

SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES

Interim Consolidated Financial Statements

March 31, 2024 and 2023

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

Samsung Electronics Co., Ltd.:

Reviewed Financial Statements

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

Management's Responsibility for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Korean International Financial Reporting Standard No. 1034, *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a report on these interim consolidated financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Security and Futures Commission of the Republic of Korea. A review of interim financial information consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the interim consolidated financial statements referred to above do not present fairly, in all material respects, in accordance with Korean International Financial Reporting Standard No. 1034, *Interim Financial Reporting*.

Other matters

We have audited the consolidated statement of financial position of the Group as of December 31, 2023, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with



Korean Standards on Auditing, and our report thereon, dated February 19, 2024, expressed an unmodified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2023, presented for comparative purposes, is not different from that audited by us in all material respects.

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

The accompanying interim consolidated financial statements as of March 31, 2024 and December 31, 2023 and for the three-month periods ended March 31, 2024 and 2023 have been translated into United States dollars solely for the convenience of the reader. We have reviewed the translation and nothing came to our attention that causes us to believe that the interim consolidated financial statements expressed in Korean won have not been translated into dollars on the basis set forth in note 2.3 to the interim consolidated financial statements.

KPMG Samjong Accounting Corp.

Seoul, Korea

May 14, 2024

This report is effective as of May 14, 2024, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying interim consolidated financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

		March 31,	December 31,	March 31,	December 31,
	Notes	2024	2023	2024	2023
		KRW	KRW	USD	USD
Assets					
Current assets					
Cash and cash equivalents	3, 25	61,906,097	69,080,893	46,607,861	52,009,621
Short-term financial instruments	3, 25	35,458,597	22,690,924	26,696,068	17,083,542
Short-term financial assets at amortized cost	3, 25	-	608,281	-	457,963
Short-term financial assets at fair value through profit or loss	3, 4, 25	28,132	27,112	21,180	20,412
Trade receivables	3, 25	41,145,391	36,647,393	30,977,541	27,591,088
Non-trade receivables	3, 25	7,421,330	6,633,248	5,587,371	4,994,040
Prepaid expenses		3,345,205	3,366,130	2,518,538	2,534,292
Inventories	5	53,347,700	51,625,874	40,164,415	38,868,087
Other current assets	3, 25	5,891,828	5,038,838	4,435,839	3,793,640
Assets held-for-sale	28	-	217,864	-	164,025
		208,544,280	195,936,557	157,008,813	147,516,710
Non-current assets					
Financial assets at fair value through other comprehensive income	3, 4, 25	8,180,091	7,481,297	6,158,627	5,632,519
Financial assets at fair value through profit or loss	3, 4, 25	1,414,332	1,431,394	1,064,822	1,077,668
Investments in associates and joint ventures	6	11,907,773	11,767,444	8,965,124	8,859,473
Property, plant and equipment	7	191,155,560	187,256,262	143,917,194	140,981,490
Intangible assets	8	23,246,603	22,741,862	17,501,902	17,121,893
Net defined benefit assets	11	4,557,943	4,905,219	3,431,584	3,693,041
Deferred income tax assets		11,057,769	10,211,797	8,325,173	7,688,257
Other non-current assets	3, 25	10,835,461	14,174,148	8,157,802	10,671,432
		262,355,532	259,969,423	197,522,228	195,725,773
Total assets		470,899,812	455,905,980	354,531,041	343,242,483

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – (Continued)

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

	Notes	March 31, 2024 KRW	December 31, 2023 KRW	March 31, 2024 USD	December 31, 2023 USD
Liabilities and Equity					
Current liabilities					
Trade payables	3, 25	12,419,094	11,319,824	9,350,087	8,522,469
Short-term borrowings	3, 9, 25	9,634,548	7,114,601	7,253,658	5,356,441
Other payables	3, 25	16,707,439	15,324,119	12,578,696	11,537,222
Advances received	14	1,689,893	1,492,602	1,272,287	1,123,750
Withholdings	3, 25	939,908	892,441	707,638	671,901
Accrued expenses	3, 14, 25	25,178,608	26,013,273	18,956,470	19,584,872
Current income tax liabilities		4,172,785	3,358,715	3,141,606	2,528,709
Current portion of long-term liabilities	3, 9, 10, 25	1,447,491	1,308,875	1,089,787	985,426
Provisions	12	7,457,013	6,524,876	5,614,236	4,912,448
Other current liabilities	3, 14, 25	2,123,576	2,308,472	1,598,798	1,738,002
Liabilities held-for-sale	28	-	61,654	-	46,418
		81,770,355	75,719,452	61,563,263	57,007,658
Non-current liabilities					
Debentures	3, 10, 25	560,590	537,618	422,057	404,762
Long-term borrowings	3, 9, 25	3,861,524	3,724,850	2,907,264	2,804,365
Long-term other payables	3, 25	5,234,343	5,488,283	3,940,832	4,132,018
Net defined benefit liabilities	11	480,564	456,557	361,807	343,733
Deferred income tax liabilities		578,137	620,549	435,268	467,199
Long-term provisions	12	3,179,028	2,878,450	2,393,427	2,167,127
Other non-current liabilities	3, 14, 25	3,319,147	2,802,356	2,498,919	2,109,838
		17,213,333	16,508,663	12,959,574	12,429,042
Total liabilities		98,983,688	92,228,115	74,522,837	69,436,700

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – (Continued)

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

		March 31,	December 31,	March 31,	December 31,
	Notes	2024	2023	2024	2023
		KRW	KRW	USD	USD
Equity attributable to owners of the parent company					
Preference shares	15	119,467	119,467	89,944	89,944
Ordinary shares	15	778,047	778,047	585,776	585,776
Share premium		4,403,893	4,403,893	3,315,603	3,315,603
Retained earnings	16	350,847,854	346,652,238	264,146,324	260,987,529
Other components of equity	17	6,165,808	1,280,130	4,642,114	963,784
		362,315,069	353,233,775	272,779,761	265,942,636
Non-controlling interests		9,601,055	10,444,090	7,228,443	7,863,147
Total equity		371,916,124	363,677,865	280,008,204	273,805,783
Total liabilities and equity		470,899,812	455,905,980	354,531,041	343,242,483

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Notes	For the three-month periods ended March 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Revenue	26	71,915,601	63,745,371	54,143,816	47,992,613
Cost of sales	18	45,886,332	46,007,093	34,546,901	34,637,819
Gross profit		26,029,269	17,738,278	19,596,915	13,354,794
Selling and administrative expenses	18, 19	19,423,260	17,098,100	14,623,383	12,872,817
Operating profit	26	6,606,009	640,178	4,973,532	481,977
Other non-operating income	20	445,281	504,295	335,243	379,674
Other non-operating expense	20	381,393	203,982	287,143	153,574
Share of net profit of associates and joint ventures	6	214,833	213,841	161,743	160,997
Financial income	21	3,484,504	4,628,049	2,623,413	3,484,365
Financial expense	21	2,662,511	3,956,001	2,004,551	2,978,394
Profit before income tax		7,706,723	1,826,380	5,802,237	1,375,045
Income tax expense	22	952,015	251,780	716,753	189,560
Profit for the period		6,754,708	1,574,600	5,085,484	1,185,485
Profit attributable to					
Owners of the parent company		6,621,030	1,401,252	4,984,841	1,054,975
Non-controlling interests		133,678	173,348	100,643	130,510
Earnings per share <i>(in Korean won and in US dollars)</i>	23				
- Basic		975	206	0.73	0.16
- Diluted		975	206	0.73	0.16

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Notes	For the three-month periods ended March 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Profit for the period		6,754,708	1,574,600	5,085,484	1,185,485
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	511,479	996,481	385,083	750,231
Share of other comprehensive income of associates and joint ventures, net of tax	17	(12,818)	29,888	(9,650)	22,502
Remeasurement of net defined benefit liabilities (assets), net of tax	17	(82,243)	(247,624)	(61,919)	(186,431)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates and joint ventures, net of tax	17	52,627	135,760	39,621	102,211
Foreign currency translation differences for foreign operations, net of tax	17	4,514,980	5,056,887	3,399,238	3,807,229
Gain on valuation of cash flow hedge derivatives	17	10,927	8,108	8,227	6,104
Other comprehensive income for the period, net of tax		4,994,952	5,979,500	3,760,600	4,501,846
Total comprehensive income for the period		11,749,660	7,554,100	8,846,084	5,687,331
Comprehensive income attributable to:					
Owners of the parent company		11,534,271	7,286,763	8,683,922	5,486,058
Non-controlling interests		215,389	267,337	162,162	201,273

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the three-month period ended March 31, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
Balance as of January 1, 2024		119,467	778,047	4,403,893	346,652,238	1,280,130	353,233,775	10,444,090	363,677,865
Profit for the period		-	-	-	6,621,030	-	6,621,030	133,678	6,754,708
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	27,563	435,213	462,776	48,703	511,479
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	-	-	-	-	48,594	48,594	(8,785)	39,809
Foreign currency translation differences for foreign operations, net of tax	17	-	-	-	-	4,473,803	4,473,803	41,177	4,514,980
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(82,859)	(82,859)	616	(82,243)
Gain on valuation of cash flow hedge derivatives	17	-	-	-	-	10,927	10,927	-	10,927
Total comprehensive income for the period		-	-	-	6,648,593	4,885,678	11,534,271	215,389	11,749,660
Dividends declared		-	-	-	(2,452,977)	-	(2,452,977)	(1,026,368)	(3,479,345)
Capital transactions under common control		-	-	-	-	-	-	(15)	(15)
Changes in consolidated entities		-	-	-	-	-	-	(32,041)	(32,041)
Total transactions with owners		-	-	-	(2,452,977)	-	(2,452,977)	(1,058,424)	(3,511,401)
Balance as of March 31, 2024		119,467	778,047	4,403,893	350,847,854	6,165,808	362,315,069	9,601,055	371,916,124

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – (Continued)

(In thousands of US dollars (Note 2.3))

For the three-month period ended March 31, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
Balance as of January 1, 2024		89,944	585,776	3,315,603	260,987,529	963,784	265,942,636	7,863,147	273,805,783
Profit for the period		-	-	-	4,984,841	-	4,984,841	100,643	5,085,484
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	20,751	327,664	348,415	36,668	385,083
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	-	-	-	-	36,585	36,585	(6,614)	29,971
Foreign currency translation differences for foreign operations, net of tax	17	-	-	-	-	3,368,237	3,368,237	31,001	3,399,238
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(62,383)	(62,383)	464	(61,919)
Gain on valuation of cash flow hedge derivatives	17	-	-	-	-	8,227	8,227	-	8,227
Total comprehensive income for the period		-	-	-	5,005,592	3,678,330	8,683,922	162,162	8,846,084
Dividends declared		-	-	-	(1,846,797)	-	(1,846,797)	(772,732)	(2,619,529)
Capital transactions under common control		-	-	-	-	-	-	(11)	(11)
Changes in consolidated entities		-	-	-	-	-	-	(24,123)	(24,123)
Total transactions with owners		-	-	-	(1,846,797)	-	(1,846,797)	(796,866)	(2,643,663)
Balance as of March 31, 2024		89,944	585,776	3,315,603	264,146,324	4,642,114	272,779,761	7,228,443	280,008,204

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – (Continued)

(In millions of Korean won)

For the three-month period ended March 31, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other component s of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2023		119,467	778,047	4,403,893	337,946,407	1,938,328	345,186,142	9,563,462	354,749,604
Profit for the period		-	-	-	1,401,252	-	1,401,252	173,348	1,574,600
Gain (Loss) on valuation of financial assets at fair value through other comprehensive income, net of tax		-	-	-	(12,830)	986,324	973,494	22,987	996,481
Share of other comprehensive income of associates and joint ventures, net of tax		-	-	-	-	159,976	159,976	5,672	165,648
Foreign currency translation differences for foreign operations, net of tax		-	-	-	-	4,991,533	4,991,533	65,354	5,056,887
Remeasurement of net defined benefit liabilities (assets), net of tax		-	-	-	-	(247,600)	(247,600)	(24)	(247,624)
Gain on valuation of cash flow hedge derivatives		-	-	-	-	8,108	8,108	-	8,108
Total comprehensive income for the period		-	-	-	1,388,422	5,898,341	7,286,763	267,337	7,554,100
Dividends declared		-	-	-	(2,452,977)	-	(2,452,977)	(50,097)	(2,503,074)
Capital transactions under common control		-	-	-	-	-	-	(948)	(948)
Others		-	-	-	-	-	-	(266)	(266)
Total transactions with owners		-	-	-	(2,452,977)	-	(2,452,977)	(51,311)	(2,504,288)
Balance as of March 31, 2023		119,467	778,047	4,403,893	336,881,852	7,836,669	350,019,928	9,779,488	359,799,416

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – (Continued)

(In thousands of US dollars (Note 2.3))

For the three-month period ended March 31, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
Balance as of January 1, 2023		89,944	585,776	3,315,603	254,433,083	1,459,328	259,883,734	7,200,139	267,083,873
Profit for the period		-	-	-	1,054,975	-	1,054,975	130,510	1,185,485
Gain (Loss) on valuation of financial assets at fair value through other comprehensive income, net of tax		-	-	-	(9,660)	742,584	732,924	17,307	750,231
Share of other comprehensive income of associates and joint ventures, net of tax		-	-	-	-	120,443	120,443	4,270	124,713
Foreign currency translation differences for foreign operations, net of tax		-	-	-	-	3,758,025	3,758,025	49,204	3,807,229
Remeasurement of net defined benefit liabilities (assets), net of tax		-	-	-	-	(186,413)	(186,413)	(18)	(186,431)
Gain on valuation of cash flow hedge derivatives		-	-	-	-	6,104	6,104	-	6,104
Total comprehensive income for the period		-	-	-	1,045,315	4,440,743	5,486,058	201,273	5,687,331
Dividends declared		-	-	-	(1,846,797)	-	(1,846,797)	(37,717)	(1,884,514)
Capital transactions under common control		-	-	-	-	-	-	(714)	(714)
Others		-	-	-	-	-	-	(200)	(200)
Total transactions with owners		-	-	-	(1,846,797)	-	(1,846,797)	(38,631)	(1,885,428)
Balance as of March 31, 2023		89,944	585,776	3,315,603	253,631,601	5,900,071	263,522,995	7,362,781	270,885,776

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

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

		For the three-month periods ended March 31,			
	Notes	2024	2023	2024	2023
		KRW	KRW	USD	USD
Operating activities					
Profit for the period		6,754,708	1,574,600	5,085,484	1,185,485
Adjustments	24	8,747,019	11,708,097	6,585,455	8,814,792
Changes in assets and liabilities arising from operating activities	24	(3,395,289)	(6,440,539)	(2,556,244)	(4,848,953)
Cash generated from operations		12,106,438	6,842,158	9,114,695	5,151,324
Interest received		1,098,569	1,085,460	827,091	817,221
Interest paid		(164,248)	(219,559)	(123,659)	(165,302)
Dividends received		35,935	38,957	27,055	29,330
Income tax paid		(1,210,388)	(1,455,242)	(911,278)	(1,095,622)
Net cash from operating activities		11,866,306	6,291,774	8,933,904	4,736,951
Investing activities					
Net decrease (increase) in short-term financial instruments		(12,174,719)	27,560,017	(9,166,102)	20,749,385
Net decrease in short-term financial assets at amortized cost		620,858	416,095	467,432	313,270
Net increase in short-term financial assets at fair value through profit or loss		(1,020)	(3,831)	(768)	(2,884)
Disposal of long-term financial instruments		4,100,008	2,960,801	3,086,814	2,229,128
Acquisition of long-term financial instruments		(129,053)	(534)	(97,161)	(402)
Disposal of financial assets at fair value through other comprehensive income		53,306	5,607	40,133	4,221
Acquisition of financial assets at fair value through other comprehensive income		(24,070)	(2,362)	(18,122)	(1,778)
Disposal of financial assets at fair value through profit or loss		92,282	17,096	69,477	12,871
Acquisition of financial assets at fair value through profit or loss		(5,924)	(11,284)	(4,460)	(8,495)
Disposal of investment in associates and joint ventures		11,731	4,661	8,832	3,509
Acquisition of investment in associates and joint ventures		(6,342)	(62,182)	(4,775)	(46,816)
Disposal of property, plant and equipment		14,964	44,774	11,266	33,709
Acquisition of property, plant and equipment		(13,421,626)	(13,243,589)	(10,104,873)	(9,970,833)
Disposal of intangible assets		340	6,142	256	4,624
Acquisition of intangible assets		(1,143,551)	(1,070,220)	(860,957)	(805,747)
Cash inflow from disposal of held-for-sale assets		101,563	-	76,465	-
Cash outflow from other investing activities		(99,498)	(149,721)	(74,911)	(112,722)
Net cash provided by (used in) investing activities		(22,010,751)	16,471,470	(16,571,454)	12,401,040

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – (Continued)

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

	Notes	For the three-month periods ended March 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Financing activities					
Net increase (decrease) in short-term borrowings		2,451,071	(777,531)	1,845,362	(585,388)
Increase in long-term borrowings		118,450	58,036	89,179	43,694
Repayment of debentures and long-term borrowings		(295,008)	(259,113)	(222,106)	(195,081)
Dividends paid		(1,012,836)	(243)	(762,544)	(183)
Transactions with non-controlling interests		(15)	(948)	(11)	(713)
Net cash provided by (used in) financing activities		1,261,662	(979,799)	949,880	(737,671)
Effect of foreign exchange rate changes		1,707,987	1,485,222	1,285,910	1,118,193
Net increase (decrease) in cash and cash equivalents		(7,174,796)	23,268,667	(5,401,760)	17,518,513
Cash and cash equivalents, beginning of the period		69,080,893	49,680,710	52,009,621	37,403,612
Cash and cash equivalents, end of the period		61,906,097	72,949,377	46,607,861	54,922,125

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2024 and December 31, 2023, and
for the three-month periods ended March 31, 2024 and 2023

1. General Information

1.1 Company Overview

Samsung Electronics Co., Ltd. (“SEC”) was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975. SEC and its subsidiaries (collectively referred to as the “Company”) operate four business divisions: DX, DS, SDC and Harman. DX (Device eXperience) division comprises businesses for digital televisions, refrigerators, smartphones and 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 227 subsidiaries, including Samsung Display Co., Ltd. and Samsung Electronics America Inc. The Company also applies the equity method of accounting for its 37 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

1.2 Consolidated Subsidiaries

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

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Region	Subsidiaries	Industry	Percentage of ownership (%)^(*)
Asia (Excluding China)	Samsung Electronics Japan Co., Ltd. (SEJ)	Sale of electronic devices	100.0
	Harman Connected Services Corp. India Pvt. Ltd.	Connected service provider	100.0
	Harman International (India) Private Limited	Sale of audio products, R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International Japan Co., Ltd.	Sale of audio products, R&D	100.0
	Harman Singapore Pte. Ltd.	Sale of audio products	100.0
China	Samsung (CHINA) Investment Co., Ltd. (SCIC)	Sale of electronic devices	100.0
	Samsung Electronics Hong Kong Co., Ltd. (SEHK)	Sale of electronic devices	100.0
	Samsung Electronics Taiwan Co., Ltd. (SET)	Sale of electronic devices	100.0
	Tianjin Samsung Electronics Co., Ltd. (TSEC)	Manufacture of TV and monitors	91.2
	Suzhou Samsung Electronics Co., Ltd. (SSEC)	Manufacture of home appliances	88.3
	Samsung Suzhou Electronics Export Co., Ltd. (SSEC-E)	Manufacture of home appliances	100.0
	Samsung Electronics Suzhou Computer Co., Ltd. (SESC)	R&D	100.0
	Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)	Manufacture of communication equipment	90.0
	Beijing Samsung Telecom R&D Center (SRC-Beijing)	R&D	100.0
	Samsung Electronics China R&D Center (SRC-Nanjing)	R&D	100.0
	Samsung Mobile R&D Center China-Guangzhou (SRC-Guangzhou)	R&D	100.0
	Samsung R&D Institute China-Shenzhen (SRC-Shenzhen)	R&D	100.0
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	Sale of semiconductor and display panels	100.0
	Samsung (China) Semiconductor Co., Ltd. (SCS)	Manufacture of semiconductors	100.0
	Samsung Semiconductor Xian Co., Ltd. (SSCX)	Sale of semiconductor and display panels	100.0
	Samsung Electronics Suzhou Semiconductor Co., Ltd. (SESS)	Toll processing of semiconductors	100.0
	Tianjin Samsung LED Co., Ltd. (TSLED)	Manufacture of LED	100.0
	Samsung Semiconductor (China) R&D Co., Ltd. (SSCR)	R&D	100.0
	Samsung Display Dongguan Co., Ltd. (SDD)	Manufacture of display panels	100.0
	Samsung Display Tianjin Co., Ltd. (SDT)	Manufacture of display panels	95.0
	SEMES (XIAN) Co., Ltd.	Semiconductor/FPD equipment services	100.0
	Samsung Semiconductor Investment L.P.I	Technology business, Venture capital investments	99.0
	Harman (China) Technologies Co., Ltd.	Manufacture of audio products	100.0
	Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.	Sale of audio products	100.0
	Harman Automotive Electronic Systems (Suzhou) Co., Ltd.	Manufacture and R&D of audio products	100.0
	Harman Commercial (Shanghai) Co., Ltd.	Sale of audio products	100.0
	Harman Connected Services Solutions (Chengdu) Co., Ltd.	Connected service provider	100.0
	Harman Holding Limited	Sale of audio products	100.0
	Harman International (China) Holdings Co., Ltd.	Sale and R&D of audio products	100.0
	Harman Technology (Shenzhen) Co., Ltd.	Sale and R&D of audio products	100.0

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Region	Subsidiaries	Industry	Percentage of ownership (%)^(*)
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
	Samsung Venture Capital Union #21	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #26	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #28	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #29	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #32	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #33	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #37	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #40	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #42	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #43	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #45	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #52	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #55	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #56	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #57	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #62	Technology business, Venture capital investments	99.0
	Growth Type Private Equity Trust Specialized In Semiconductors	Investment on semiconductor industry	66.7
	System LSI Mutual Benefit Private Equity Trust	Investment on semiconductor industry	62.5
	Semiconductor Ecosystem General Private Equity Trust	Investment on semiconductor industry	66.7

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

1.3 Summary of Financial Data of Major Consolidated Subsidiaries

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

(1) 2024

<i>(In millions of Korean won)</i>	As of March 31, 2024		For the three-month period ended March 31, 2024	
	Assets	Liabilities	Sales	Profit for the period
Major subsidiaries^(*)				
Samsung Display Co., Ltd.	59,679,316	5,958,648	4,416,769	1,988,742
Samsung Electronics America, Inc. (SEA)	44,265,159	16,100,432	10,802,156	320,694
Samsung Asia Pte. Ltd. (SAPL)	27,595,924	346,498	-	4,268,036
Samsung Austin Semiconductor LLC. (SAS)	19,369,723	9,909,787	1,047,393	137,751
Harman and its subsidiaries ^(*)	18,357,132	5,833,817	3,188,425	181,434
Samsung (China) Semiconductor Co., Ltd. (SCS)	16,604,495	981,073	3,062,668	278,116
Samsung Semiconductor, Inc. (SSI)	12,864,862	5,982,046	6,886,736	71,338
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	11,371,976	3,602,504	11,035,651	955,233
Samsung (CHINA) Investment Co., Ltd. (SCIC)	10,943,384	10,374,957	824,353	56,727
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,889,972	4,646,810	-	74,334
Samsung India Electronics Private Ltd. (SIEL)	9,036,280	3,998,663	4,473,966	485,100
Samsung Electronics Vietnam Co., Ltd. (SEV)	6,257,264	2,015,234	5,682,381	404,813
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	6,111,601	5,690,425	7,245,188	112,888
Samsung Display Vietnam Co., Ltd. (SDV)	6,074,465	1,448,676	3,580,221	167,858
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,367,477	1,820,201	2,127,073	151,276
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,332,474	934,331	1,685,609	55,077
Thai Samsung Electronics Co., Ltd. (TSE)	3,034,988	651,231	1,246,205	30,487
Samsung Electronics (UK) Ltd. (SEUK)	2,977,640	1,972,562	1,662,705	44,582
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,751,099	1,518,190	1,093,900	40,778
Samsung Electronics Europe Logistics B.V. (SELS)	2,709,719	2,040,913	4,310,686	465,913
Samsung Electronics Taiwan Co., Ltd. (SET)	2,452,532	1,739,421	1,493,143	52,453
Samsung International, Inc. (SII)	2,354,443	643,332	1,657,803	144,799
Samsung Electronics GmbH (SEG)	2,246,143	2,155,995	1,803,932	24,164
SEMES Co., Ltd.	2,210,055	645,361	576,056	36,966
Samsung Electronics Benelux B.V. (SEBN)	1,953,646	784,939	847,508	70,004

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) 2023

<i>(In millions of Korean won)</i>	As of December 31, 2023		For the three-month period ended March 31, 2023	
	Assets	Liabilities	Sales	Profit for the period
Major subsidiaries^(*)				
Samsung Display Co., Ltd.	65,328,568	7,266,213	5,590,642	1,533,158
Samsung Electronics America, Inc. (SEA)	41,926,899	15,322,780	10,820,272	215,264
Samsung Asia Pte. Ltd. (SAPL)	22,234,942	282,614	-	6,633,188
Harman and its subsidiaries ^(*)	17,956,557	6,009,675	3,162,476	80,823
Samsung Austin Semiconductor LLC. (SAS)	16,714,945	7,791,914	955,210	104,118
Samsung (China) Semiconductor Co., Ltd. (SCS)	15,808,283	870,453	2,570,175	326,822
Samsung Semiconductor, Inc. (SSI)	12,796,440	6,276,293	4,963,535	126,986
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	12,554,481	3,593,527	8,617,574	296,034
Samsung (CHINA) Investment Co., Ltd. (SCIC)	10,222,557	8,797,991	871,611	165,215
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,660,481	4,585,806	-	8,475
Samsung India Electronics Private Ltd. (SIEL)	7,738,259	3,373,730	3,813,918	333,280
Samsung Display Vietnam Co., Ltd. (SDV)	7,383,485	1,570,459	5,188,088	450,095
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,301,860	2,215,062	5,696,296	462,841
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,542,627	1,587,911	1,915,702	132,232
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	5,262,086	4,552,030	2,919,973	64,077
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,043,677	843,736	1,497,391	198,526
Thai Samsung Electronics Co., Ltd. (TSE)	3,039,379	640,512	1,218,750	89,052
Samsung Electronics (UK) Ltd. (SEUK)	2,902,722	1,976,067	1,527,336	72,350
SEMES Co., Ltd.	2,187,919	659,607	726,353	24,283
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,153,032	1,038,115	842,543	59,287
Samsung Electronics GmbH (SEG)	2,097,706	2,033,152	1,641,944	60,288
Samsung International, Inc. (SII)	1,879,442	383,763	1,755,989	365,590
Samsung Electronics Taiwan Co., Ltd. (SET)	1,797,627	1,139,056	945,813	2,199
Samsung Electronics Benelux B.V. (SEBN)	1,794,552	639,120	831,705	106,217
Samsung Electronics Europe Logistics B.V. (SELS)	1,639,004	1,443,005	4,242,449	184,428

(*) 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, 2024 are as follows:

Change	Region	Subsidiary	Description
Excluded	America	Harman Financial Group LLC	Liquidation
	Asia(Excluding China)	DOWOOINSYS VINA COMPANY LIMITED	Sale of business
		Dowooinsys Co., Ltd.	Sale of business
	Europe/CIS	Gf-System Co., Ltd.	Sale of business
		Samsung Venture Capital Union #48	Liquidation

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2. Material Accounting Policies

2.1 Basis of Presentation

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

The interim consolidated financial statements for the three-month period ended March 31, 2024 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, 2024.

(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, 2024:

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

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

Amendments to Korean IFRS 1116, *Leases*

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

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

The amendments add to the disclosure objectives in Korean IFRS 1007, *Statement of Cash Flows*, that information about supplier financing arrangements should be disclosed to enable users of financial statements to assess the impact of those arrangements on the Company's liabilities and cash flows. The amendments also amend Korean IFRS 1107, *Financial Instruments: Presentation*, to add supplier financing arrangements as an example of a requirement to disclose information about an entity's exposure to concentrations of liquidity risk. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The amendments require exchangeability of two currencies should be assessed in order to clarify reporting of foreign currency transactions in the absence of normal-functioning foreign exchange market. The amendments also require applicable spot exchange rate should be determined when the assessment indicates two currencies lack exchangeability. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

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, 2023, 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 ₩ 1,328.2 to \$1, the average exchange rate for the three-month period ended March 31, 2024. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollars at this or 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, 2023, except for the estimates used to determine the income tax expense.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

3. Financial Instruments by Category

Categorizations of financial assets and liabilities as of March 31, 2024 and December 31, 2023 are as follows:

(1) As of March 31, 2024

<i>(In millions of Korean won)</i>	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets^(*)	Total
Financial assets					
Cash and cash equivalents	61,906,097	-	-	-	61,906,097
Short-term financial instruments	35,458,597	-	-	-	35,458,597
Short-term financial assets at amortized cost	-	-	-	-	-
Short-term financial assets at fair value through profit or loss	-	-	28,132	-	28,132
Trade receivables	41,145,391	-	-	-	41,145,391
Financial assets at fair value through other comprehensive income	-	8,180,091	-	-	8,180,091
Financial assets at fair value through profit or loss	-	-	1,414,332	-	1,414,332
Other	11,559,628	-	486,073	73,929	12,119,630
Total	150,069,713	8,180,091	1,928,537	73,929	160,252,270

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

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities^(*)	Total
Financial liabilities				
Trade payables	12,419,094	-	-	12,419,094
Short-term borrowings	311,521	-	9,323,027	9,634,548
Other payables	15,019,429	-	-	15,019,429
Current portion of long-term liabilities	400,730	-	1,046,761	1,447,491
Debentures	560,590	-	-	560,590
Long-term borrowings	-	-	3,861,524	3,861,524
Long-term other payables	4,658,208	-	-	4,658,208
Other	11,569,291	33,656	22,381	11,625,328
Total	44,938,863	33,656	14,253,693	59,226,212

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) As of December 31, 2023

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

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

4. Financial Assets at Fair Value

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

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

<i>(In millions of Korean won)</i>	March 31, 2024	December 31, 2023
Non-current		
Equity instruments	8,180,091	7,481,297

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

<i>(In millions of Korean won)</i>	March 31, 2024	December 31, 2023
Current		
Debt instruments	28,132	27,112
Non-current		
Equity instruments	713,275	812,358
Debt instruments	701,057	619,036
Subtotal	1,414,332	1,431,394
Total	1,442,464	1,458,506

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

	March 31, 2024			December 31, 2023	
<i>(In millions of Korean won and number of shares and percentage)</i>	Number of shares owned	Percentage of ownership^(*) (%)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	1,147,274	1,038,711
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	120,283	131,108
iMarketKorea Inc.	647,320	1.9	324	5,502	5,560
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	14,496	11,857
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	153,628	125,679
Wacom Co., Ltd.	8,398,400	5.5	62,013	49,826	50,358
Corning Incorporated	80,000,000	9.3	3,980,636	3,551,242	3,140,978
Other			463,089	1,073,965	1,093,963
Total			5,515,426	6,116,216	5,598,214

^(*) 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 – (Continued)

5. Inventories

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

<i>(In millions of Korean won)</i>	March 31, 2024			December 31, 2023		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	15,448,722	(1,101,316)	14,347,406	16,120,367	(1,567,353)	14,553,014
Work in process	25,366,463	(2,559,954)	22,806,509	26,501,664	(4,303,216)	22,198,448
Raw materials and supplies	16,640,738	(1,865,309)	14,775,429	15,222,937	(1,525,583)	13,697,354
Materials in transit	1,418,356	-	1,418,356	1,177,058	-	1,177,058
Total	58,874,279	(5,526,579)	53,347,700	59,022,026	(7,396,152)	51,625,874

6. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	11,767,444	10,893,869
Acquisition	6,342	62,182
Disposal	(11,731)	(4,661)
Share of profit	214,833	213,841
Other ^(*)	(69,115)	33,392
Balance as of March 31	11,907,773	11,198,623

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

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

(1) Investments in associates

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) Investments in joint ventures

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

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

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

(1) Investments in associates

<i>(In millions of Korean won)</i>		March 31, 2024	
Investee	Acquisition cost	Net asset value of equity shares^(*)	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	1,879,909	1,886,185
Samsung SDS Co., Ltd.	147,963	1,970,569	1,981,551
Samsung Biologics Co., Ltd.	1,424,358	3,124,744	3,129,303
Samsung SDI Co., Ltd.	1,242,605	3,804,325	2,951,145
Cheil Worldwide, Inc.	506,162	355,168	655,678
Other	690,831	844,983	1,091,546
Total	4,371,156	11,979,698	11,695,408

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) Investments in joint ventures

<i>(In millions of Korean won)</i>		March 31, 2024	
Investee	Acquisition cost	Net asset value of equity shares ^(*)	Carrying amount
Samsung Corning Advanced Glass LLC	215,000	138,229	138,228
Other	259,994	74,287	74,137
Total	474,994	212,516	212,365

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

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

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

(D) Details of the changes in 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, 2024

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) For the three-month period ended March 31, 2023

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of profit (loss)	Share of other comprehensive income (loss)	Other^(*)	Balance as of March 31
Samsung Electro-Mechanics Co., Ltd.	1,764,249	27,365	19,529	(37,156)	1,773,987
Samsung SDS Co., Ltd.	1,870,338	45,756	21,635	(55,911)	1,881,818
Samsung Biologics Co., Ltd.	2,808,673	44,686	54	-	2,853,413
Samsung SDI Co., Ltd.	2,691,223	60,907	59,168	(13,867)	2,797,431
Cheil Worldwide, Inc.	649,161	11,400	7,525	(33,393)	634,693
Samsung Corning Advanced Glass LLC	137,745	(1,036)	-	-	136,709
Other	972,480	24,763	57,737	65,592	1,120,572
Total	10,893,869	213,841	165,648	(74,735)	11,198,623

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

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

(1) Summary of financial information of major associates and dividends received from associates as of March 31, 2024 and December 31, 2023, and for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	5,606,634	8,255,477	5,602,200	10,044,641	2,309,628
Non-current assets	6,573,296	4,201,862	10,920,992	25,405,992	503,430
Current liabilities	3,208,121	2,431,603	4,646,078	9,831,986	1,348,013
Non-current liabilities	754,850	982,052	1,866,876	5,013,562	214,421
Non-controlling interests	189,981	319,844	-	1,708,004	11,872
Condensed statements of comprehensive income:					
Revenue	2,624,289	3,247,268	946,903	5,130,893	1,018,010
Profit from continuing operations, net of tax ^(*)	183,179	210,895	179,362	273,134	42,727
Loss from discontinued operations, net of tax ^(*)	(373)	-	-	-	-
Other comprehensive income ^(*)	83,481	63,780	383	179,519	21,886
Total comprehensive income ^(*)	266,287	274,675	179,745	452,653	64,613
2. Dividends from associates					
Dividends	20,347	47,175	-	13,463	32,232

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	2023				
<i>(In millions of Korean won)</i>	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	5,208,418	8,160,300	5,521,988	9,187,029	2,372,420
Non-current assets	6,449,453	4,160,724	10,524,209	24,851,831	517,085
Current liabilities	2,900,460	2,391,861	4,157,861	8,518,933	1,375,034
Non-current liabilities	727,087	953,592	2,057,844	5,612,677	216,707
Non-controlling interests	182,613	317,562	-	1,395,877	11,206
Condensed statements of comprehensive income:					
Revenue	2,021,763	3,400,923	720,922	5,354,845	941,601
Profit from continuing operations, net of tax (*)	118,079	202,485	141,755	439,283	39,753
Other comprehensive income(*)	103,812	95,781	182	358,999	30,281
Total comprehensive income(*)	221,891	298,266	141,937	798,282	70,034
2. Dividends from associates					
Dividends	37,155	55,911	-	13,867	33,394

(*) Profit attributable to owners of the investee.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (2) Summary of financial information of major joint ventures and dividends received from joint ventures as of March 31, 2024 and December 31, 2023, and for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	Samsung Corning Advanced Glass, LLC	
	2024	2023
Condensed financial information		
Condensed statements of financial position:		
Current assets	119,825	116,372
Non-current assets	182,292	185,100
Current liabilities	24,708	22,684
Non-current liabilities	952	911
Condensed statements of comprehensive income:		
Revenue	35,370	22,099
Profit (loss) for the period	(1,420)	(2,071)
Other comprehensive income	-	-
Total comprehensive income	(1,420)	(2,071)
Dividends from joint ventures		
Dividends	-	-

- (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, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Associates	Joint ventures	Associates	Joint ventures
Profit from continuing operations	18,101	694	24,199	564
Other comprehensive income (loss)	(17,824)	424	53,082	4,655
Total comprehensive income	277	1,118	77,281	5,219

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(F) Details of marketable investments in associates as of March 31, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2024		December 31, 2023
	Number of shares held	Market value	Market value
Samsung Electro-Mechanics Co., Ltd.	17,693,084	2,630,962	2,710,580
Samsung SDS Co., Ltd.	17,472,110	2,856,690	2,970,259
Samsung Biologics Co., Ltd.	22,217,309	18,462,584	16,885,155
Samsung SDI Co., Ltd.	13,462,673	6,340,919	6,354,382
Cheil Worldwide, Inc.	29,038,075	545,335	552,595

(G) Other matters

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

To prove justification of its accounting treatment, Samsung Biologics Co., Ltd. filed a suit for cancellation of the aforementioned measures to the Seoul Administrative Court, which is currently in progress. On September 24, 2020, the Seoul Administrative Court announced a decision to cancel the first measure charged by the Korea Securities and Futures Commission and suspended its execution until the final rulings of appeal. On October 16, 2020, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court. Samsung Biologics Co., Ltd. also filed for suspending the execution of the initial and second measures. On January 22, 2019 and February 19, 2019, the Seoul Administrative Court pronounced decisions to suspend the second and initial measures, respectively, until the final rulings. The Korea Securities and Futures Commission immediately appealed against the decisions but the appeals were dismissed by the Seoul High Court on May 13, 2019 and May 24, 2019, in relation to the second and first measures, respectively. On May 23, 2019 and June 10, 2019, the Korea Securities and Futures Commission re-appealed against the dismissals relating to the second and first measures, respectively. On September 6, 2019 and October 11, 2019, the Supreme Court of Korea dismissed the Korea Securities and Futures Commission's re-appeal relating to the second and first measures, respectively, and confirmed the decision to suspend the execution of these measures.

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	187,256,262	168,045,388
Acquisition and capital expenditures	11,773,595	11,343,333
Depreciation	(9,231,310)	(8,800,895)
Disposals/scrap/impairment	(130,748)	(207,911)
Other ^(*)	1,487,761	1,477,601
Balance as of March 31	191,155,560	171,857,516

^(*) 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, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Cost of sales	8,197,276	7,863,833
Selling and administrative expenses, and other	1,034,034	937,062
Total	9,231,310	8,800,895

(C) Right-of-use assets as of March 31, 2024 amount to ₩ 5,612,305 million (December 31, 2023: ₩ 5,449,032 million). During the three-month periods ended March 31, 2024 and 2023, newly recognized right-of-use assets amount to ₩ 464,894 million and ₩ 604,534 million, respectively, with relevant depreciation of ₩ 292,806 million and ₩ 288,193 million, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

8. Intangible Assets

(A) Changes in intangible assets for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	22,741,862	20,217,754
External acquisitions	844,734	3,805,353
Amortization	(719,482)	(785,598)
Disposals/scrap/impairment	(9,522)	(15,204)
Other ^(*)	389,011	395,398
Balance as of March 31	23,246,603	23,617,703

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

(B) Details of amortization of intangible assets for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Cost of sales	484,976	552,375
Selling and administrative expenses and other	234,506	233,223
Total	719,482	785,598

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

9. Borrowings

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

<i>(In millions of Korean won)</i>	Financial institutions	Interest rates (%) as of March 31, 2024	March 31, 2024	December 31, 2023
Short-term borrowings				
Collateralized borrowings ^(*)	Woori Bank and others	0.0~13.2	9,323,027	6,610,049
Non-collateralized borrowings	Citibank and others	0.0~62.2	311,521	504,552
Total			9,634,548	7,114,601
Current portion of long-term borrowings				
Bank borrowings	BNP and others	36.1~61.5	394,084	304,082
Lease liabilities ^(*)	CSSD and others	4.4	1,046,761	998,439
Total			1,440,845	1,302,521
Long-term borrowings				
Lease liabilities ^(*)	CSSD and others	4.4	3,861,524	3,724,850

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

^(*) Interest expenses arising from the lease liabilities for the three-month periods ended March 31, 2024 and 2023 amount to ₩ 53,023 million and ₩ 45,462 million, respectively, which are determined using the weighted average incremental borrowing rate. The right-of-use assets are pledged as collateral to the lessor in the event of default.

10. Debentures

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

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rate (%) as of March 31, 2024	March 31, 2024	December 31, 2023
US dollar denominated straight bonds ^(*)	1997.10.2	2027.10.1	7.7	26,936 (US \$ 20 million)	25,788 (US \$ 20 million)
US dollar denominated debentures ^(*)	2015.5.11	2025.5.15	4.2	538,720 (US \$ 400 million)	515,760 (US \$ 400 million)
Less: Discounts				(347)	(370)
Add: Premium				1,927	2,794
Less: Current portion				(6,646)	(6,354)
Total				560,590	537,618

^(*) 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.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

11. Net Defined Benefit Liabilities (Assets)

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

<i>(In millions of Korean won)</i>	March 31, 2024	December 31, 2023
Present value of funded defined benefit obligations	15,504,318	15,403,976
Present value of unfunded defined benefit obligations	335,832	319,689
Subtotal	15,840,150	15,723,665
Fair value of plan assets	(19,917,529)	(20,172,327)
Total	(4,077,379)	(4,448,662)

- (B) The components of defined benefit costs recognized in profit or loss for the three-month periods ended March 31, 2024 and 2023 relating to defined benefit plans are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Current service cost	354,156	323,685
Net interest income	(64,618)	(89,746)
Past service cost	(163)	(255)
Other	4,534	7,929
Total	293,909	241,613

- (C) The expenses related to defined benefit plans recognized in the statement of profit or loss for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Cost of sales	117,751	103,181
Selling and administrative expenses and other	176,158	138,432
Total	293,909	241,613

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

12. Provisions

Changes in the provisions for the three-month period ended March 31, 2024 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	2,540,212	1,838,052	993,751	4,031,311	9,403,326
Charged to profit or loss	577,767	384,521	41,627	1,442,676	2,446,591
Payment	(473,574)	(317,888)	(188,490)	(317,140)	(1,297,092)
Other ^(*)	39,779	5,671	5,101	32,665	83,216
Balance as of March 31	2,684,184	1,910,356	851,989	5,189,512	10,636,041

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

- (A) The Company accrues warranty provisions for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiations.
- (C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost.
- (D) The Company records provisions for future expenses expected to be incurred for products that have been discontinued from manufacturing and sales.
- (E) The Company makes provisions for the emission in excess of the emission rights held by the Company for the applicable years. Details of emission rights and liabilities as of March 31, 2024 are as follows:

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

<i>(In ten thousand metric tons)</i>	March 31, 2024
Emission rights allocated free of charge	1,689
Estimated volume of emission	1,761

- (2) Changes in the emission rights for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	3,137	19,567
Increase (decrease)	-	-
Balance as of March 31	3,137	19,567

- (3) Changes in emissions liabilities for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	137	32,838
Charged to profit or loss	35	(1)
Utilization	-	-
Balance as of March 31	172	32,837

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

13. Commitments and Contingencies

(A) Litigation

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

(B) Other commitments

As of March 31, 2024, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩ 16,672,510 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, 2024	December 31, 2023
Contract liabilities ^(*)	13,586,115	13,327,724

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

15. Share Capital

As of March 31, 2024, the Company's total number of authorized shares is 25,000,000,000 shares (₩ 100 per share). As well as its ordinary shares, the Company also has non-cumulative preference shares that are eligible for an additional 1% cash dividend over par value per annum compared to ordinary shares, but without voting rights. The Company has issued 5,969,782,550 shares of ordinary shares and 822,886,700 shares of preference shares as of March 31, 2024, excluding retired shares. As of March 31, 2024, the number of shares outstanding is the same as the number of shares issued above, and no changes were made to the number of shares outstanding during the three-month period ended March 31, 2024 and the year ended December 31, 2023. Due to the retirement of shares, the total par value of the shares issued which excludes the number of retired shares is ₩ 679,267 million (ordinary shares of ₩ 596,978 million and preference shares of ₩ 82,289 million), which does not agree with paid-in capital of ₩ 897,514 million.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

16. Retained Earnings

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

<i>(In millions of Korean won)</i>	March 31, 2024	December 31, 2023
Discretionary reserve and other	208,786,001	208,198,003
Unappropriated retained earnings	142,061,853	138,454,235
Total	350,847,854	346,652,238

(B) Details of interim dividends are as follows:

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

17. Other Components of Equity

Other components of equity as of March 31, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2024	December 31, 2023
Gain on valuation of financial assets at fair value through other comprehensive income	629,632	194,419
Share of other comprehensive income of associates and joint ventures	233,738	185,144
Gain on overseas business translation	8,124,915	3,651,112
Remeasurement of net defined benefit liabilities (assets)	(2,932,385)	(2,849,526)
Other	109,908	98,981
Total	6,165,808	1,280,130

18. Expenses by Nature

Expenses by nature for the three-month periods ended March 31, 2024 and 2023 consist of the following:

<i>(In millions of Korean won)</i>	2024	2023
Changes in finished goods, work in process, and other	(399,265)	(2,216,760)
Raw materials used, merchandise purchased, and other	24,298,463	27,196,920
Wages and salaries	8,075,000	7,901,166
Post-employment benefit	347,810	278,289
Depreciation	9,231,310	8,800,895
Amortization	719,482	785,598
Welfare	1,724,478	1,541,276
Utilities	2,023,182	1,861,110
Outsourcing	1,770,506	1,680,919
Advertising	1,434,926	1,145,343
Sales promotion	1,837,394	1,672,952
Other	14,246,306	12,457,485
Total^(*)	65,309,592	63,105,193

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

19. Selling and Administrative Expenses

Selling and administrative expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Selling and administrative expenses		
Wages and salaries	2,179,210	2,072,409
Post-employment benefit	77,591	69,512
Commissions	2,083,504	2,103,924
Depreciation	412,997	403,646
Amortization	175,047	168,939
Advertising	1,434,926	1,145,343
Sales promotion	1,837,394	1,672,952
Transportation	714,535	414,405
Service	1,241,559	1,021,736
Other	1,446,457	1,446,500
Subtotal	11,603,220	10,519,366
Research and development expenses		
Research and development	7,820,040	6,578,734
Total	19,423,260	17,098,100

20. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Other non-operating income		
Dividend income	39,457	47,894
Rental income	38,914	37,942
Gain on disposal of property, plant and equipment	9,335	34,449
Other	357,575	384,010
Total	445,281	504,295

<i>(In millions of Korean won)</i>	2024	2023
Other non-operating expenses		
Loss on disposal of property, plant and equipment	26,048	9,392
Donations	77,476	73,083
Other	277,869	121,507
Total	381,393	203,982

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

21. Financial Income and Expenses

Details of financial income and expenses for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Financial income		
Interest income	1,172,185	1,060,446
Financial assets measured at amortized cost	1,172,152	1,060,380
Financial assets measured at fair value through profit or loss	33	66
Foreign exchange differences	2,120,929	3,120,012
Gain from derivatives	191,390	447,591
Total	3,484,504	4,628,049

<i>(In millions of Korean won)</i>	2024	2023
Financial expenses		
Interest expenses	242,772	291,677
Financial liabilities measured at amortized cost	66,927	151,856
Other financial liabilities	175,845	139,821
Foreign exchange differences	2,240,061	3,375,878
Losses from derivatives	179,678	288,446
Total	2,662,511	3,956,001

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

22. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year considering global minimum top-up tax. The average annual tax rate expected as of March 31, 2024 to be effective for the year ended December 31, 2024 is 12.4%.

23. Earnings per Share

(A) Basic earnings per share

Basic earnings per share for the three-month periods ended March 31, 2024 and 2023 are calculated as follows:

(1) Ordinary shares

<i>(In millions of Korean won and thousands of number of shares)</i>	2024	2023
Profit for the period attributable to owners of the parent company	6,621,030	1,401,252
Profit for the period available for ordinary shares	5,818,936	1,231,500
Weighted-average number of ordinary shares outstanding	5,969,783	5,969,783
Basic earnings per ordinary share (in Korean won)	975	206

(2) Preference shares

<i>(In millions of Korean won and thousands of number of shares)</i>	2024	2023
Profit for the period attributable to owners of the parent company	6,621,030	1,401,252
Profit for the period available for preference shares	802,094	169,752
Weighted-average number of preference shares outstanding	822,887	822,887
Basic earnings per preference share (in Korean won)	975	206

(B) Diluted earnings per share

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

24. Statements of Cash Flows

The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the three-month periods ended March 31, 2024 and 2023 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2024	2023
Adjustments:		
Income tax expense	952,015	251,780
Financial income	(2,077,714)	(2,267,376)
Financial expenses	1,520,022	1,797,505
Post-employment benefits	347,810	278,289
Depreciation	9,231,310	8,800,895
Amortization	719,482	785,598
Bad debt expense (reversal)	(31,709)	67,557
Dividend income	(39,457)	(47,894)
Share of profit of associates and joint ventures	(214,833)	(213,841)
Gain on disposal of property, plant and equipment	(9,335)	(34,449)
Loss on disposal of property, plant and equipment	26,048	9,392
Loss (gain) on valuation of inventories	(1,648,575)	2,475,649
Others	(28,045)	(195,008)
Total	8,747,019	11,708,097

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2024	2023
Changes in assets and liabilities :		
Decrease (increase) in trade receivables	(3,609,636)	411,960
Decrease (increase) in other receivables	(223,276)	1,151,428
Decrease (increase) in prepaid expenses	36,117	(422,761)
Decrease (increase) in inventories	627,518	(3,731,787)
Increase in trade payables	446,091	1,071,670
Increase (decrease) in other payables	479,925	(4,473)
Increase (decrease) in advances received	171,189	(47,042)
Increase (decrease) in withholdings	13,584	(528,193)
Decrease in accrued expenses	(1,229,733)	(5,169,031)
Increase in provisions	1,149,499	1,287,161
Payment of post-employment benefits	(289,829)	(162,758)
Others	(966,738)	(296,713)
Total	(3,395,289)	(6,440,539)

For the three-month periods ended March 31, 2024 and 2023, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩ 286,357 million and ₩ 261,755 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩ 53,023 million and ₩ 45,462 million, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

25. Financial Risk Management

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

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

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

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

(A) Market risk

(1) Foreign exchange risk

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

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

(2) Interest rate risk

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

(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, 2024 and 2023, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩ 58,830 million and ₩ 111,415 million, respectively, and changes in profit before tax of ₩ 2,333 million and ₩ 5,354 million, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(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.

(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, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2024	December 31, 2023
Total liabilities	98,983,688	92,228,115
Total equity	371,916,124	363,677,865
Debt ratio	26.6%	25.4%

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(E) Fair value measurement

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

(In millions of Korean won)	March 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	61,906,097	(*)	69,080,893	(*)
Short-term financial instruments	35,458,597	(*)	22,690,924	(*)
Short-term financial assets at amortized cost	-	(*)	608,281	(*)
Short-term financial assets at fair value through profit or loss	28,132	28,132	27,112	27,112
Trade receivables	41,145,391	(*)	36,647,393	(*)
Financial assets at fair value through other comprehensive income	8,180,091	8,180,091	7,481,297	7,481,297
Financial assets at fair value through profit or loss	1,414,332	1,414,332	1,431,394	1,431,394
Other ^(*)	12,119,630	560,002	14,840,275	546,021
Total financial assets	160,252,270		152,807,569	
Financial liabilities				
Trade payables	12,419,094	(*)	11,319,824	(*)
Short-term borrowings	9,634,548	(*)	7,114,601	(*)
Other payables	15,019,429	(*)	13,996,395	(*)
Current portion of long-term liabilities	1,447,491	7,121	1,308,875	6,757
- Long-term borrowings	1,440,845	(*)(*)	1,302,521	(*)(*)
- Debentures	6,646	7,121	6,354	6,757
Debentures	560,590	553,826	537,618	529,254
Long-term borrowings	3,861,524	(*)(*)	3,724,850	(*)(*)
Long-term other payables	4,658,208	(*)	4,907,875	(*)
Other ^(*)	11,625,328	56,037	11,414,008	83,463
Total financial liabilities	59,226,212		54,324,046	

(*) 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 ₩ 11,559,628 million as of March 31, 2024 (December 31, 2023: ₩ 14,294,254 million) and liabilities measured at the cost of ₩ 11,569,291 million as of March 31, 2024 (December 31, 2023: ₩ 11,330,545 million) are excluded as the carrying amount is a reasonable estimation of fair value.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

<i>(In millions of Korean won)</i>	March 31, 2024			
	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term financial assets at fair value through profit or loss	-	28,132	-	28,132
Financial assets at fair value through other comprehensive income	5,882,959	-	2,297,132	8,180,091
Financial assets at fair value through profit or loss	233,257	-	1,181,075	1,414,332
Other	-	110,397	449,605	560,002
2) Liabilities				
Current portion of debentures	-	7,121	-	7,121
Debentures	-	553,826	-	553,826
Other	-	56,037	-	56,037

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

(3) Valuation technique and the inputs

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

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

(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	33,250	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	16.6%
MiCo Ceramics Co., Ltd.	34,662	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	15.4%
TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)	1,306,526	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.5%
China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT)	221,741	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.5%
Others				
Call option on equity instruments	422,676	Binomial model	Risk-free rate	3.5%
			Price volatility	69.7%
Put option on equity instruments	26,929	Binomial model	Risk-free rate	3.9%~5.2%, 1.9%
			Price volatility	21.8%, 24.6%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(4) Changes in Level 3 instruments for the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Financial assets		
Balance as of January 1	3,730,134	3,303,227
Acquisitions	29,994	45,261
Disposals	(6,092)	(22,638)
Amount recognized in profit for the period	48,572	256,578
Amount recognized in other comprehensive income	16,585	(298,342)
Other	108,619	(620)
Balance as of March 31	3,927,812	3,283,466

<i>(In millions of Korean won)</i>	2024	2023
Financial liabilities		
Balance as of January 1	-	7,404
Amount recognized in profit for the period	-	-
Other	-	-
Balance as of March 31	-	7,404

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

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

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

<i>(In millions of Korean won)</i>	Favorable changes		Unfavorable changes	
	Profit or loss	Equity	Profit or loss	Equity
Financial assets at fair value through other comprehensive income ^(*)	-	161,113	-	(111,219)
Others ^(*)	108,637	-	(108,367)	-

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

(*) Changes in fair value were calculated based on changes in underlying asset price (20%) and price volatility (10%), which are significant unobservable inputs.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

26. Segment Information

(A) Operating segment information

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

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

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

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

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

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

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

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

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

(2) For the three-month period ended March 31, 2023

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	46,222,513	13,734,475	6,614,151	3,165,897	(5,991,665)	63,745,371
Depreciation	615,404	7,222,761	832,834	80,028	-	8,800,895
Amortization	417,358	206,609	55,023	49,103	-	785,598
Operating profit	4,208,760	(4,581,854)	776,016	128,949	-	640,178

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Net revenue by major product for the three-month period ended March 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	7,434,935	30,744,551	8,916,997	6,614,151	63,745,371

^(*) 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, 2024 and 2023 are as follows:

(1) As of and for the period ended March 31, 2024

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

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

(2) As of and for the period ended March 31, 2023

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	11,300,428	22,762,451	12,582,923	11,534,339	5,565,230	-	63,745,371
Non-current assets ^(*)	150,663,992	15,167,060	6,135,315	9,249,314	15,224,391	(964,853)	195,475,219

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

27. Related Party Transactions

(A) Transactions with related parties

Transactions with related parties for the three-month periods ended March 31, 2024 and 2023 are as follows:

		2024			
<i>(In millions of Korean won)</i>	Name of company^(*)	Sales	Disposal of non-current assets	Purchases	Purchase of non-current assets
Associates and joint ventures	Samsung SDS Co.,Ltd.	63,908	-	473,033	58,026
	Samsung Electro-Mechanics Co., Ltd.	27,477	-	347,141	-
	Samsung SDI Co., Ltd.	36,837	-	179,184	8,556
	Cheil Worldwide Inc.	33,003	-	232,204	6,375
	Other	312,544	122	3,062,248	35,974
	Total	473,769	122	4,293,810	108,931
Other related parties	Samsung C&T Co., Ltd.	7,997	-	53,210	1,588,496
	Other	158,632	-	373,416	1,314,075
	Total	166,629	-	426,626	2,902,571
Other ^(*)	Samsung Engineering Co., Ltd.	147	-	15,656	467,250
	S-1 Corporation	1,868	-	129,073	5,461
	Other	59,727	-	81,136	291,111
	Total	61,742	-	225,865	763,822

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

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

		2023			
<i>(In millions of Korean won)</i>	Name of company^(*)	Sales	Disposal of non-current assets	Purchases	Purchase of non-current assets
Associates and joint ventures	Samsung SDS Co.,Ltd.	74,499	-	485,177	82,168
	Samsung Electro-Mechanics Co., Ltd.	43,706	-	328,465	60
	Samsung SDI Co., Ltd.	41,404	-	197,264	2,072
	Cheil Worldwide Inc.	34,213	-	235,243	76
	Other	250,843	-	3,350,585	28,046
	Total	444,665	-	4,596,734	112,422
Other related parties	Samsung C&T Co., Ltd.	8,878	70	62,594	799,655
	Other	153,664	-	559,486	645,636
	Total	162,542	70	622,080	1,445,291
Other ^(*)	Samsung Engineering Co., Ltd.	439	-	212	310,139
	S-1 Corporation	2,827	-	129,859	3,449
	Other	29,662	-	178,822	84,196
	Total	32,928	-	308,893	397,784

(*) 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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Balances of receivables and payables

Arising from transactions with related parties as of March 31, 2024 and December 31, 2023 are as follows:

		March 31, 2024	
<i>(In millions of Korean won)</i>	Name of company^(*1)	Receivables	Payables^(*2)
Associates and joint ventures	Samsung SDS Co.,Ltd.	86,922	516,231
	Samsung Electro-Mechanics Co., Ltd.	21,274	192,361
	Samsung SDI Co., Ltd.	135,571	110,609
	Cheil Worldwide Inc.	32,317	327,367
	Other	298,198	1,160,560
	Total	574,282	2,307,128
Other related parties	Samsung C&T Co., Ltd.	210,807	1,241,553
	Other	28,108	312,183
	Total	238,915	1,553,736
Other ^(*3)	Samsung Engineering Co., Ltd.	143	344,573
	S-1 Corporation	1,199	50,686
	Other	12,809	401,587
	Total	14,151	796,846

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

(*2) Payables and others include lease liabilities.

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

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

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

(*2) Payables and others include lease liabilities.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (C) For the three-month periods ended March 31, 2024 and 2023 the Company invested ₩ 6,342 million and ₩ 62,182 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ₩ 11,731 million and ₩ 4,661 million from its investments in associates and joint ventures during the three-month periods ended March 31, 2024 and 2023, respectively.
- (D) For the three-month periods ended March 31, 2024 and 2023, the Company declared dividends of ₩ 412,172 million and ₩ 412,942 million, respectively, to related parties|. As of March 31, 2024, the dividend payable to related parties amounts to ₩ 412,172 million. In addition, for the three-month periods ended March 31, 2024 and 2023, the Company declared dividends of ₩ 32,058 million and ₩ 32,058 million, respectively, to the entities that are not related parties of the Company in accordance with Korean IFRS 1024, but belong to the same conglomerate according to the Monopoly Regulation and Fair Trade Act. As of March 31, 2024, there is ₩ 32,058 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, 2024 and 2023, the Company entered into lease agreements with its related parties amounting to ₩ 16,048 million and ₩ 50 million, respectively, and the lease payments made to the related parties were ₩ 7,385 million and ₩ 5,089 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, 2024 and 2023 consists of:

<i>(In millions of Korean won)</i>	2024	2023
Short-term employee benefits	3,017	3,330
Post-employment benefits	175	139
Other long-term employee benefits	2,289	1,959

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

28. Assets and Liabilities Held-for-Sale

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

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

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

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

<i>(In millions of Korean won)</i>	December 31, 2023
Foreign currency translation, net of tax	(217)