472	2,578,432	8,174,413	251,659
Non-controlling interests	226,693	372,330	-	1,800,842	18,806
Condensed statements of comprehensive income:					
Revenue	2,624,289	3,247,268	946,903	5,130,893	1,018,010
Profit from continuing operations, net of tax ^(*)	183,479	210,895	179,362	273,134	42,727
Loss from discontinued operations, net of tax	(373)	-	-	-	-
Other comprehensive income ^(*)	83,481	63,780	383	179,519	21,886
Total comprehensive income ^(*)	266,587	274,675	179,745	452,653	64,613
2. Dividends from associates					
Dividends	20,347	47,175	-	13,463	32,232

^(*) 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, 2025 and December 31, 2024, and for the three-month periods ended March 31, 2025 and 2024 are as follows:

	Samsung Corning Advanced Glass, LLC	
	2025	2024
<i>(In millions of Korean won)</i>		
Condensed financial information		
Condensed statements of financial position:		
Current assets	125,063	120,786
Non-current assets	199,770	199,017
Current liabilities	36,390	33,294
Non-current liabilities	159	113
Condensed statements of comprehensive income:		
Revenue	44,582	35,370
Profit (loss) for the period	1,887	(1,420)
Other comprehensive income	-	-
Total comprehensive income	1,887	(1,420)
Dividends from joint ventures		
Dividends	-	-

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025		2024	
	Associates	Joint ventures	Associates	Joint ventures
Profit from continuing operations	(19,460)	716	18,101	694
Other comprehensive income (loss)	(1,668)	4,801	(17,824)	424
Total comprehensive income (loss)	(21,128)	5,517	277	1,118

- (F) Details of marketable investments in associates as of March 31, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2025		December 31, 2024
	Number of shares held	Market value	Market value
Samsung Electro-Mechanics Co., Ltd.	17,693,084	2,284,177	2,190,404
Samsung SDS Co., Ltd.	17,472,110	2,030,259	2,232,936
Samsung Biologics Co., Ltd.	22,217,309	22,528,351	21,084,226
Samsung SDI Co., Ltd.	13,462,673	2,537,714	3,332,012
Cheil Worldwide, Inc.	29,038,075	523,266	492,195

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(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 the decision and the litigation is in progress at Seoul High Court. On August 14, 2024, Seoul Administrative Court announced a decision to cancel the second measure charged by the Korea Securities and Futures Commission, but on August 28, 2024, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	205,945,209	187,256,262
External acquisition and capital expenditures	12,325,806	11,773,595
Acquisition from business combination	20,727	-
Depreciation	(10,730,215)	(9,231,310)
Disposals/scrap/impairment	(235,629)	(130,748)
Other ^(*)	59,870	1,487,761
Balance as of March 31	207,385,768	191,155,560

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

(B) Details of depreciation of property, plant and equipment for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	9,423,481	8,197,276
Selling and administrative expenses, and other	1,306,734	1,034,034
Total	10,730,215	9,231,310

(C) Right-of-use assets as of March 31, 2025 amount to ₩5,493,539 million (December 31, 2024: ₩5,660,885 million). During the three-month periods ended March 31, 2025 and 2024, newly recognized right-of-use assets amount to ₩327,506 million and ₩464,894 million, respectively, with relevant depreciation of ₩314,199 million and ₩292,806 million, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

8. Intangible Assets

(A) Changes in intangible assets for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	23,738,566	22,741,862
External acquisitions	1,297,818	844,734
Acquisition from business combination	2,263,546	-
Amortization	(788,575)	(719,482)
Disposals/scrap/impairment	(6,572)	(9,522)
Other ^(*)	190,303	389,011
Balance as of March 31	26,695,086	23,246,603

^(*) 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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	539,485	484,976
Selling and administrative expenses and other	249,090	234,506
Total	788,575	719,482

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

9. Borrowings

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

		Interest rates (%) as of		December 31,
(In millions of Korean won)	Financial institutions	March 31, 2025	March 31, 2025	2024
Short-term borrowings				
Collateralized borrowings ^(*1)	Woori Bank and others	0.7~14.2	5,027,298	12,834,446
Non-collateralized borrowings	Citibank and others	0.0~47.7	306,561	338,058
Total			5,333,859	13,172,504
Current portion of long-term borrowings				
Bank borrowings	BNP and others	3.5~52.9	356,063	510,756
Lease liabilities ^(*2)	CSSD and others	5.0	1,085,773	1,100,526
Total			1,441,836	1,611,282
Long-term borrowings				
Bank borrowings	BNP and others	0.0~7.4	6,240	6,537
Lease liabilities ^(*2)	CSSD and others	5.0	3,753,339	3,929,323
Total			3,759,579	3,935,860

(*) Collateralized borrowings are secured by trade receivables.

(*) Interest expenses arising from the lease liabilities for the three-month periods ended March 31, 2025 and 2024 amount to ₩61,077 million and ₩53,023 million, respectively, which are determined using the weighted average incremental borrowing rate.

10. Debentures

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

(In millions of Korean won)	Issue date	Due date	Interest rate (%) as of		December 31, 2024
			March 31, 2025	March 31, 2025	
US dollar denominated straight bonds ^(*)	1997.10.2	2027.10.1	7.7	21,998 (US \$15 million)	22,050 (US \$15 million)
US dollar denominated debentures ^(*)	2015.5.11	2025.5.15	4.2	586,600 (US \$400 million)	588,000 (US \$400 million)
Less: Discounts				(220)	(255)
Add: Premium				296	743
Less: Current portion				(594,156)	(596,008)
Total				14,518	14,530

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

11. Net Defined Benefit Liabilities (Assets)

- (A) Details of net defined benefit liabilities (assets) recognized in the statement of financial position as of March 31, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2025	December 31, 2024
Present value of funded defined benefit obligations	17,248,585	16,965,629
Present value of unfunded defined benefit obligations	342,995	379,155
Subtotal	17,591,580	17,344,784
Fair value of plan assets	(19,805,460)	(19,912,945)
Total	(2,213,880)	(2,568,161)

- (B) The components of defined benefit costs recognized in profit or loss for the three-month periods ended March 31, 2025 and 2024 relating to defined benefit plans are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Current service cost	384,254	354,156
Net interest income	(33,032)	(64,618)
Past service cost	(97)	(163)
Other	9,178	4,534
Total	360,303	293,909

- (C) The expenses related to defined benefit plans recognized in the statement of profit or loss for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	146,587	117,751
Selling and administrative expenses and other	213,716	176,158
Total	360,303	293,909

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

12. Provisions

Changes in the provisions for the three-month period ended March 31, 2025 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	2,734,501	2,793,901	813,011	4,995,100	11,336,513
Charged to profit or loss	396,865	207,314	86,369	96,088	786,636
Payment	(468,532)	(181,153)	(68,766)	(152,083)	(870,534)
Other ^(*)	41,856	(17,606)	577	(2,014)	22,813
Balance as of March 31	2,704,690	2,802,456	831,191	4,937,091	11,275,428

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

- (A) The Company accrues warranty provisions for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiations.
- (C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost.
- (D) The Company records provisions for future expenses expected to be incurred for products that have been discontinued from manufacturing and sales.
- (E) The Company makes provisions for the emission in excess of the emission rights held by the Company for the applicable years. Details of emission rights and liabilities as of March 31, 2025 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, 2025 are as follows:

<i>(In ten thousand metric tons)</i>	March 31, 2025
Emission rights allocated free of charge	1,629
Estimated volume of emission	1,966

- (2) Changes in the emission rights for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	3,137	3,137
Increase (decrease)	-	-
Balance as of March 31	3,137	3,137

- (3) Changes in emissions liabilities for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	174	137
Charged to profit or loss	43	35
Utilization	-	-
Balance as of March 31	217	172

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

13. Commitments and Contingencies

(A) Litigation

As of March 31, 2025, the Company is involved in various claims, disputes, and investigations conducted by regulatory bodies that arose during the normal course of business with numerous entities. Although the outflow of resources and timing of these matters are uncertain, the Company believes the outcome will not have a material impact on the financial position of the Company.

(B) Other commitments

As of March 31, 2025, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩12,408,427 million.

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, 2025	December 31, 2024
Contract liabilities ^(*)	14,413,443	13,523,368

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

15. Share Capital

As of March 31, 2025, the Company's total number of authorized shares is 25,000,000,000 shares (₩100 per share). As well as its ordinary shares, the Company also has non-cumulative preference shares that are eligible for an additional 1% cash dividend over par value per annum compared to ordinary shares, but without voting rights. The Company has issued 5,919,637,922 shares of ordinary shares and 815,974,664 shares of preference shares as of March 31, 2025, excluding the number of retired shares. The number of shares outstanding is different from the aforementioned number of shares issued due to purchase of treasury shares. Due to the retirement of shares, the total par value of the shares issued which excludes the number of retired shares is ₩673,561 million (ordinary shares of ₩591,964 million and preference shares of ₩81,597 million), which does not agree with paid-in capital of ₩897,514 million.

<i>(Number of shares)</i>	Ordinary shares outstanding	Preference shares outstanding
As of January 1, 2024	5,969,782,550	822,886,700
Treasury shares purchased	(29,700,000)	(4,050,000)
As of December 31, 2024	5,940,082,550	818,836,700
As of January 1, 2025	5,940,082,550	818,836,700
Treasury shares purchased	(47,444,628)	(6,587,036)
As of March 31, 2025	5,892,637,922	812,249,664

The Company retired 50,144,628 ordinary shares and 6,912,036 preference shares during the three-month period ended March 31, 2025, with a total acquisition cost of ₩3,049,040 million, pursuant to the board of directors' resolution on February 18, 2025.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

16. Retained Earnings

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

<i>(In millions of Korean won)</i>	March 31, 2025	December 31, 2024
Discretionary reserve and other	238,196,358	224,424,501
Unappropriated retained earnings	134,865,813	146,088,687
Total	373,062,171	370,513,188

(B) Details of interim dividends are as follows:

(In millions of Korean won and number of shares)			2025	2024
1 st Quarter	Number of shares eligible for dividends	Ordinary shares	5,892,637,922	5,969,782,550
		Preference shares	812,249,664	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	365%	361%
	Dividend amount	Ordinary shares	2,150,813	2,155,092
		Preference shares	296,471	297,062
		Total	2,447,284	2,452,154

17. Other Components of Equity

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

<i>(In millions of Korean won)</i>	March 31, 2025	December 31, 2024
Gain on valuation of financial assets at fair value through other comprehensive income	2,095,729	2,155,315
Share of other comprehensive income of associates and joint ventures	480,817	424,575
Gain on overseas business translation	19,912,774	18,614,960
Remeasurement of net defined benefit liabilities (assets)	(3,628,717)	(3,596,943)
Treasury shares	(1,718,586)	(1,811,775)
Share-based compensation	271,326	-
Other	84,173	86,876
Total	17,497,516	15,873,008

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

<i>(In millions of Korean won and number of shares)</i>		2025	2024
Number of treasury shares purchased	Ordinary shares	27,000,000	29,700,000
	Preference shares	3,725,000	4,050,000
Acquisition cost	Ordinary shares	1,541,799	1,625,252
	Preference shares	176,787	186,523

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(C) Equity-settled performance incentive

The Company agreed to grant restricted stock awards (RSA) to executives as part of their performance incentives, which will be settled in January 2026. Accordingly, ₩63,912 million of performance incentives (1,176,383 ordinary shares), which is set to be equity-settled, was reclassified from accrued expense to other components of equity.

(D) Share-based compensation for employees and executives

The Company agreed to grant 30 ordinary shares to each of all employees and executives who were in service as of March 5, 2025, as agreed through labor-management negotiations. Accordingly, the Company recognized the fair value of 3,841,035 ordinary shares to be granted, amounting to ₩207,414 million as of the grant date, as wages and salaries account and other components of equity. The shares will be granted during the year ended December 31, 2025.

18. Expenses by Nature

Expenses by nature for the three-month periods ended March 31, 2025 and 2024 consist of the following:

<i>(In millions of Korean won)</i>	2025	2024
Changes in finished goods, work in process, and other	(1,130,821)	(399,265)
Raw materials used, merchandise purchased, and other	28,353,466	24,298,463
Wages and salaries	8,906,310	8,075,000
Post-employment benefit	422,769	347,810
Depreciation	10,730,215	9,231,310
Amortization	788,575	719,482
Welfare	1,838,492	1,724,478
Utilities	2,228,202	2,023,182
Outsourcing	2,114,605	1,770,506
Advertising	1,542,416	1,434,926
Sales promotion	2,143,596	1,837,394
Other	14,517,406	14,246,306
Total^(*)	72,455,231	65,309,592

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

19. Selling and Administrative Expenses

Selling and administrative expenses for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Selling and administrative expenses		
Wages and salaries	2,253,204	2,179,210
Post-employment benefit	102,207	77,591
Commissions	2,406,926	2,083,504
Depreciation	435,267	412,997
Amortization	185,280	175,047
Advertising	1,542,416	1,434,926
Sales promotion	2,143,596	1,837,394
Transportation	640,743	714,535
Service	998,393	1,241,559
Other	1,704,527	1,446,457
Subtotal	12,412,559	11,603,220
Research and development expenses		
Research and development	9,032,741	7,820,040
Total	21,445,300	19,423,260

20. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Other non-operating income		
Dividend income	35,117	39,457
Rental income	38,178	38,914
Gain on disposal of property, plant and equipment	6,819	9,335
Other	1,026,191	357,575
Total	1,106,305	445,281

<i>(In millions of Korean won)</i>	2025	2024
Other non-operating expenses		
Loss on disposal of property, plant and equipment	10,748	26,048
Donations	43,970	77,476
Other	186,695	277,869
Total	241,413	381,393

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

21. Financial Income and Expenses

Details of financial income and expenses for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Financial income		
Interest income	1,239,349	1,172,185
Financial assets measured at amortized cost	1,239,294	1,172,152
Financial assets measured at fair value through profit or loss	55	33
Foreign exchange differences	1,900,438	2,120,929
Gain from derivatives	831,097	191,390
Total	3,970,884	3,484,504

<i>(In millions of Korean won)</i>	2025	2024
Financial expenses		
Interest expenses	176,087	242,772
Financial liabilities measured at amortized cost	23,889	66,927
Other financial liabilities	152,198	175,845
Foreign exchange differences	2,033,440	2,240,061
Losses from derivatives	278,798	179,678
Total	2,488,325	2,662,511

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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 considering global minimum top-up tax. The average annual tax rate expected as of March 31, 2025 to be effective for the year ended December 31, 2025 is 10.1%.

23. Earnings per Share

Earnings per share for the three-month periods ended March 31, 2025 and 2024 are calculated as follows:

(A) Ordinary shares

(1) Basic earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period attributable to owners of the parent company	8,028,407	6,621,030
Profit for the period attributable to ordinary shares	7,056,091	5,818,936
Weighted-average number of ordinary shares outstanding	5,920,293	5,969,783
Basic earnings per ordinary share (in Korean won)	1,192	975

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period attributable to owners of the parent company	8,028,407	6,621,030
Profit for the period attributable to ordinary shares	7,056,228	5,818,936
Weighted-average number of diluted ordinary shares outstanding(*)	5,921,138	5,969,783
Basic earnings per ordinary share (in Korean won)	1,192	975

(*) The weighted average diluted potential common shares included are related to stock-based compensation and the number of shares is 845,000 shares and nil for the three-month periods ended March 31, 2025 and 2024 respectively.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Preference shares

(1) Basic earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period attributable to owners of the parent company	8,028,407	6,621,030
Profit for the period available for preference shares	972,316	802,094
Weighted-average number of preference shares outstanding	815,926	822,887
Basic earnings per preference share (in Korean won)	1,192	975

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period attributable to owners of the parent company	8,028,407	6,621,030
Profit for the period attributable to preference shares	972,179	802,094
Weighted-average number of diluted preference shares outstanding	815,926	822,887
Basic earnings per preference share (in Korean won)	1,192	975

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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, 2025 and 2024 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2025	2024
Adjustments:		
Income tax expense	928,698	952,015
Financial income	(2,808,437)	(2,077,714)
Financial expenses	1,620,482	1,520,022
Post-employment benefits	422,769	347,810
Depreciation	10,730,215	9,231,310
Amortization	788,575	719,482
Bad debt expense (reversal)	38,333	(31,709)
Dividend income	(35,117)	(39,457)
Share of profit of associates and joint ventures	(118,853)	(214,833)
Gain on disposal of property, plant and equipment	(6,819)	(9,335)
Loss on disposal of property, plant and equipment	10,748	26,048
Loss (gain) on valuation of inventories	870,898	(1,648,575)
Others	(483,808)	(28,045)
Total	11,957,684	8,747,019

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2025	2024
Changes in assets and liabilities :		
Decrease (increase) in trade receivables	536,031	(3,609,636)
Decrease (increase) in other receivables	929,088	(223,276)
Decrease in prepaid expenses	28,519	36,117
Decrease (increase) in inventories	(2,101,170)	627,518
Increase in trade payables	808,190	446,091
Increase (decrease) in other payables	(1,244,493)	479,925
Increase (decrease) in advances received	(103,338)	171,189
Increase in withholdings	62,649	13,584
Decrease in accrued expenses	(1,572,697)	(1,229,733)
Increase in provisions	(83,898)	1,149,499
Payment of post-employment benefits	(407,198)	(289,829)
Others	(491,457)	(966,738)
Total	(3,639,774)	(3,395,289)

For the three-month periods ended March 31, 2025 and 2024, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩328,831 million and ₩286,357 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩61,077 million and ₩53,023 million, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

25. Financial Risk Management

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

The Company establishes global financial management standards, periodically measures customer's and counterparty's financial risk, and manages the risk with currency hedges and review of cash flows.

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

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

(A) Market risk

(1) Foreign exchange risk

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

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

(2) Interest rate risk

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(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, 2025 and 2024, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩75,229 million and ₩58,830 million, respectively, and changes in profit before tax of ₩1,111 million and ₩2,333 million, respectively.

(B) Credit risk

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

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

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

(C) Liquidity risk

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(D) Capital risk management

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

The debt ratios as of March 31, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2025	December 31, 2024
Total liabilities	109,762,479	112,339,878
Total equity	406,614,269	402,192,070
Debt ratio	27.0%	27.9%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(E) Fair value measurement

- (1) Carrying amounts and fair values of financial instruments by category as of March 31, 2025 and December 31, 2024 are as follows:

(In millions of Korean won)	March 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	53,161,004	(*)	53,705,579	(*)
Short-term financial instruments	51,943,037	(*)	58,909,334	(*)
Short-term financial assets at fair value through profit or loss	29,521	29,521	36,877	36,877
Trade receivables	44,866,585	(*)	43,623,073	(*)
Financial assets at fair value through other comprehensive income	10,288,577	10,288,577	10,580,932	10,580,932
Financial assets at fair value through profit or loss	1,230,070	1,230,070	1,175,749	1,175,749
Other ^(*)2)	15,699,434	131,604	14,898,880	520,656
Total financial assets	177,218,228		182,930,424	
Financial liabilities				
Trade payables	14,496,195	(*)	12,370,177	(*)
Short-term borrowings	5,333,859	(*)	13,172,504	(*)
Other payables	19,337,259	(*)	17,390,861	(*)
Current portion of long-term liabilities	2,035,992	593,859	2,207,290	594,010
- Long-term borrowings	1,441,836	(*) ^(*)3)	1,611,282	(*) ^(*)3)
- Debentures	594,156	593,859	596,008	594,010
Debentures	14,518	16,566	14,530	16,427
Long-term borrowings	3,759,579	(*) ^(*)3)	3,935,860	(*) ^(*)3)
Long-term other payables	4,881,844	(*)	4,779,141	(*)
Other ^(*)2)	13,926,525	89,603	13,793,044	94,559
Total financial liabilities	63,785,771		67,663,407	

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

(*)2) Carrying amount of financial assets amounting to ₩15,567,830 million as of March 31, 2025 (December 31, 2024: ₩14,378,224 million) and liabilities measured at cost of ₩13,836,922 million as of March 31, 2025 (December 31, 2024: ₩13,698,485 million) are excluded as the carrying amount is a reasonable estimation of fair value.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

(In millions of Korean won)	March 31, 2025			
	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term financial assets at fair value through profit or loss	-	29,521	-	29,521
Financial assets at fair value through other comprehensive income	7,522,899	-	2,765,678	10,288,577
Financial assets at fair value through profit or loss	111,076	-	1,118,994	1,230,070
Other	-	85,683	45,921	131,604
2) Liabilities				
Current portion of debentures	-	593,859	-	593,859
Debentures	-	16,566	-	16,566
Other	-	89,603	-	89,603

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

(3) Valuation technique and the inputs

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

The following table presents the valuation technique and the inputs used for major financial instruments classified as Level 3 as of March 31, 2025.

(In millions of Korean won and percentage)

Classification	Fair value	Valuation technique	Level 3 inputs	Input range
Financial assets at fair value through other comprehensive income				
Samsung Venture Investment	36,299	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	15.4%
MiCo Ceramics Co., Ltd.	57,088	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	11.2%
TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)	1,404,219	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.3%
China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT)	291,612	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.3%
Others				
Put option on equity instruments	45,921	Binomial model	Risk-free rate	3.8%~4.1%, 5.0%
			Price volatility	29.7%, 34.1%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(4) Changes in Level 3 instruments for the three-month periods ended March 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Financial assets		
Balance as of January 1	4,406,446	3,730,134
Acquisitions	22,264	29,994
Disposals	(13,200)	(6,092)
Amount recognized in profit for the period	607,370	48,572
Amount recognized in other comprehensive income	(133,702)	16,585
Other	(958,585)	108,619
Balance as of March 31	3,930,593	3,927,812

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

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

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

<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 ^(*)	-	175,478	-	(114,331)
Others ^(*)	6,307	-	(6,900)	-

(*) For equity securities, changes in fair value are calculated by increasing or the growth rate (-1%~1%) and the discount rate, which are significant unobservable inputs.

(*) Changes in fair value were calculated based on changes in price volatility (-5%~5%), which is a significant unobservable input.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

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

(1) For the three-month period ended March 31, 2025

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	51,717,211	25,131,006	5,866,922	3,419,373	(6,994,009)	79,140,503
Depreciation	660,081	9,319,918	611,061	86,667	-	10,730,215
Amortization	417,157	203,173	57,992	52,588	-	788,575
Operating profit	4,721,900	1,105,503	462,227	306,858	-	6,685,272

^(*) Other operating segments are not separately disclosed.

Net revenue by major product for the three-month period ended March 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	7,756,345	36,187,621	19,069,038	5,866,922	79,140,503

^(*) Other operating segments are not separately disclosed.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) For the three-month period ended March 31, 2024

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	47,292,742	23,137,290	5,386,418	3,200,250	(7,101,099)	71,915,601
Depreciation	639,747	7,849,063	607,414	85,397	-	9,231,310
Amortization	402,536	152,446	56,385	53,252	-	719,482
Operating profit	4,074,891	1,914,015	340,684	240,839	-	6,606,009

^(*) Other operating segments are not separately disclosed.

Net revenue by major product for the three-month period ended March 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	7,233,971	32,791,373	17,494,267	5,386,418	71,915,601

^(*) Other operating segments are not separately disclosed.

(B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the three-month periods ended March 31, 2025 and 2024 are as follows:

(1) As of and for the period ended March 31, 2025

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	11,230,212	30,219,541	14,038,794	14,651,074	9,000,882	-	79,140,503
Non-current assets ^(*)	178,871,360	29,115,426	7,048,257	9,923,075	9,421,681	(298,945)	234,080,854

^(*) 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, 2024

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	9,413,447	25,388,843	13,219,027	12,679,313	11,214,971	-	71,915,601
Non-current assets ^(*)	166,034,578	22,724,212	6,421,842	9,071,180	11,840,825	(1,690,474)	214,402,163

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

27. Related Party Transactions

(A) Transactions with related parties

Transactions with related parties for the three-month periods ended March 31, 2025 and 2024 are as follows:

		2025			
<i>(In millions of Korean won)</i>	Name of company^(*)	Sales and other	Disposal of non-current assets	Purchases and other	Purchase of non-current assets
Associates and joint ventures	Samsung SDS Co., Ltd.	58,947	61	532,755	75,855
	Samsung Electro-Mechanics Co., Ltd.	38,231	-	313,853	-
	Samsung SDI Co., Ltd.	34,745	-	158,089	10,874
	Cheil Worldwide Inc.	36,506	-	203,587	989
	Other	357,386	124	3,262,240	28,483
	Total	525,815	185	4,470,524	116,201
Other related parties	Samsung C&T Co., Ltd.	2,024	-	47,280	1,079,932
	Other	176,810	-	376,612	614,858
	Total	178,834	-	423,892	1,694,790
Other ^(*)	Samsung E&A Co., Ltd.	1,012	-	1,247	588,002
	S-1 Corporation	4,922	-	129,487	9,984
	Other	62,119	-	66,353	244,313
	Total	68,053	-	197,087	842,299

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

(*) 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.

		2024			
<i>(In millions of Korean won)</i>	Name of company^(*)	Sales and other	Disposal of non-current assets	Purchases and other	Purchase of non-current assets
Associates and joint ventures	Samsung SDS Co., Ltd.	63,908	-	473,033	58,026
	Samsung Electro-Mechanics Co., Ltd.	27,477	-	347,141	-
	Samsung SDI Co., Ltd.	36,837	-	179,184	8,556
	Cheil Worldwide Inc.	33,003	-	232,204	6,375
	Other	312,544	122	3,062,248	35,974
	Total	473,768	122	4,293,810	108,931
Other related parties	Samsung C&T Co., Ltd.	7,997	-	53,210	1,588,496
	Other	158,632	-	373,416	1,314,075
	Total	166,629	-	426,626	2,902,571
Other ^(*)	Samsung E&A Co., Ltd.	147	-	15,656	467,250
	S-1 Corporation	1,868	-	129,073	5,461
	Other	59,727	-	81,136	291,111
	Total	61,742	-	225,865	763,822

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Balances of receivables and payables

Arising from transactions with related parties as of March 31, 2025 and December 31, 2024 are as follows:

		March 31, 2025	
<i>(In millions of Korean won)</i>	Name of company^(*)	Receivables and other	Payables and other^(*)
Associates and joint ventures	Samsung SDS Co., Ltd.	9,669	619,762
	Samsung Electro-Mechanics Co., Ltd.	3,478	154,762
	Samsung SDI Co., Ltd.	118,671	85,540
	Cheil Worldwide Inc.	191	309,894
	Other	315,172	1,228,652
	Total	447,181	2,398,610
Other related parties	Samsung C&T Co., Ltd.	204,455	1,333,916
	Other	25,478	814,796
	Total	229,933	2,148,712
Other ^(*)	Samsung E&A Co., Ltd.	1,100	1,685,522
	S-1 Corporation	3,698	55,377
	Other	13,609	616,753
	Total	18,407	2,357,652

(*) Balances due from and to separate entities that are related parties of the Company.

(*) Payables and others include lease liabilities.

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

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

(*) Balances due from and to separate entities that are related parties of the Company.

(*) Payables and others include lease liabilities.

(*) 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (C) For the three-month periods ended March 31, 2025 and 2024 the Company invested ~~₩~~13,965 million and ~~₩~~6,342 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ~~₩~~2,081 million and ~~₩~~11,731 million from its investments in associates and joint ventures during the three-month periods ended March 31, 2025 and 2024, respectively.
- (D) For the three-month periods ended March 31, 2025 and 2024, the Company declared dividends of ~~₩~~400,702 million and ~~₩~~412,172 million, respectively, to related parties|. As of March 31, 2025, the dividend payable to related parties amounts to ~~₩~~400,702 million. In addition, for the three-month periods ended March 31, 2025 and 2024, the Company declared dividends of ~~₩~~32,235 million and ~~₩~~32,058 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, 2025, there is ~~₩~~32,235 million dividends payable to the entities belong to the same conglomerate according to the Monopoly Regulation and Fair Trade Act.
- (E) For the three-month periods ended March 31, 2025 and 2024, the Company entered into lease agreements with its related parties amounting to ~~₩~~18,606 million and ~~₩~~16,048 million, respectively, and the lease payments made to the related parties were ~~₩~~9,732 million and ~~₩~~7,385 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, 2025 and 2024 consists of:

<i>(In millions of Korean won)</i>	2025	2024
Short-term employee benefits	2,550	3,017
Post-employment benefits	600	175
Other long-term employee benefits	1,799	2,289

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28. Business Combination

(A) General information

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

The Company has reclassified Rainbow Robotics Co., Ltd. from investment in associates using equity method to consolidated subsidiary as it retains the right to appoint the entire board of directors of Rainbow Robotics Co., Ltd.

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

(B) Consideration transferred

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

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

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

(C) Identifiable assets acquired and liabilities assumed

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(D) Goodwill

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

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

29. Subsequent events

Harman International Industries, Inc., a subsidiary of SEC, entered into an agreement on May 6, 2025, to acquire the consumer audio division of Masimo Corporation. The acquisition is expected to be completed in 2025.