

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2026 and December 31, 2025, and
for the three-month periods ended March 31, 2026 and 2025

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

1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of March 31, 2026 are as follows:

Region	Subsidiaries	Business	Percentage of ownership (%) ^(*)
	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
	Samsung HME America, Inc. (formerly 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
America	TeleWorld Solutions, Inc. (TWS)	Deployment and optimization of network devices	100.0
	Xealth Inc.	Digital health care	100.0
	Samsung Semiconductor, Inc. (SSI)	Sale of semiconductor and display panels	100.0
	Samsung Federal, Inc. (SFI)	R&D	100.0
	Samsung Austin Semiconductor LLC. (SAS)	Manufacture of semiconductors	100.0
	Samsung Oak Holdings, Inc. (SHI)	Management of overseas subsidiaries	100.0
	SEMES America, Inc.	Maintenance of semiconductor equipment	100.0
	Samsung Display America Holdings, Inc. (SDAH)	Management of overseas subsidiaries Development and manufacture of display panels	100.0
	eMagin Corporation		100.0
	Samsung Electronics Canada, Inc. (SECA)	Sale of electronic devices	100.0
	AdGear Technologies Inc.	Digital advertising platforms	100.0
	Sonio Corporation	Sale of medical software	100.0
	RAINBOW ROBOTICS USA Co., Ltd.	Sale of robots	100.0

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Region	Subsidiaries	Business	Percentage of ownership (%) ^(*)
	Samsung Eletronica da Amazonia Ltda. (SEDA)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Mexico S.A. De C.V. (SEM)	Sale of electronic devices	100.0
	Samsung Electronics Digital Appliance Mexico, SA de CV (SEDAM)	Manufacture of home appliances	100.0
	Samsung Electronics Latinoamerica(Zona Libre), S. A. (SELA)	Sale of electronic devices	100.0
	Samsung Electronics Latinoamerica Miami, Inc. (SEMI)	Sale of electronic devices	100.0
	Samsung Electronica Colombia S.A. (SAMCOL)	Sale of electronic devices	100.0
	Samsung Electronics Argentina S.A. (SEASA)	Marketing and services	100.0
	Samsung Electronics Chile Limitada (SECH)	Sale of electronic devices	100.0
	Samsung Electronics Peru S.A.C. (SEPR)	Sale of electronic devices	100.0
	Samsung Electronics Venezuela, C.A. (SEVEN)	Marketing and services	100.0
	Samsung Electronics Panama. S.A. (SEPA)	Consulting	100.0
	SEMCO LLC	Manufacture and sale of air conditioning products	100.0
	SEMCO Duct & Acoustical Products Inc.	Manufacture and sale of air conditioning products	100.0
	Woods Air Movement Ltd.	Manufacture and sale of air conditioning products	100.0
	Harman International Industries, Inc.	Management of overseas subsidiaries	100.0
	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products and R&D	100.0
	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Manufacture and sale of audio products	100.0
	Harman de Mexico, S. de R.L. de C.V.	Manufacture of audio products	100.0
	Harman do Brasil Industria Eletronica e Participacoes Ltda.	Sale of audio products and R&D	100.0
	Harman International Industries Canada Ltd.	Sale of audio products	100.0
America	Harman International Mexico, S. de R.L. de C.V.	Sale of audio products	100.0
	Harman KG Holding, LLC	Management of overseas subsidiaries	100.0
	Harman Professional, Inc.	Sale of audio products and R&D	100.0
	Roon Labs, LLC	Sale of audio products	100.0
	Viper Holdings Corporation	Management of overseas subsidiaries	100.0
	DEI Holdings, Inc.	Management of overseas subsidiaries	100.0
	DEI Sales, Inc.	Sale of audio products	100.0
	Sound United, LLC	Sale of audio products	100.0
	Sound United Canada Inc.	Sale of audio products	100.0
	Polk Audio, LLC	Sale of audio products	100.0
	D&M Holdings U.S. Inc.	Sale of audio products	100.0
	Boston Acoustics, Inc.	Sale of audio products	100.0
	D&M Premium Sound Solutions, LLC	Sale of audio products	100.0
	Denon Electronics (USA), LLC	Sale of audio products	100.0
	Digital Networks North America Inc.	Sale of audio products	100.0
	Marantz America, LLC	Sale of audio products	100.0
	D&M Sales & Marketing Americas, LLC	Sale of audio products	100.0
	The Speaker Company	Sale of audio products	100.0
	Definitive Technology, LLC	Sale of audio products	100.0
	Equity International, LLC	Sale of audio products	100.0
	Beijing Integrated Circuit Industry International Fund, L.P	Venture capital investments	61.4
	China Materialia New Materials 2016 Limited Partnership	Venture capital investments	99.0

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	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
Europe/CIS	Samsung Electronics Austria GmbH (SEAG)	Sale of electronic devices	100.0
	Samsung Electronics Switzerland GmbH (SESG)	Sale of electronic devices	100.0
	Samsung Electronics Czech and Slovak s.r.o. (SECZ)	Sale of electronic devices	100.0
	Samsung Electronics Baltics SIA (SEB)	Sale of electronic devices	100.0
	Samsung Electronics Greece S.M.S.A (SEGR)	Sale of electronic devices	100.0
	Samsung Electronics Air Conditioner Europe B.V. (SEACE)	Sale of air conditioning products	100.0
	Samsung Nanoradio Design Center (SNDC)	R&D	100.0
	Samsung Denmark Research Center ApS (SDRC)	R&D	100.0
	Samsung Cambridge Solution Centre Limited (SCSC)	R&D	100.0
	SAMSUNG Zhilabs, S.L.	Development and sale of network solutions	100.0
	FOODIENT LTD	R&D	100.0
	Oxford Semantic Technologies Limited (OST)	R&D	100.0
	Sonio SAS	Sale of software and R&D	100.0
	Samsung Electronics Rus Company LLC (SERC)	Sale of electronic devices	100.0
	Samsung Electronics Rus Kaluga LLC (SERK)	Manufacture of TV	100.0
	Samsung Electronics Ukraine Company LLC (SEUC)	Sale of electronic devices	100.0
	Samsung R&D Institute Ukraine (SRUKR)	R&D	100.0
	Samsung Electronics Central Eurasia LLP (SECE)	Sale of electronic devices	100.0
	Samsung R&D Institute Rus LLC (SRR)	R&D	100.0
	Samsung Electronics Caucasus Co. Ltd (SECC)	Marketing	100.0
	Samsung Electronics Uzbekistan Ltd. (SEUZ)	Marketing	100.0
	AKG Acoustics GmbH	Manufacture and sale of audio products	100.0

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	Apostera UA, LLC	Connected Service Provider	100.0
	Harman Audio Iberia Espana Sociedad Limitada	Sale of audio products	100.0
	Harman Becker Automotive Systems GmbH	Manufacture and sale of audio products and R&D	100.0
	Harman Becker Automotive Systems Italy S.R.L.	Sale of audio products	100.0
	Harman Becker Automotive Systems Manufacturing Kft	Manufacture of audio products and R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
	Harman Deutschland GmbH	Sale of audio products	100.0
	Harman France SNC	Sale of audio products	100.0
	Harman Holding GmbH & Co. KG	Management company	100.0
	Harman Hungary Financing Ltd.	Financing company	100.0
	Harman Inc. & Co. KG	Management of overseas subsidiaries	100.0
	Harman International Estonia OU	R&D	100.0
	Harman International Industries Limited	Sale of audio products and R&D	100.0
	Harman International Romania SRL	R&D	100.0
	Harman Management GmbH	Management of overseas subsidiaries	100.0
Europe/CIS	Harman Professional Kft	Manufacture of audio products and R&D	100.0
	Harman Professional Denmark ApS	Sale of audio products and R&D	100.0
	Red Bend Software SAS	Software design	100.0
	Harman Connected Services OOO	Connected service provider	100.0
	Harman RUS CIS LLC	Sale of audio products	100.0
	D&M Europe B.V.	Sale of audio products	100.0
	D&M Audiovisual Ltd.	Sale of audio products	100.0
	D&M France SAS	Sale of audio products	100.0
	D&M Germany GmbH	Sale of audio products	100.0
	B&W Group Ltd.	Sale of audio products	100.0
	B&W Group Belgium B.V.	Sale of audio products	100.0
	B&W Loudspeakers Nederland B.V.	Sale of audio products	100.0
	B&W Loudspeakers Group Espana S.A.	Sale of audio products	100.0
	B&W Loudspeakers Ltd.	Sale of audio products	100.0
	B&W Group (Schweiz) GmbH	Sale of audio products	100.0
	B&W Group (Logistics) Ltd.	Sale of audio products	100.0
	B&W Group Germany GmbH	Sale of audio products	100.0
	B&W Group France SARL	Sale of audio products	100.0
	B&W Group Finland Oy	Sale of audio products	100.0
	Marantz Italy Srl	Sale of audio products	51.0
	Bowers & Wilkins Ltd.	Sale of audio products	100.0

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

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

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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
	Samsung Semiconductor Asia Holdings Pte. Ltd. (SSAH)	Management of overseas subsidiaries	100.0
	Samsung Vietnam Semiconductor (SVS)	Manufacture of semiconductors	100.0
	FläktGroup India Private Ltd.	Manufacture and sale of air conditioning products	100.0
	FlaktGroup Singapore Pte. Ltd.	Sale of air conditioning products	100.0
	Harman International (India) Private Limited	Sale of audio products and R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International (Thailand) Co., Ltd.	Manufacture and sale of audio products	100.0
	Harman International Japan Co., Ltd.	Sale of audio products and R&D	100.0
	Harman Singapore Pte. Ltd.	Sale of audio products	100.0
	D&M Holdings, Inc.	Manufacture and sale of audio products, R&D	100.0
	Sound United Australia Pty Ltd.	R&D	100.0
	Sound United Sales & Marketing Australia Pty Limited	Sale of audio products	100.0
	China	Samsung (CHINA) Investment Co., Ltd. (SCIC)	Sale of electronic devices
Samsung Electronics Hong Kong Co., Ltd. (SEHK)		Sale of electronic devices	100.0
Samsung Electronics Taiwan Co., Ltd. (SET)		Sale of electronic devices	100.0
Suzhou Samsung Electronics Co., Ltd. (SSEC)		Manufacture of home appliances	88.3
Samsung Suzhou Electronics Export Co., Ltd. (SSEC-E)		Manufacture of home appliances	100.0
Samsung Electronics Suzhou Computer Co., Ltd. (SESC)		R&D	100.0
Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)		Manufacture of communication equipment	90.0
Beijing Samsung Telecom R&D Center (SRC-Beijing)		R&D	100.0
Samsung Electronics China R&D Center (SRC-Nanjing)		R&D	100.0
Samsung Mobile R&D Center China-Guangzhou (SRC-Guangzhou)		R&D	100.0
Samsung R&D Institute China-Shenzhen (SRC-Shenzhen)		R&D	100.0
Shanghai Samsung Semiconductor Co., Ltd. (SSS)		Sale of semiconductor and display panels	100.0
Samsung (China) Semiconductor Co., Ltd. (SCS)		Manufacture of semiconductors	100.0
Samsung Semiconductor Xian Co., Ltd. (SSCX)		Sale of semiconductor and display panels	100.0
Samsung Electronics Suzhou Semiconductor Co., Ltd. (SESS)		Toll processing of semiconductors	100.0
Tianjin Samsung LED Co., Ltd. (TSLED)		Manufacture of LED	100.0
Samsung Semiconductor (China) R&D Co., Ltd. (SSCR)		R&D	100.0
Samsung Display Dongguan Co., Ltd. (SDD)		Manufacture of display panels	100.0
Samsung Display Tianjin Co., Ltd. (SDT)		Manufacture of display panels	95.0
SEMES (XIAN) Co., Ltd.		Semiconductor/FPD equipment services	100.0
Samsung Semiconductor Investment L.P.I		Technology business, and venture capital investments	99.0
Harman (China) Technologies Co., Ltd.		Manufacture of audio products	100.0
Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.		Sale of audio products	100.0
Harman Automotive Electronic Systems (Suzhou) Co., Ltd.		Manufacture of audio products and R&D	100.0
Harman Commercial (Shanghai) Co., Ltd.		Sale of audio products	100.0
Harman Holding Limited		Sale of audio products	100.0
Harman International (China) Holdings Co., Ltd.		Sale of audio products and R&D	100.0
Harman Technology (Shenzhen) Co., Ltd.		Sale of audio products and R&D	100.0
Sound United Hong Kong Limited		Management of overseas subsidiaries	100.0
Sound Electronics (Shenzhen) Co. Ltd.		R&D	100.0

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China	D&M Sales & Marketing (H.K) Ltd.	Sale of audio products	100.0
	D&M Digital Audio Trading (Shanghai) Ltd.	Management of overseas subsidiaries	100.0
	Marantz Shanghai Trading Ltd.	Management of overseas subsidiaries	100.0
	D&M Shanghai Electronics Ltd.	Sale of audio products	100.0
	D&M Sales & Marketing Taiwan Ltd.	Sale of audio products	100.0
	Bowers & Wilkins Trading Zhuhai Company Ltd.	Manufacture of audio products	100.0
	B&W Group Asia Limited	Sale of audio products	100.0
Domestic	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of display panel components	50.0
	STECO Co., Ltd.	Manufacture of semiconductor components	70.0
	SEMES Co., Ltd.	Manufacture and sale of semiconductor/FPD	91.5
	Samsung Electronics Service Co., Ltd.	Repair services for electronic devices	99.3
	Samsung Electronics Service Customer Satisfaction Co., Ltd.	Call center for repair services for electronic devices	100.0
	Samsung Electronics Sales Co., Ltd.	Sale of electronic devices	100.0
	Samsung Electronics Logitech Co., Ltd.	General logistics agency	100.0
	Samsung Medison Co., Ltd.	Manufacture and sale of medical equipment	68.5
	Stella Forest of Hope	Manufacture of food	100.0
	Mirero System Co., Ltd.	Development and supply of semiconductor process defect and quality control software	99.9
	Harman International Korea	Software development and supply	100.0
	Rainbow Robotics Co., Ltd.	Manufacture and sale of robots and robot parts	35.0
	D&M Sales & Marketing Korea Ltd.	Sale of audio products	100.0
	Samsung Venture Capital Union #21	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #26	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #28	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #32	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #33	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #67	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #74	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #76	Venture capital investments in technology business	73.3
	Samsung Venture Capital Union #78	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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1.3 Summary of Financial Data of Major Consolidated Subsidiaries

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

(1) 2026

<i>(In millions of Korean won)</i>	As of March 31, 2026		For the three-month period ended March 31, 2026	
	Assets	Liabilities	Sales	Profit (loss) for the period
Major subsidiaries^(*)				
Samsung Display Co., Ltd.	79,820,354	7,241,869	5,894,537	674,305
Samsung Electronics America, Inc. (SEA)	57,054,069	21,675,537	10,430,454	672,793
Samsung Semiconductor, Inc. (SSI)	41,295,994	31,521,048	40,521,364	787,082
Samsung Asia Pte. Ltd. (SAPL)	38,107,681	425,381	-	342,543
Samsung Austin Semiconductor LLC. (SAS)	31,915,512	20,015,564	1,013,547	(939)
Harman and its subsidiaries ^(*)	23,324,768	6,645,880	3,810,900	119,013
Samsung (CHINA) Investment Co., Ltd. (SCIC)	18,174,672	16,968,840	693,659	90,786
Samsung (China) Semiconductor Co., Ltd. (SCS)	17,184,696	903,356	2,345,976	325,066
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	15,525,244	4,302,556	12,936,286	1,065,850
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	13,261,569	12,427,042	20,487,142	286,673
Samsung India Electronics Private Ltd. (SIEL)	11,742,256	3,769,164	5,055,628	540,120
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	10,381,129	3,818,013	-	27,113
Samsung Electronics Vietnam Co., Ltd. (SEV)	9,016,111	2,557,508	6,850,033	609,626
Samsung Display Vietnam Co., Ltd. (SDV)	7,888,637	1,960,740	4,929,540	179,927
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	5,728,550	1,012,655	1,935,386	96,691
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,589,595	1,911,680	2,040,930	159,781
Samsung Electronics Taiwan Co., Ltd. (SET)	3,935,851	3,550,715	4,192,773	44,689
Samsung Electronics (UK) Ltd. (SEUK)	3,427,096	2,166,160	1,728,826	74,113
Samsung International, Inc. (SII)	2,752,730	557,583	1,589,682	109,431
SEMES Co., Ltd.	2,729,649	779,020	593,179	83,645
Samsung Electronics Europe Logistics B.V. (SELS)	2,669,710	2,144,351	4,436,863	259,052
Samsung SemiConductor Xian Co., Ltd. (SSCX)	2,603,285	2,394,541	2,347,372	21,321
Thai Samsung Electronics Co., Ltd. (TSE)	2,595,789	911,044	1,554,943	121,099
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,571,723	998,855	1,253,915	52,507
Samsung Japan Corporation (SJC)	2,559,423	2,220,251	1,460,915	(10,511)

(*) 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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(2) 2025

<i>(In millions of Korean won)</i>	As of December 31, 2025		For the three-month period ended March 31, 2025	
	Assets	Liabilities	Sales	Profit for the period
Major subsidiaries^(*)				
Samsung Display Co., Ltd.	76,710,079	8,779,728	4,997,613	1,771,889
Samsung Electronics America, Inc. (SEA)	52,966,362	20,138,323	10,745,329	519,723
Samsung Asia Pte. Ltd. (SAPL)	35,742,415	350,888	-	4,257,369
Samsung Austin Semiconductor LLC. (SAS)	29,787,509	18,505,380	1,260,276	250,728
Samsung Semiconductor, Inc. (SSI)	27,146,631	18,644,812	11,173,398	104,920
Harman and its subsidiaries ^(*)	22,395,744	6,618,051	3,407,203	221,856
Samsung (China) Semiconductor Co., Ltd. (SCS)	16,042,066	1,114,773	2,244,357	277,424
Samsung (CHINA) Investment Co., Ltd. (SCIC)	14,604,846	13,562,847	779,838	63,170
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	14,049,410	4,454,771	10,752,874	385,556
Samsung India Electronics Private Ltd. (SIEL)	10,369,065	2,967,992	5,353,288	658,633
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	9,474,930	8,969,730	5,492,290	92,472
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,351,798	2,995,765	-	87,139
Samsung Display Vietnam Co., Ltd. (SDV)	7,996,205	2,551,991	3,691,019	120,519
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,975,597	2,450,249	6,342,126	312,936
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	5,263,351	886,695	2,031,256	146,968
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,815,175	1,617,379	2,063,974	(14,555)
Samsung Electronics (UK) Ltd. (SEUK)	3,174,054	2,025,539	1,803,028	142,973
Samsung International, Inc. (SII)	2,658,926	683,405	1,785,204	67,005
SEMES Co., Ltd.	2,637,216	768,123	535,021	39,860
Thai Samsung Electronics Co., Ltd. (TSE)	2,324,358	621,508	1,460,599	107,395
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,267,579	813,376	1,181,423	109,090
Samsung Electronics Taiwan Co., Ltd. (SET)	2,115,046	1,784,638	1,701,454	26,840
Samsung Electronics Europe Logistics B.V. (SELS)	2,072,011	1,816,197	4,726,561	129,718
Samsung Japan Corporation (SJC)	1,967,890	1,619,589	732,564	3,043
Samsung Electronics GmbH (SEG)	1,855,724	1,779,446	1,858,894	51,045

(*) 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, 2026 are as follows:

Change	Region	Subsidiary	Description
Newly included	Asia (Excluding China)	Samsung Semiconductor Asia Holdings Pte. Ltd. (SSAH)	Establishment
		Samsung Vietnam Semiconductor (SVS)	Establishment
	Domestic	Samsung Venture Capital Union #78	Establishment
Excluded	Europe/CIS	B&W Group Finland Oy	Liquidation

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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, 2026 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, 2026.

(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, 2026:

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 as follows, and the adoption of the amendments does not have a significant impact on the Company’s consolidated financial statements.

The amended standards:

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

(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, 2026 and have not been early adopted by the Company are as follows:

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

The Korean IFRS 1118 will replace Korean IFRS 1001, *Presentation of Financial Statements*, and is effective for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted. However, The Company has not early adopted the new standard in preparing its interim consolidated financial statements.

Korean IFRS 1118 introduces a more structured statement of profit or loss and requires further disaggregation of information. The Company is in the process of assessing the impacts that the adoption of Korean IFRS 1118 may have on its financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The expected impacts upon initial application are described below; however, the actual impacts arising from the application of the new standard from January 1, 2027 may differ due to the following factors:

- The Company has not yet completed the design and assessment of changes to its processes and controls; and
- The new accounting policies may be subject to change until the initial annual financial statements prepared under this new standard are issued.

[Structure of the Statement of Profit or Loss]

Korean IFRS 1118 requires all income and expenses to be classified into one of five categories: operating, investing, financing, income tax, and discontinued operations. The classification of income and expenses depends on an entity's main business activities. The Company has assessed that certain activities, such as investing in assets or providing financing to customers, do not constitute its main business activities.

The application of Korean IFRS 1118 will not affect the Company's profit for the period or net assets. However, the Company will be required to present newly defined subtotals of 'operating profit' and 'profit before financing and income taxes. The operating profit subtotal under the new standard differs from the operating profit currently presented by the Company. Based on information currently available, the Company has performed a preliminary assessment of the potential impacts of the application of Korean IFRS 1118, and the following impacts have been identified:

- Share of net profit of associates and joint ventures is currently presented below 'operating profit' and above 'financial income' and 'financial expense' in the statement of profit or loss. Income and expense arising from investments that are reported with the application of the equity method are required to be classified in the investing category under Korean IFRS 18. That is, share of net profit of associates and joint ventures is expected to be classified within the investing category.
- Interest income and interest expense are currently presented as financial income and financial expense in accordance with the Company's accounting policies. Korean IFRS 1118 provides specific guidance on the classification of income and expenses within the investing and financing categories. Accordingly:
 - Interest income arising from certain financial assets held by the Company (e.g., interest income on cash and cash equivalents) is expected to be classified within the investing category; and
 - Interest expense on certain liabilities (i.e., financial liabilities not measured at fair value through profit or loss) is expected to be classified within the financing category.
- Foreign exchange differences arising from foreign currency transactions and translation are currently presented as financial income and financial expense. Under Korean IFRS 1118, foreign exchange differences are required to be classified in the same category as the income and expenses arising from the items that generated those differences. The Company expects that foreign exchange differences may be classified within operating, investing, or financing categories. For example, foreign exchange differences on trade payables will be classified within the operating category.
- Gains and losses on financial instruments designated as hedging instruments in cash flow hedges are currently presented as financial income and financial expense. Under Korean IFRS 1118, such gains and losses should be classified in the same category as the income and expenses affected by the risks that the hedging instruments are intended to manage.

Under Korean IFRS 1118, operating expenses are presented as separate line items using a nature, function, or mixed presentation format. The Company considers that a mixed presentation format will provide the most useful structured summary information on its operating expenses.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Management-defined Performance Measures (MPMs)]

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole. The Company will be required to disclose information about MPMs in a single note to the financial statements.

The Company has developed a process to determine which public communications are relevant for identifying MPMs. MPMs relate to the same reporting period as the financial statements. Accordingly, the MPMs to be disclosed following the adoption of Korean IFRS 1118 will be determined based on public communications issued by the Company in respect of the interim reporting periods in 2027.

[Principles of Aggregation and Disaggregation]

Korean IFRS 1118 introduces enhanced principles regarding how information is presented and disaggregated by type in the financial statements (i.e., the primary financial statements and the notes). It also provides guidance on how items presented or disclosed should be labelled and described.

The Company is evaluating how to aggregate and disaggregate items based on similarities and differences in characteristics. Based on this assessment, items providing useful structured summary information will be presented in the primary financial statements, while additional material information will be disclosed in the notes.

The Company is also reviewing items currently presented as 'other' and intends to provide more meaningful descriptions in the future.

[Amendments to Other Standards]

As a result of the introduction of Korean IFRS 1118, Korean IFRS 1007, *Statement of Cash Flows*, has been amended. When presenting cash flows from operating activities using the indirect method, 'operating profit' will be used as the starting point under the new standard, whereas the Company currently uses 'profit for the period' as the starting point.

Accordingly, certain adjustment items under the indirect method will change. For example, share of net profit(loss) of associates and joint ventures will no longer be included as an adjustment, as it is no longer a part of operating profit. Cash dividends received from such equity method investments will be classified as cash flows from investing activities.

In addition, the amendments to Korean IFRS 1007 provide specific guidance on the classification of interest and dividend cash flows. The Company expects to classify cash flows from interest received and dividends received as investing activities rather than operating activities, and cash flows from interest paid as financing activities rather than operating activities. Dividend payments will continue to be classified as financing activities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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, 2025, 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 ₩1,462.2 to \$1, the average exchange rate for the three-month period ended March 31, 2026. 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, 2025, 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

3. Financial Instruments by Category

Categorizations of financial assets and liabilities as of March 31, 2026 and December 31, 2025 are as follows:

(1) As of March 31, 2026

<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	73,306,751	-	-	-	73,306,751
Short-term financial instruments	74,048,085	-	-	-	74,048,085
Short-term financial assets at fair value through profit or loss	-	-	23,238	-	23,238
Trade receivables	82,285,029	-	-	-	82,285,029
Financial assets at fair value through other comprehensive income	-	22,090,048	-	-	22,090,048
Financial assets at fair value through profit or loss	-	-	1,374,329	-	1,374,329
Other	22,694,589	-	229,010	51,046	22,974,645
Total	252,334,454	22,090,048	1,626,577	51,046	276,102,125

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

<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	15,820,977	-	-	15,820,977
Short-term borrowings	355,221	-	19,191,094	19,546,315
Other payables	19,613,510	-	-	19,613,510
Current portion of long-term liabilities	10,099	-	1,181,069	1,191,168
Debentures	7,515	-	-	7,515
Long-term borrowings	3,606,066	-	3,787,730	7,393,796
Long-term other payables	4,210,741	-	-	4,210,741
Other	15,464,304	105,898	34,428	15,604,630
Total	59,088,433	105,898	24,194,321	83,388,652

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. Financial Assets at Fair Value

(A) Details of financial assets at fair value as of March 31, 2026 and December 31, 2025 are as follows:

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

<i>(In millions of Korean won)</i>	March 31, 2026	December 31, 2025
Non-current portion		
Equity instruments	22,090,048	16,295,005

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

<i>(In millions of Korean won)</i>	March 31, 2026	December 31, 2025
Current portion		
Debt instruments	23,238	25,715
Non-current portion		
Equity instruments	655,993	591,468
Debt instruments	718,336	689,033
Subtotal	1,374,329	1,280,501
Total	1,397,567	1,306,216

(B) Details of listed equity securities of financial assets at fair value as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won and number of shares and percentage)</i>	March 31, 2026			December 31, 2025	
	Number of shares owned	Percentage of ownership (%)^(*)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	3,276,967	3,230,057
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	88,208	89,410
iMarketKorea Inc.	647,320	1.9	324	4,732	5,101
Wonik Holdings Co.,Ltd.	3,518,342	4.6	30,821	92,005	171,343
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	400,172	251,357
Wacom Co., Ltd.	8,398,400	6.2	23,933	58,838	62,347
Corning Incorporated	68,000,000	7.9	3,383,540	13,992,836	8,543,509
Other			653,725	1,198,871	999,612
Total			5,070,886	19,112,629	13,352,736

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. Inventories

Inventories as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2026			December 31, 2025		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	15,240,900	(1,455,384)	13,785,516	13,982,644	(1,703,543)	12,279,101
Work in process	27,448,115	(2,543,903)	24,904,212	26,775,342	(2,998,412)	23,776,930
Raw materials and supplies	19,500,848	(1,263,010)	18,237,838	16,411,422	(1,139,810)	15,271,612
Materials in transit	1,350,807	-	1,350,807	1,309,185	-	1,309,185
Total	63,540,670	(5,262,297)	58,278,373	58,478,593	(5,841,765)	52,636,828

6. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Balance as of January 1	13,772,121	12,592,117
Acquisition	-	13,965
Disposal	(6,400)	(2,081)
Share of profit	244,758	118,853
Other ^(*)	91,560	(121,901)
Balance as of March 31	14,102,039	12,600,953

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(B) Major investments in associates and joint ventures as of March 31, 2026 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. ^{(*)2}	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. ^{(*)3}	Investment in new business	31.2	Korea	December
Samsung Epis Holdings Co., Ltd. ^{(*)3}	Investment in new business	31.2	Korea	December
Samsung SDI Co., Ltd. ^{(*)4}	Manufacture and supply electronic parts including secondary cell batteries	19.4	Korea	December
Cheil Worldwide, Inc. ^{(*)5}	Advertising agency	25.2	Korea	December

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

^{(*)2} The Company's ownership of ordinary shares outstanding is 24.3%.

^{(*)3} The Company's ownership of ordinary shares outstanding is 31.3%.

^{(*)4} The Company's ownership of ordinary shares outstanding is 20.3%.

^{(*)5} The Company's ownership of ordinary shares outstanding is 28.7%.

(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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(C) Details of investments in associates and joint ventures as of March 31, 2026 and December 31, 2025 are as follows:

(1) Investments in associates

<i>(In millions of Korean won)</i>			
March 31, 2026			
Investee	Acquisition cost	Net asset value of equity shares (*)	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	2,298,537	2,313,091
Samsung SDS Co., Ltd.	147,963	2,240,681	2,254,950
Samsung Biologics Co., Ltd.	1,410,104	2,475,902	3,656,279
Samsung Epis Holdings Co., Ltd.	185,788	1,878,373	726,170
Samsung SDI Co., Ltd.	1,614,403	4,494,260	3,069,431
Cheil Worldwide, Inc.	506,162	436,443	736,947
Other	620,738	934,817	1,093,810
Total	4,844,395	14,759,013	13,850,678

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(2) Investments in joint ventures

(In millions of Korean won)

		March 31, 2026	
Investee	Acquisition cost	Net asset value of equity shares ^(*)	Carrying amount
Samsung Corning Advanced Glass LLC	215,000	149,279	149,258
Other	259,994	88,564	102,103
Total	474,994	237,843	251,361

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

(In millions of Korean won)

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

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

(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, 2026

(In millions of Korean won)

	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.	2,249,353	57,965	47,352	(41,579)	2,313,091
Samsung SDS Co., Ltd.	2,253,776	21,243	35,667	(55,736)	2,254,950
Samsung Biologics Co., Ltd.	3,509,028	146,477	774	-	3,656,279
Samsung Epis Holdings Co., Ltd.	671,358	55,077	(265)	-	726,170
Samsung SDI Co., Ltd.	3,003,653	(25,750)	91,528	-	3,069,431
Cheil Worldwide, Inc.	752,070	8,032	12,562	(35,717)	736,947
Samsung Corning Advanced Glass LLC	148,044	1,214	-	-	149,258
Other	1,184,839	(19,500)	30,085	489	1,195,913
Total	13,772,121	244,758	217,703	(132,543)	14,102,039

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(2) 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, and dividends.

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

(1) Summary of condensed financial information of major associates and dividends received from associates as of March 31, 2026 and December 31, 2025, and for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026					
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung Epis Holdings Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide , Inc.
1. Condensed financial information						
Condensed statements of financial position:						
Current assets	8,002,879	9,782,872	4,660,750	2,288,002	8,995,625	2,714,959
Non-current assets	7,657,605	3,913,734	7,334,250	5,766,952	35,510,649	715,540
Current liabilities	4,491,463	2,598,933	2,740,014	1,705,338	10,305,045	1,519,629
Non-current liabilities	1,077,928	851,307	1,332,150	343,328	9,291,307	371,652
Non-controlling interests	276,630	326,724	-	-	2,331,375	16,997
Condensed statements of comprehensive income:						
Revenue	3,209,113	3,352,918	1,257,119	453,894	3,576,353	1,017,566
Profit (loss) from continuing operations, net of tax ^(*)	249,144	92,381	469,245	216,158	(155,581)	28,013
Profit from discontinued operations, net of tax ^(*)	24	-	-	-	-	-
Other comprehensive income ^(*)	201,213	143,040	2,480	3,577	1,163,814	38,911
Total comprehensive income ^(*)	450,381	235,421	471,725	219,735	1,008,233	66,924
2. Dividends from associates						
Dividends	41,579	55,736	-	-	-	35,717

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

<i>(In millions of Korean won)</i>	2025					
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung Epis Holdings Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide , Inc.
1. Condensed financial information						
Condensed statements of financial position:						
Current assets	7,097,623	9,405,729	4,408,367	1,880,001	8,739,929	2,880,955
Non-current assets	7,498,273	4,047,975	6,652,375	5,835,583	33,515,410	706,862
Current liabilities	3,819,497	2,331,827	2,532,917	1,401,268	9,794,853	1,627,926
Non-current liabilities	979,054	858,977	1,076,714	525,244	8,890,373	371,841
Non-controlling interests	255,582	346,793	-	-	2,127,239	15,708
Condensed statements of comprehensive income:						
Revenue	2,738,649	3,489,764	1,298,273	-	3,176,818	1,039,417
Profit (loss) from continuing operations, net of tax (*)	134,179	211,496	375,554	-	(226,169)	28,327
Profit (loss) from discontinued operations, net of tax (*)	(448)	-	-	-	5,621	-
Other comprehensive income (loss) (*)	25,820	28,037	(121)	-	128,613	21,408
Total comprehensive income (loss) (*)	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.

(2) Summary of condensed financial information of major joint ventures and dividends received from joint ventures as of March 31, 2026 and December 31, 2025, and for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	Samsung Corning Advanced Glass, LLC	
	2026	2025
1. Condensed financial information		
Condensed statements of financial position:		
Current assets	92,853	102,100
Non-current assets	234,717	224,966
Current liabilities	28,216	30,316
Non-current liabilities	797	621
Condensed statements of comprehensive income (*):		
Revenue	41,388	44,582
Profit for the period	2,428	1,887
Total comprehensive income	2,428	1,887
2. Dividends from joint ventures		
Dividends	-	-

(*) The amounts presented are for the three-month quarterly period.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026		2025	
	Associates	Joint ventures	Associates	Joint ventures
Profit (loss) from continuing operations	(20,193)	693	(19,460)	716
Other comprehensive income (loss)	26,441	3,644	(1,668)	4,801
Total comprehensive income (loss)	6,248	4,337	(21,128)	5,517

(F) Details of marketable investments in associates as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2026		December 31, 2025
	Number of shares held	Market value	Market value
Samsung Electro-Mechanics Co., Ltd.	17,693,084	7,209,932	4,511,736
Samsung SDS Co., Ltd.	17,472,110	2,622,564	2,996,467
Samsung Biologics Co., Ltd.	14,449,944	21,732,716	24,492,655
Samsung Epis Holdings Co., Ltd.	7,767,364	3,837,078	5,771,151
Samsung SDI Co., Ltd.	15,663,968	6,390,899	4,221,439
Cheil Worldwide, Inc.	29,038,075	550,852	609,800

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(G) Other matters

On July 12, 2018, the Korea Securities and Futures Commission determined an initial measure following an investigation relating to Samsung Biologics Co., Ltd., an associate of the Company, and its accounting for its investment in Samsung Bioepis Co., Ltd, a joint venture between Biogen Therapeutics Inc. and Samsung Biologics Co., Ltd. This measure included a recommendation to dismiss the director in charge, prosecution charges, and external auditor designation by the regulator, on the basis that the Joint Venture Agreement was not disclosed in the notes to the financial statements. On November 14, 2018, the Korea Securities and Futures Commission determined a second measure which included a penalty of W8,000 million, a recommendation to dismiss the CEO, a requirement to restate its financial statements, and further prosecution charges.

To prove justification of its accounting treatment, Samsung Biologics Co., Ltd. filed a suit for cancellation of the aforementioned measures to the Seoul Administrative Court, which is currently in progress. On September 24, 2020, the Seoul Administrative Court announced a decision to cancel the first measure charged by the Korea Securities and Futures Commission and suspended its execution until the final rulings of appeal. On June 11, 2025, Seoul High Court upheld the original decision in the appellate court, but the Korea Securities and Futures Commission appealed to the Supreme Court of Korea on June 30, 2025. On September 25, 2025, the Supreme Court of Korea dismissed the final appeal and reaffirmed the full cancellation of the first measure. Regarding the lawsuit seeking the cancellation of the second measure, the Seoul Administrative Court rendered a judgment on August 14, 2024, to revoke the administrative disposition imposed by the Korea Securities and Futures Commission. However, the Korea Securities and Futures Commission filed an appeal on August 28, 2024, and the case is currently pending before the Seoul High Court

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

Although the future outcome of the administrative litigation cannot be estimated, should Samsung Biologics Co., Ltd. be required to restate its financial statements to amend its historical accounting treatment relating to its investment in Samsung Bioepis Co., Ltd., the Company's share of profit or loss relating to its equity method investment, the amount of investment in associates, and retained earnings, for the years ended December 31, 2015 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Balance as of January 1	215,304,784	205,945,209
Acquisitions and capital expenditures	11,574,129	12,325,806
Acquisitions from business combination	-	20,727
Depreciation	(11,480,235)	(10,730,215)
Disposals/scrap/impairment	(108,979)	(235,629)
Other (*)	2,525,223	59,870
Balance as of March 31	217,814,922	207,385,768

(*) 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, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Cost of sales	9,809,378	9,423,481
Selling and administrative expenses, and other	1,670,857	1,306,734
Total	11,480,235	10,730,215

(C) Right-of-use assets as of March 31, 2026 amount to ₩5,475,576 million (December 31, 2025: ₩5,388,707 million). During the three-month periods ended March 31, 2026 and 2025, newly recognized right-of-use assets amount to ₩340,956 million and ₩327,506 million, respectively, with relevant depreciation of ₩336,488 million and ₩314,199 million, respectively.

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8. Intangible Assets

(A) Changes in intangible assets for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Balance as of January 1	29,480,565	23,738,566
External acquisitions	446,383	1,297,818
Acquisition from business combination	-	2,263,546
Amortization	(886,407)	(788,575)
Disposals/scrap/impairment	(5,741)	(6,572)
Other ^(*)	608,917	190,303
Balance as of March 31	29,643,717	26,695,086

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

(B) Details of amortization of intangible assets for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Cost of sales	587,022	539,485
Selling and administrative expenses and other	299,385	249,090
Total	886,407	788,575

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9. Borrowings

Details of the carrying amounts of borrowings as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	Financial institutions	Interest rate (%) as of Mar 31, 2026	March 31, 2026	December 31, 2025
Short-term borrowings				
Collateralized borrowings ^{(*)1}	Woori Bank and others	1.3~17.9	19,191,094	17,411,670
Non-collateralized borrowings	Citibank and others	0.0~40.7	355,221	163,310
Total			19,546,315	17,574,980
Current portion of long-term borrowings				
Bank borrowings	BNP and others	3.3~4.4	2,584	1,977
Lease liabilities ^{(*)2}	CSSD and others	5.1	1,181,069	1,168,438
Total			1,183,653	1,170,415
Long-term borrowings				
Bank borrowings	Korea Development Bank and others	0.0~7.4	3,606,066	2,806,014
Lease liabilities ^{(*)2}	CSSD and others	5.1	3,787,730	3,673,503
Total			7,393,796	6,479,517

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

(*)2 Interest expenses arising from the lease liabilities for the three-month periods ended March 31, 2026 and 2025 amount to ₩62,147 million and ₩61,077 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, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rate (%) as of March 31, 2026	March 31, 2026	December 31, 2025
US dollar denominated straight bonds ^(*)	October 2, 1997	October 1, 2027	7.7	15,134 (US \$10 million)	14,349 (US \$ 10 million)
Less: Discounts				(104)	(122)
Less: Current portion				(7,515)	(7,093)
Total				7,515	7,134

(*) 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

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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, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2026	December 31, 2025
Present value of funded defined benefit obligations	17,085,768	16,370,236
Present value of unfunded defined benefit obligations	572,461	484,816
Subtotal	17,658,229	16,855,052
Fair value of plan assets	(20,353,960)	(20,568,079)
Total	(2,695,731)	(3,713,027)

- (B) The components of defined benefit costs recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Current service cost	396,422	384,254
Net interest income	(44,911)	(33,032)
Past service cost ^(*)	731,295	(97)
Other	2,065	9,178
Total	1,084,871	360,303

^(*) Effects on defined benefit obligations as a result of the ruling on the scope of average wages are included.

- (C) The expenses related to defined benefit plans recognized in the statement of profit or loss for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Cost of sales	465,496	146,587
Selling and administrative expenses and other	619,375	213,716
Total	1,084,871	360,303

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12. Provisions

Changes in the provisions for the three-month period ended March 31, 2026 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	2,607,036	2,218,998	782,262	4,982,674	10,590,970
Charged to profit or loss	370,247	1,070,953	79,531	1,923,914	3,444,645
Payment	(431,712)	(125,626)	(32,587)	(160,799)	(750,724)
Other ^(*)	69,375	128,804	3,527	55,300	257,006
Balance as of March 31	2,614,946	3,293,129	832,733	6,801,089	13,541,897

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

- (1) The amount of emission rights allocated free of charge in the current commitment period and the estimated amount of emission as of March 31, 2026 are as follows:

<i>(In ten thousand metric tons)</i>	March 31, 2026
Emission rights allocated free of charge	1,665
Estimated volume of emission	1,843

- (2) Changes in the emission rights for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Balance as of January 1	3,137	3,137
Increase (decrease)	1,680	-
Utilization	-	-
Balance as of March 31	4,817	3,137

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(3) Changes in emissions liabilities for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Balance as of January 1	150	174
Charged to profit or loss	45	43
Utilization	-	-
Balance as of March 31	195	217

13. Commitments and Contingencies

(A) Litigation

As of March 31, 2026, the Company is involved in various claims, disputes, and investigations conducted by regulatory bodies that arose during the normal course of business with numerous entities. Although the outflow of resources and timing of these matters are uncertain, the Company believes the outcome will not have a material impact on the financial position of the Company.

(B) Business Combination

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

(C) Other commitments

As of March 31, 2026, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩27,503,020 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, 2026	December 31, 2025
Contract liabilities ^(*)	15,085,249	13,978,566

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

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15. Share Capital

As of March 31, 2026, the Company's total number of authorized shares is 25,000,000,000 shares (₩100 per share). As well as its ordinary shares, the Company also has non-cumulative preference shares that are eligible for an additional 1% cash dividend over par value per annum compared to ordinary shares, but without voting rights. The Company has issued 5,919,637,922 shares of ordinary shares and 815,974,664 shares of preference shares as of December 31, 2025, excluding the number of retired shares. The number of shares outstanding is different from the aforementioned number of shares issued due to purchase of treasury shares. Due to the retirement of shares, the total par value of the shares issued which excludes the number of retired shares is ₩673,561 million (ordinary shares of ₩591,964 million and preference shares of ₩81,597 million), which does not agree with paid-in capital of ₩897,514 million.

<i>(Number of shares)</i>	Ordinary shares outstanding	Preference shares outstanding
As of January 1, 2025	5,940,082,550	818,836,700
Treasury shares purchased	(118,314,495)	(16,465,497)
Treasury shares granted	6,040,880	-
As of December 31, 2025	5,827,808,935	802,371,203
As of January 1, 2026	5,827,808,935	802,371,203
Treasury shares purchased	(45,093,671)	-
Treasury shares granted	9,848,040	-
As of March 31, 2026	5,792,563,304	802,371,203

The Company granted 9,848,040 treasury shares to its employees during the three-month period ended March 31, 2026, with a total acquisition cost of ₩1,106,176 million, pursuant to the board of directors' resolutions on January 23, January 28, and March 18, 2026.

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16. Retained Earnings

(A) Retained earnings as of March 31, 2026 and December 31, 2025 consist of the following:

<i>(In millions of Korean won)</i>	March 31, 2026	December 31, 2025
Discretionary reserve and other	258,042,275	238,481,469
Unappropriated retained earnings	187,567,544	163,654,131
Total	445,609,819	402,135,600

(B) Details of interim dividends are as follows (Record date: March 31, 2026 and 2025):

<i>(In millions of Korean won and number of shares)</i>		2026	2025
Number of shares eligible for dividends	Ordinary shares	5,792,563,304	5,892,637,922
	Preference shares	802,371,203	812,249,664
Dividend rate (based on par value)	Ordinary/Preference	372%	365%
Dividend amount	Ordinary shares	2,154,834	2,150,813
	Preference shares	298,482	296,471
	Total	2,453,316	2,447,284

17. Other Components of Equity

(A) Other components of equity as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2026	December 31, 2025
Gain on valuation of financial assets at fair value through other comprehensive income	9,908,287	6,149,263
Share of other comprehensive income of associates and joint ventures	978,351	760,827
Foreign currency translation differences for foreign operations	28,054,487	19,618,086
Remeasurement of net defined benefit liabilities (assets)	(3,706,146)	(3,508,193)
Treasury shares	(13,114,994)	(6,606,360)
Share-based payment	815,205	365,810
Others	118,385	96,815
Total	23,053,575	16,876,248

(B) Treasury shares as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won and number of shares)</i>		March 31, 2026	December 31, 2025
Number of treasury shares purchased	Ordinary shares	127,074,618	91,828,987
	Preference shares	13,603,461	13,603,461
Acquisition cost	Ordinary shares	12,401,062	5,892,428
	Preference shares	713,932	713,932

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(C) Equity-settled performance incentive

The Company agreed to grant 6,524,129 ordinary shares as restricted stock awards (RSA) to executives and employees to settle a portion of their performance incentives in January 2026. Accordingly, ₩1,047,102 million, representing the fair value of the shares at the grant date, was reclassified from accrued expenses to other components of equity and recognized as wages and salaries. Grant of shares was completed during the three-month period ended March 31, 2026.

In addition, the 1,176,383 ordinary shares of the restricted stock awards that were outstanding as of December 31, 2025 were settled during the three-month period ended March 31, 2026.

(D) Share-based compensation for employees and executives

The Company agreed to grant ordinary shares to high-performing employees for retention and motivation purposes and recognized ₩370,568 million, which is the fair value of the 1,777,305 ordinary shares as of the grant date, as welfare expense with corresponding credit to other components of equity during the three-month period ended March 31, 2026. The grant of shares was partially executed during the three-month period ended March 31, 2026 and the grants of the remaining shares will be settled by 2028.

In addition, 1,569,895 of the 1,574,685 ordinary shares that had been agreed for the same purpose but remained unsettled as of December 31, 2025 were settled during the three-month period ended March 31, 2026.

(E) Equity-settled long-term incentives

The Company agreed to grant shares for a portion of long-term incentives to executives and recognized ₩21,304 million, which is the fair value of 132,738 ordinary shares as of the grant date, as wages and salaries with corresponding credit to other components of equity during the three-month period ended March 31, 2026. The grant of shares was fully settled during the three-month period ended March 31, 2026.

In addition, there was no settlement during the three-month period ended March 31, 2026 of the 778,984 ordinary shares that had been agreed for the same purpose but remained unsettled as of December 31, 2025.

(F) Performance Stock Units

The Company operates a Performance Stock Units (PSU) plan for employees and executives of SEC and Samsung Display Co., Ltd. In connection with this plan, the Company recognized expenses amounting to ₩265,248 million during the three-month period ended March 31, 2026.

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18. Expenses by Nature

Expenses by nature for the three-month periods ended March 31, 2026 and 2025 consist of the following:

<i>(In millions of Korean won)</i>	2026	2025
Changes in finished goods, work in process, and other	(2,633,697)	(1,130,821)
Raw materials used, merchandise purchased, and other	27,555,867	28,353,466
Wages and salaries	10,527,843	8,906,310
Post-employment benefit	1,342,821	422,769
Depreciation	11,480,235	10,730,215
Amortization	886,407	788,575
Welfare	2,355,030	1,838,492
Utilities	2,356,715	2,228,202
Outsourcing	2,326,667	2,114,605
Advertising	1,247,378	1,542,416
Sales promotion	2,035,728	2,143,596
Other	17,159,653	14,517,406
Total^(*)	76,640,647	72,455,231

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

19. Selling and Administrative Expenses

Selling and administrative expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Selling and administrative expenses		
Wages and salaries	2,733,474	2,253,204
Post-employment benefit	238,177	102,207
Commissions	2,653,865	2,406,926
Depreciation	462,149	435,267
Amortization	232,432	185,280
Advertising	1,247,378	1,542,416
Sales promotion	2,035,728	2,143,596
Transportation	609,763	640,743
Service	1,166,334	998,393
Other	1,964,363	1,704,527
Subtotal	13,343,663	12,412,559
Research and development expenses		
Research and development	11,336,713	9,032,741
Total	24,680,376	21,445,300

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20. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Other non-operating income		
Dividend income	35,688	35,117
Rental income	36,971	38,178
Gain on disposal of property, plant and equipment	18,131	6,819
Other	384,848	1,026,191
Total	475,638	1,106,305

<i>(In millions of Korean won)</i>	2026	2025
Other non-operating expenses		
Loss on disposal of property, plant and equipment	55,833	10,748
Donations	35,732	43,970
Other	297,917	186,695
Total	389,482	241,413

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21. Financial Income and Expenses

Details of financial income and expenses for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Financial income		
Interest income	1,228,109	1,239,349
Financial assets measured at amortized cost	1,228,057	1,239,294
Financial assets measured at fair value through profit or loss	52	55
Foreign exchange differences	4,593,596	1,900,438
Gain from derivatives	301,260	831,097
Total	6,122,965	3,970,884

<i>(In millions of Korean won)</i>	2026	2025
Financial expenses		
Interest expenses	277,669	176,087
Financial liabilities measured at amortized cost	89,645	23,889
Other financial liabilities	188,024	152,198
Foreign exchange differences	4,314,202	2,033,440
Losses from derivatives	266,371	278,798
Total	4,858,242	2,488,325

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

22. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year considering global minimum top-up tax. The average annual tax rate expected as of March 31, 2026 to be effective for the year ended December 31, 2026 is 19.7%.

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23. Earnings per Share

Earnings per share for the three-month periods ended March 31, 2026 and 2025 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>	2026	2025
Profit for the period attributable to owners of the parent company	47,101,190	8,028,407
Profit for the period attributable to ordinary shares	41,384,865	7,056,091
Weighted-average number of ordinary shares outstanding	5,809,886	5,920,293
Basic earnings per ordinary share (in Korean won)	7,123	1,192

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2026	2025
Profit for the period attributable to owners of the parent company	47,101,190	8,028,407
Profit for the period attributable to ordinary shares	41,435,769	7,056,228
Weighted-average number of diluted ordinary shares outstanding(*)	5,872,601	5,921,138
Diluted earnings per ordinary share (in Korean won)	7,056	1,192

(*) The weighted average diluted potential ordinary shares included related to stock-based compensation are 62,715 thousand and 845 thousand shares for the three-month periods ended March 31, 2026 and 2025, respectively.

Diluted earnings per share is calculated by adjusting the weighted-average number of ordinary shares outstanding, assuming the conversion of all potentially dilutive securities into ordinary shares. Among the dilutive potential ordinary shares held by the Company, the number of shares rising from Performance Stock Units is calculated based on the number of shares to be granted to employees and executives, assuming that the share price as of March 31, 2026 is equal to the reference share price at the end of the three-year vesting period. Potentially dilutive instruments that have an antidilutive effect are excluded from the calculation of diluted earnings per share.

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(B) Preference shares

(1) Basic earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2026	2025
Profit for the period attributable to owners of the parent company	47,101,190	8,028,407
Profit for the period attributable to for preference shares	5,716,325	972,316
Weighted-average number of preference shares outstanding	802,371	815,926
Basic earnings per preference share (in Korean won)	7,124	1,192

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2026	2025
Profit for the period attributable to owners of the parent company	47,101,190	8,028,407
Profit for the period attributable to preference shares	5,665,421	972,179
Weighted-average number of diluted preference shares outstanding	802,371	815,926
Diluted earnings per preference share (in Korean won)	7,061	1,192

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24. Statements of Cash Flows

(A) The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the three-month periods ended March 31, 2026 and 2025 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2026	2025
Adjustments:		
Income tax expense	11,603,162	928,698
Financial income	(4,460,803)	(2,808,437)
Financial expenses	3,674,255	1,620,482
Post-employment benefits	1,342,821	422,769
Depreciation	11,480,235	10,730,215
Amortization	886,407	788,575
Bad debt expense	55,308	38,333
Dividend income	(35,688)	(35,117)
Share of profit of associates and joint ventures	(244,758)	(118,853)
Gain on disposal of property, plant and equipment	(18,131)	(6,819)
Loss on disposal of property, plant and equipment	55,833	10,748
(Reversal of) loss on valuation of inventories and others	(214,264)	870,898
Others	1,598,763	(483,808)
Total	25,723,140	11,957,684

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2026	2025
Changes in assets and liabilities :		
Decrease (increase) in trade receivables	(28,670,819)	536,031
Decrease in other receivables	29,201	929,088
Decrease (increase) in prepaid expenses	(97,096)	28,519
Increase in inventories	(4,115,133)	(2,101,170)
Increase in trade payables	1,661,669	808,190
Decrease in other payables	(428,358)	(1,244,493)
Increase (decrease) in advances received	656,211	(103,338)
Increase in withholdings	174,488	62,649
Decrease in accrued expenses	(3,004,248)	(1,572,697)
Increase (decrease) in provisions	2,693,921	(83,898)
Payment of post-employment benefits	(813,729)	(407,198)
Others	(95,156)	(491,457)
Total	(32,009,049)	(3,639,774)

(B) For the three-month periods ended March 31, 2026 and 2025, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩351,604 million and ₩328,831 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩62,147 million and ₩61,077 million, respectively.

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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, trade receivables, financial assets at fair value through other comprehensive income 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.

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(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, 2026 and 2025, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩189,802 million and ₩75,229 million, respectively, and changes in profit before tax of ₩1,324 million and ₩1,111 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.

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(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, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2026	December 31, 2025
Total liabilities	146,703,628	130,621,773
Total equity	486,635,976	436,320,337
Debt ratio	30.1%	29.9%

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26. Fair Value Measurement

(A) Carrying amounts and fair values of financial instruments by category as of March 31, 2026 and December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	73,306,751	(*)	57,856,378	(*)
Short-term financial instruments	74,048,085	(*)	67,965,021	(*)
Short-term financial assets at fair value through profit or loss	23,238	23,238	25,715	25,715
Trade receivables	82,285,029	(*)	51,127,642	(*)
Financial assets at fair value through other comprehensive income	22,090,048	22,090,048	16,295,005	16,295,005
Financial assets at fair value through profit or loss	1,374,329	1,374,329	1,280,501	1,280,501
Other ^(*2)	22,974,645	280,056	20,635,421	174,019
Total financial assets	276,102,125		215,185,683	
Financial liabilities				
Trade payables	15,820,977	(*)	13,039,380	(*)
Short-term borrowings	19,546,315	(*)	17,574,980	(*)
Other payables	19,613,510	(*)	19,913,847	(*)
Current portion of long-term liabilities	1,191,168	8,014	1,177,508	7,556
- Long-term borrowings	1,183,653	(*) ^(*3)	1,170,415	(*) ^(*3)
- Debentures	7,515	8,014	7,093	7,556
Debentures	7,515	8,324	7,134	7,875
Long-term borrowings	7,393,796	(*) ^(*3)	6,479,517	(*) ^(*3)
Long-term other payables	4,210,741	(*)	4,861,818	(*)
Other ^(*2)	15,604,630	140,326	14,386,337	107,811
Total financial liabilities	83,388,652		77,440,521	

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

(*) Assets measured at the cost of ₩22,694,589 million and ₩20,461,402 million as of March 31, 2026 and December 31, 2025, respectively, liabilities measured at the cost of ₩15,464,304 million and ₩14,278,526 million as of March 31, 2026 and December 31, 2025, respectively, are excluded as their carrying amounts are a reasonable estimate of fair value.

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

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(B) Fair value hierarchy classifications of the financial instruments that are measured or disclosed at fair value as of March 31, 2026 and December 31, 2025 are as follows:

March 31, 2026				
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term financial assets at fair value through profit or loss	-	23,238	-	23,238
Financial assets at fair value through other comprehensive income	18,980,208	-	3,109,840	22,090,048
Financial assets at fair value through profit or loss	132,420	-	1,241,909	1,374,329
Other	-	185,449	94,607	280,056
2) Liabilities				
Current portion of debentures	-	8,014	-	8,014
Debentures	-	8,324	-	8,324
Other	-	140,326	-	140,326
December 31, 2025				
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term financial assets at fair value through profit or loss	-	25,715	-	25,715
Financial assets at fair value through other comprehensive income	13,206,702	-	3,088,303	16,295,005
Financial assets at fair value through profit or loss	146,034	-	1,134,467	1,280,501
Other	-	116,860	57,159	174,019
2) Liabilities				
Current portion of debentures	-	7,556	-	7,556
Debentures	-	7,875	-	7,875
Other	-	107,811	-	107,811

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

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of forward foreign exchange contracts 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.

(C) Valuation technique and the inputs

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

The following table presents the valuation technique and the inputs used for major financial instruments classified as Level 3 as of March 31, 2026.

(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	37,989	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	14.1%
MiCo Ceramics Co., Ltd.	70,733	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	11.8%
TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)	1,719,230	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.0%
China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT)	366,347	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.0%
Others				
Put option on equity instruments	94,607	Binomial model	Risk-free rate	3.7%~3.8%, 4.1%
			Price volatility	47.1%, 38.3%

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(D) Changes in Level 3 instruments for the three-month periods ended March 31, 2026 and 2025 are as follows:

<i>(In millions of Korean won)</i>	2026	2025
Financial assets		
Balance as of January 1	4,279,929	4,406,446
Acquisitions	80,826	22,264
Disposals	(191,796)	(13,200)
Amount recognized in profit for the period	89,495	607,370
Amount recognized in other comprehensive income	125,100	(133,702)
Other	62,802	(958,585)
Balance as of March 31	4,446,356	3,930,593

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

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

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

<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 ^(*)	-	271,310	-	(173,859)
Others ^(*)	13,536	-	(13,469)	-

(*) For equity securities, changes in fair value are calculated by increasing or decreasing the growth rate and the discount rate (-1.0%~1.0%), which are significant unobservable inputs.

(*) Changes in fair value were calculated by increasing or decreasing price volatility (-5.0%~5.0%) of underlying asset, which is a significant unobservable input.

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27. 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, 2026

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	52,654,686	81,715,643	6,693,457	3,826,349	(11,016,691)	133,873,444
Depreciation	690,560	10,029,848	617,379	96,367	-	11,480,235
Amortization	502,610	208,835	59,726	49,865	-	886,407
Operating profit	2,967,682	53,663,274	362,746	221,968	-	57,232,797

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

Revenue by major product for the three-month period ended March 31, 2026 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	7,727,817	37,503,639	74,779,980	6,693,457	133,873,444

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

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(2) 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.

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.

(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, 2026 and 2025 are as follows:

(1) As of and for the period ended March 31, 2026

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	13,484,693	59,750,339	15,713,828	16,761,207	28,163,377	-	133,873,444
Non-current assets ^(*)	181,014,085	36,479,194	7,601,050	10,155,433	9,840,764	2,368,113	247,458,639

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

(2) 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, 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

28. Related Party Transactions

(A) Sale and purchase transactions

Sale and purchase transactions with related parties for the three-month periods ended March 31, 2026 and 2025 are as follows:

(In millions of Korean won)

		2026			
	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.	72,094	-	525,870	55,056
	Samsung Electro-Mechanics Co., Ltd.	50,271	-	203,414	-
	Samsung SDI Co., Ltd.	19,296	-	172,486	-
	Cheil Worldwide Inc.	36,464	-	195,842	-
	Other	391,065	156	3,307,202	123,410
	Total	569,190	156	4,404,814	178,466
Other related parties	Samsung C&T Co., Ltd.	2,520	113	43,007	720,138
	Other	(21,649)	-	362,570	667,322
	Total	(19,129)	113	405,577	1,387,460
Other ^(*)	Samsung E&A Co., Ltd.	422	-	969	526,225
	S-1 Corporation	1,977	-	132,136	10,650
	Other	51,918	-	48,638	311,223
	Total	54,317	-	181,743	848,098

(*) 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.

(In millions of Korean won)

		2025			
	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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(B) Balances of receivables and payables

Arising from transactions with related parties as of March 31, 2026 and December 31, 2025 are as follows:

(In millions of Korean won)

		March 31, 2026	
	Name of company^(*)	Receivables and other	Payables and other^(*)
Associates and joint ventures	Samsung SDS Co., Ltd.	15,350	589,543
	Samsung Electro-Mechanics Co., Ltd.	7,134	93,180
	Samsung SDI Co., Ltd.	129,771	69,386
	Cheil Worldwide Inc.	119	313,454
	Other	295,610	1,263,960
	Total	447,984	2,329,523
Other related parties	Samsung C&T Co., Ltd.	205,215	1,586,460
	Other	23,178	344,586
	Total	228,393	1,931,046
Other ^(*)	Samsung E&A Co., Ltd.	306	1,048,569
	S-1 Corporation	1,408	56,274
	Other	18,887	326,902
	Total	20,601	1,431,745

(*) 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.

(In millions of Korean won)

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

(*) 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.

Samsung Electronics Co., Ltd. and its subsidiaries

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- (C) For the three-month periods ended March 31, 2026 and 2025 the Company invested nil and ₩13,965 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ₩6,400 million and ₩2,081 million from its investments in associates and joint ventures during the three-month periods ended March 31, 2026 and 2025, respectively.
- (D) For the three-month periods ended March 31, 2026 and 2025, the Company declared dividends of ₩611,714 million and ₩400,702 million, respectively, to related parties. As of March 31, 2026, the dividend payable to related parties amounts to ₩611,714 million. In addition, for the three-month periods ended March 31, 2026 and 2025, the Company declared dividends of ₩49,841 million and ₩32,235 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, 2026, there is ₩49,841 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, 2026 and 2025, the Company entered into lease agreements with its related parties amounting to ₩4,600 million and ₩18,606 million, respectively, and the lease payments made to the related parties were ₩9,595 million and ₩9,732 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, 2026 and 2025 consists of:

<i>(In millions of Korean won)</i>	2026	2025
Short-term employee benefits	11,427	2,550
Post-employment benefits	107	600
Other long-term employee benefits	1,643	1,799

29. Subsequent events

- (A) The Company retired 73,359,314 ordinary shares with a total acquisition cost of ₩4,632,139 million and 13,603,461 preferred shares with a total acquisition cost of ₩713,932 million pursuant to the board of directors' resolution on March 30, 2026. The retirement was effective as of April 2, 2026.
- (B) The Company acquired treasury shares for the purpose of settling share-based compensation pursuant to the board of directors' resolution on March 18, 2026. 28,371,401 ordinary shares with a total acquisition cost of ₩5,633,816 million were acquired after the reporting date.