

SAMSUNG ELECTRONICS CO., LTD.

Separate Financial Statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

To the Shareholders and Board of Directors of
Samsung Electronics Co., Ltd.:

Opinion

We have audited the accompanying separate financial statements of Samsung Electronics Co., Ltd. ("the Company"), expressed in Korean won, which comprise the separate statements of financial position as of December 31, 2024 and 2023, and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as of December 31, 2024 and 2023 and its separate financial performance and cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("Korean IFRS").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISAs") and Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements as of and for the year ended December 31, 2024. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Evaluation of commencement of depreciation related to construction in progress

The Company's Device Solutions (DS) division is constructing factories for semiconductor production and begins depreciation of the production lines and equipment when they are available for use. Determining when the assets are available for use requires management's judgment, and as explained in Note 2, *Material Accounting Policies*, the Company's assessment of when the production lines and equipment are available for use requires management's subjective judgments on whether the assets are operating as intended.

We identified the evaluation of commencement of depreciation related to construction in progress as a key audit matter because the DS division's investments are significant and if the commencement of depreciation is determined contrary to the substance, the impact of depreciation amount on the separate financial statements would be significant.

The primary audit procedures we performed to address this key audit matter are as follows:

- Understanding of the Company's accounting policies and the processes and internal controls applied to the evaluation of when the assets are available for use;
- Evaluating the design and testing the operating effectiveness of the internal controls over the approval on commencement of depreciation related to construction in progress;
- Evaluating the design and implementation of the operating effectiveness of the internal controls regarding identification and monitoring of aged construction in progress;
- Inspecting documentation supporting the appropriateness of the commencement of depreciation of construction in progress during the year and subsequent to year-end on a sample basis; and
- Observing, on a sample basis, whether the Company's construction in progress is in operation.



2) Sales deduction related to sales promotion activities

The Company's Device eXperience (DX) division performs sales promotion activities, which includes providing price or volume discounts and incentives to customers including retail and telecommunication companies, based on explicit or implicit agreements. As disclosed in Note 2, *Material Accounting Policies*, and Note 3, *Material Accounting Estimates and Assumptions*, of the separate financial statements, the Company estimates the expected expenditures and discounts resulting from sales promotion activities at the time of revenue recognition and deducts the amount from revenue.

We identified the accuracy and completeness of sales deductions from promotional activities as a key audit matter because the calculation of sales deductions involves significant estimates and judgements by management and is subject to possible bias or error and the amount is material to the separate financial statements.

The primary audit procedures we performed to address this key audit matter are as follows:

- Evaluating the Company's accounting policies and understanding the processes and internal controls relating to the applied to sales deductions;
- Evaluating the design and testing the operating effectiveness of internal controls over the approval of the sales deduction policy;
- Evaluating the design and testing the operating effectiveness of internal controls over the sales deduction estimates and the approval of post-settlement adjustments;
- Evaluating the reasonableness of the estimates by inspecting, on a sample basis, the documentation supporting sales deductions estimates; and
- Evaluating the accuracy and completeness of sales deductions by comparing on a sample basis, the period-end estimates to amounts settled subsequent to the period-end and examining relevant documentation.

Other Matters

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

The accompanying separate financial statements as of and for the years ended December 31, 2024 and 2023 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the separate financial statements expressed in Korean won have been translated into dollars on the basis set forth in Note 2.18 to the separate financial statements.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.



As part of an audit in accordance with ISAs and KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used in the preparation of the separate financial statements and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Han, Sang Hyun.

KPMG Samjory Accounting Corp.

Seoul, Korea
February 18, 2025

This report is effective as of February 18, 2025. Certain subsequent events or circumstances which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF FINANCIAL POSITION

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

	Notes	December 31, 2024 KRW	December 31, 2023 KRW	December 31, 2024 USD	December 31, 2023 USD
Assets					
Current assets					
Cash and cash equivalents	4, 28	1,653,766	6,061,451	1,213,245	4,446,834
Short-term financial instruments	4, 28	10,187,991	50,071	7,474,168	36,733
Trade receivables	4, 5, 7, 28	33,840,357	27,363,016	24,826,141	20,074,200
Non-trade receivables	4, 7, 28	3,249,731	1,910,054	2,384,085	1,401,264
Prepaid expenses		1,381,781	1,349,755	1,013,709	990,214
Inventories	8	29,154,115	29,338,151	21,388,196	21,523,209
Other current assets	4, 28	2,852,581	2,475,944	2,092,725	1,816,416
		82,320,322	68,548,442	60,392,269	50,288,870
Non-current assets					
Financial assets at fair value through other comprehensive income	4, 6, 28	2,176,346	1,854,503	1,596,622	1,360,510
Financial assets at fair value through profit or loss	4, 6, 28	-	1	-	1
Investments in subsidiaries, associates and joint ventures	9	57,427,196	57,392,438	42,130,043	42,104,543
Property, plant and equipment	10	151,446,870	140,579,161	111,105,252	103,132,426
Intangible assets	11	10,496,956	10,440,211	7,700,832	7,659,203
Net defined benefit assets	14	2,249,792	3,745,697	1,650,504	2,747,938
Deferred income tax assets	25	14,333,432	9,931,358	10,515,368	7,285,895
Other non-current assets	4, 7, 28	4,515,213	4,365,478	3,312,475	3,202,625
		242,645,805	228,308,847	178,011,096	167,493,141
Total assets		324,966,127	296,857,289	238,403,365	217,782,011

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF FINANCIAL POSITION

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

	Notes	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		KRW	KRW	USD	USD
Liabilities and Equity					
Current liabilities					
Trade payables	4, 28	10,287,967	7,943,834	7,547,513	5,827,797
Short-term borrowings	4, 5, 12, 28	11,110,972	5,625,163	8,151,290	4,126,762
Other payables	4, 28	18,591,524	15,256,046	13,639,212	11,192,220
Advances received	17	350,448	302,589	257,098	221,987
Withholdings	4, 28	516,454	445,470	378,884	326,808
Accrued expenses	4, 17, 28	9,039,886	6,931,991	6,631,889	5,085,484
Current income tax liabilities		1,380,469	-	1,012,747	-
Current portion of long-term liabilities	4, 12, 13, 28	22,264,226	228,491	16,333,599	167,627
Provisions	15	6,257,389	4,540,702	4,590,579	3,331,174
Other current liabilities	17	358,641	500,815	263,107	367,412
		80,157,976	41,775,101	58,805,918	30,647,271
Non-current liabilities					
Debentures	4, 13, 28	14,530	19,064	10,660	13,986
Long-term borrowings	4, 12, 28	795,703	22,902,035	583,748	16,801,512
Long-term other payables	4, 28	4,965,481	4,942,826	3,642,802	3,626,182
Long-term provisions	15	2,602,575	2,413,133	1,909,315	1,770,335
Other non-current liabilities		33,205	17,356	24,360	12,733
		8,411,494	30,294,414	6,170,885	22,224,748
Total liabilities		88,569,470	72,069,515	64,976,803	52,872,019

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF FINANCIAL POSITION

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

		December 31,	December 31,	December 31,	December 31,
	Notes	2024	2023	2024	2023
		KRW	KRW	USD	USD
Equity					
Preference shares	18	119,467	119,467	87,644	87,644
Ordinary shares	18	778,047	778,047	570,795	570,795
Share premium		4,403,893	4,403,893	3,230,807	3,230,807
Retained earnings	19	233,734,316	219,963,351	171,473,402	161,370,674
Other components of equity	20	(2,639,066)	(476,984)	(1,936,086)	(349,928)
Total equity		236,396,657	224,787,774	173,426,562	164,909,992
Total liabilities and equity		324,966,127	296,857,289	238,403,365	217,782,011

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF PROFIT OR LOSS

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

	Notes	For the years ended December 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Revenue	29	209,052,241	170,374,090	153,366,008	124,990,739
Cost of sales	21	152,061,472	144,023,552	111,556,139	105,659,318
Gross profit		56,990,769	26,350,538	41,809,869	19,331,421
Selling and administrative expenses	21, 22	44,629,735	37,876,835	32,741,502	27,787,404
Operating profit (loss)	29	12,361,034	(11,526,297)	9,068,367	(8,455,983)
Other non-operating income	23	10,351,185	29,643,315	7,593,891	21,747,085
Other non-operating expense	23	540,542	375,723	396,555	275,640
Financial income	24	7,717,689	7,388,664	5,661,892	5,420,511
Financial expense	24	8,139,788	7,598,459	5,971,554	5,574,422
Profit before income tax		21,749,578	17,531,500	15,956,040	12,861,552
Income tax benefit	25	(1,832,987)	(7,865,599)	(1,344,726)	(5,770,402)
Profit for the year		23,582,565	25,397,099	17,300,766	18,631,954
Earnings per share	26				
<i>(in Korean won, in US dollars)</i>					
- Basic		3,472	3,739	2.55	2.74
- Diluted		3,472	3,739	2.55	2.74

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

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

	Notes	For the years ended December 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Profit for the year		23,582,565	25,397,099	17,300,766	18,631,954
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	239,784	356,472	175,912	261,517
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	(592,254)	(572,551)	(434,493)	(420,038)
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive loss for the year, net of tax		(352,470)	(216,079)	(258,581)	(158,521)
Total comprehensive income for the year		23,230,095	25,181,020	17,042,185	18,473,433

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2024		119,467	778,047	4,403,893	219,963,351	(476,984)	224,787,774
Profit for the year		-	-	-	23,582,565	-	23,582,565
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	(2,163)	241,947	239,784
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(592,254)	(592,254)
Total comprehensive income (loss) for the year		-	-	-	23,580,402	(350,307)	23,230,095
Dividends declared	19	-	-	-	(9,809,437)	-	(9,809,437)
Treasury shares purchased	20	-	-	-	-	(1,811,775)	(1,811,775)
Total transactions with owners		-	-	-	(9,809,437)	(1,811,775)	(11,621,212)
Balance as of December 31, 2024		119,467	778,047	4,403,893	233,734,316	(2,639,066)	236,396,657

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.18))

For the year ended December 31, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2024		87,644	570,795	3,230,807	161,370,674	(349,928)	164,909,992
Profit for the year		-	-	-	17,300,766	-	17,300,766
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	(1,587)	177,499	175,912
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(434,493)	(434,493)
Total comprehensive income (loss) for the year		-	-	-	17,299,179	(256,994)	17,042,185
Dividends declared	19	-	-	-	(7,196,451)	-	(7,196,451)
Treasury shares purchased	20	-	-	-	-	(1,329,164)	(1,329,164)
Total transactions with owners		-	-	-	(7,196,451)	(1,329,164)	(8,525,615)
Balance as of December 31, 2024		87,644	570,795	3,230,807	171,473,402	(1,936,086)	173,426,562

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2023		119,467	778,047	4,403,893	204,388,016	(273,232)	209,416,191
Profit for the year		-	-	-	25,397,099	-	25,397,099
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	(12,327)	368,799	356,472
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(572,551)	(572,551)
Total comprehensive income (loss) for the year		-	-	-	25,384,772	(203,752)	25,181,020
Dividends declared	19	-	-	-	(9,809,437)	-	(9,809,437)
Total transactions with owners		-	-	-	(9,809,437)	-	(9,809,437)
Balance as of December 31, 2023		119,467	778,047	4,403,893	219,963,351	(476,984)	224,787,774

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.18))

	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
For the year ended December 31, 2023							
Balance as of January 1, 2023		87,644	570,795	3,230,807	149,944,215	(200,450)	153,633,011
Profit for the year		-	-	-	18,631,954	-	18,631,954
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	(9,043)	270,560	261,517
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(420,038)	(420,038)
Total comprehensive income (loss) for the year		-	-	-	18,622,911	(149,478)	18,473,433
Dividends declared	19	-	-	-	(7,196,452)	-	(7,196,452)
Total transactions with owners		-	-	-	(7,196,452)	-	(7,196,452)
Balance as of December 31, 2023		87,644	570,795	3,230,807	161,370,674	(349,928)	164,909,992

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF CASH FLOWS

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

	Notes	For the years ended December 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Operating activities					
Profit for the year		23,582,565	25,397,099	17,300,766	18,631,954
Adjustments	27	21,493,129	(4,092,924)	15,767,902	(3,002,673)
Changes in assets and liabilities arising from operating activities	27	(760,086)	(13,215,547)	(557,618)	(9,695,259)
Cash generated from operations		44,315,608	8,088,628	32,511,050	5,934,022
Interest received		277,362	332,111	203,480	243,645
Interest paid		(674,010)	(798,649)	(494,471)	(585,909)
Dividends received		9,635,502	29,497,803	7,068,848	21,640,334
Income tax paid		(1,062,965)	(2,664,809)	(779,818)	(1,954,971)
Net cash provided by operating activities		52,491,497	34,455,084	38,509,089	25,277,121
Investing activities					
Net increase in short-term financial instruments		(10,122,673)	(49,934)	(7,426,249)	(36,633)
Disposal of financial assets at fair value through other comprehensive income		2,942	15,538	2,158	11,399
Acquisition of financial assets at fair value through other comprehensive income		-	(15,515)	-	(11,382)
Disposal of financial assets at fair value through profit or loss		1	243	1	178
Disposal of investments in subsidiaries, associates and joint ventures		319,965	144,292	234,734	105,856
Acquisition of investments in subsidiaries, associates and joint ventures		(336,648)	(108,300)	(246,973)	(79,452)
Disposal of property, plant and equipment		130,956	164,415	96,073	120,619
Acquisition of property, plant and equipment		(38,246,765)	(45,026,206)	(28,058,794)	(33,032,363)
Disposal of intangible assets		13,327	12,002	9,777	8,805
Acquisition of intangible assets		(2,069,083)	(2,639,614)	(1,517,932)	(1,936,488)
Cash outflow from other investing activities		(69,666)	(68,458)	(51,108)	(50,221)
Net cash used in investing activities		(50,377,644)	(47,571,537)	(36,958,313)	(34,899,682)

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

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF CASH FLOWS

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

	Notes	For the year ended December 31,			
		2024	2023	2024	2023
		KRW	KRW	USD	USD
Financing activities					
Net increase in short-term borrowings	27	5,316,919	3,274,337	3,900,626	2,402,136
Increase in debentures and long-term borrowings	27	-	21,990,000	-	16,132,420
Repayment of debentures and long-term borrowings	27	(217,305)	(185,316)	(159,420)	(135,953)
Dividends paid		(9,808,653)	(9,810,119)	(7,195,876)	(7,196,951)
Treasury shares purchased		(1,811,775)	-	(1,329,164)	-
Net cash provided by (used in) financing activities		(6,520,814)	15,268,902	(4,783,834)	11,201,652
Effect of foreign exchange rate changes		(724)	(12,591)	(531)	(9,237)
Net increase (decrease) in cash and cash equivalents		(4,407,685)	2,139,858	(3,233,589)	1,569,854
Cash and cash equivalents					
Beginning of the year		6,061,451	3,921,593	4,446,834	2,876,980
End of the year		1,653,766	6,061,451	1,213,245	4,446,834

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

As of December 31, 2024 and 2023, and
For the years ended December 31, 2024 and 2023

1. General Information

Samsung Electronics Co., Ltd. (the “Company”) was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975. The Company operates two business divisions: Device eXperience (“DX”) and Device Solutions (“DS”). DX division comprises businesses for digital televisions, refrigerators, smartphones, and network systems. DS division comprises businesses for semiconductor products such as memory, foundry and system Large Scale Integration (LSI). The Company is domiciled in the Republic of Korea and is located in Suwon, the Republic of Korea.

These financial statements have been prepared in accordance with Korean International Financial Reporting Standards (“Korean IFRS”) 1027, *Separate Financial Statements*.

2. Material Accounting Policies

The followings are material accounting policies applied on financial statements. Unless mentioned otherwise, these policies are consistent throughout the accounting periods denoted.

2.1 Basis of Presentation

The Company’s financial statements have been written in accordance with the Korean International Financial Reporting Standards (“Korean IFRS”). The Korean IFRS refers to standards selected by the Republic of Korea among accounting standards and interpretations published by International Accounting Standards Board (IASB).

The Korean IFRS permits application of material accounting estimates on the financial statements and requires management’s judgements in applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

(A) New and amended standards adopted by the Company

The Company applied the following amended standards for the first time for the annual reporting period commencing on January 1, 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 adoption of the amendments does not have a significant impact on the Company’s separate financial statements.

NOTES TO THE SEPARATE 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 adoption of the amendments does not have a significant impact on the Company's separate financial statements.

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

The amendments to Korean IFRS 1007, *Statement of Cash Flows*, introduce new disclosures, such as terms and conditions, balance payment due dates and the effects on cash flows, to help users of the financial statements to assess the effects of supplier financing arrangements on an entity's liabilities and cash flows. The amendments to Korean IFRS 1107, *Financial Instruments: Presentation*, requires disclosure of information about an entity's exposure to concentrations of liquidity related to supplier financing arrangement. The adoption of the amendments does not have a significant impact on the Company's separate financial statements.

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

The amended accounting standard that has been issued but not yet effective for the annual reporting period commencing on 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*

The amendments to Korea IFRS 1021 clarify how the Company estimates a spot rate, which is used for translation of foreign transaction into functional currency or translation of foreign operation's financial statements into reporting currency, when a currency lacks exchangeability. The amendments are applied for annual periods beginning on or after January 1, 2025, with early application permitted.

2.3 Subsidiaries, Associates and Joint Ventures

The Company, which is the ultimate controlling entity for the purposes of Korean IFRS 1110 *Consolidated Financial Statements*, recognizes its investments in subsidiaries, associates and joint ventures in its separate financial statements using the cost method in accordance with Korean IFRS 1027 *Separate Financial Statements*.

If there is objective evidence of impairment, the difference between the recoverable amount of the investments in subsidiaries, associates and joint ventures and their carrying amount is recognized as an impairment loss.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

2.4 Functional and Presentation Currency

The Company measures items included in its financial statements using the currency of the primary economic environment in which it operates ("functional currency"). The functional currency of the Company is Korean won (KRW) and the financial statements are presented in Korean won (KRW).

2.5 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and highly liquid short-term investment assets that are readily convertible to known amounts of cash at the date of acquisition and which are subject to an insignificant risk of changes in value.

2.6 Financial Assets

(A) Classification

Financial instruments are classified based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company considers the contractual terms of the relevant financial instrument and assesses whether the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(B) Impairment

The Company assesses the expected credit losses of debt instruments carried at amortized cost or fair value through other comprehensive income on a forward-looking basis. However, the Company applies the simplified approach for trade receivables, which requires expected credit losses to be recognized over the life of the receivable from initial recognition.

2.7 Trade Receivables

Trade receivables are recognized at initial transaction price, unless they contain a significant financing component, and are subsequently measured at amortized cost using the effective interest method less any allowance for impairment.

2.8 Inventories

The Company determines the unit cost of inventories, except for materials in transit, using the average cost method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads based on normal operating capacity, excluding the cost of idle production equipment and scrapping costs.

The Company measures inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the applicable variable selling expenses, and reflects the decrease in selling price, the increase in costs to completion, or decrease in value due to excess or obsolete inventory.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

2.9 Property, Plant and Equipment

Depreciation of property, plant and equipment begins when assets are considered by management to be available for their intended use, such as in the production of products.

The Company's property, plant and equipment is depreciated on a straight-line method over the estimated useful lives of the assets, less any residual values. Land is not depreciated. Costs that are directly attributable to the acquisition, construction of a qualifying asset, including capitalized interest costs, are depreciated over the estimated useful lives.

The estimated useful lives of property, plant and equipment used by the Company for each asset category are as follows:

	<u>Estimated useful lives</u>
Buildings and structures	15, 30 years
Machinery and equipment	5 years
Other	5 years

2.10 Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired business at the date of acquisition and is recorded as an intangible asset.

Intangible assets, other than goodwill, are initially recognized at their historical cost and are subsequently stated at cost less accumulated amortization and accumulated impairment losses.

Membership rights are regarded as intangible assets with indefinite useful life and not amortized as there are no foreseeable restrictions on their use. However, whenever there is an indication of impairment, such as a decline in the market value of membership rights, a reasonable estimate is made to reflect the impairment. Intangible assets with finite useful lives, such as patents, trademarks and other intangible assets, are amortized on a straight-line method over their estimated useful lives.

The estimated useful lives of intangible assets used by the Company are as follows:

	<u>Estimated useful lives</u>
Patents, trademarks and other intangible assets	5 - 10 years

2.11 Financial Liabilities

The Company classifies financial liabilities into financial liabilities at fair value through profit or loss and other financial liabilities and recognizes them on the statement of financial position when the Company becomes a party to a contract, depending on the substance of the contractual terms.

2.12 Employee Benefits

The Company operates various types of post-employment benefit plans, including defined benefit plans and defined contribution plans. The defined benefit liability (asset) recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, less any deficit (excess of plan assets over the asset recognition threshold) and is calculated annually by an independent actuary using the projected unit credit method.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

2.13 Income Tax Expense

The global minimum top-up tax in accordance with the Pillar Two tax legislation is subject to Korean IFRS 1012, *Corporate Income Tax*. The Company accounts for the amount of global minimum top-up tax as a current tax when it is incurred, and applies the exception for the recognition and disclosure of deferred income tax related to the global minimum top-up tax.

The Company recognizes deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences arising on these assets only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2.14 Derivative Instruments

The Company recognizes its rights and obligations under derivative contracts as assets and liabilities at fair value and records gains and losses on these contracts in the statement of profit or loss. However, effective portion of changes in the fair value of cash flow hedges are deferred in equity.

2.15 Revenue Recognition

The Company's revenue primarily represents the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is net of value-added tax, returns, sales incentives, discounts and others.

(A) Identification of performance obligations

The Company is required to transfer control of goods and services under contracts with customers. For the export of products and goods under Incoterms Group C terms (such as CIF), the Company recognizes the transportation services (including insurance) provided after the control of the goods has passed to the customer as a separate performance obligation.

(B) Performance obligations satisfied at a point of time

The Company's revenue is primarily derived from the sale of goods and is recognized when control of the goods passes to the customer.

(C) Performance obligations satisfied over time

The Company recognizes revenue over time for sales of software, transportation services, installation services, and etc. where the customer has direct control over the outcome during the performance of the service.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(D) Variable consideration

The Company provides a variety of sales promotions including incentives, promotion and sales allowances. Where these sales promotion policies result in variability in the consideration promised to customers, the Company estimates the variable consideration using either the expected value or the most likely amount whichever method the Company expects to better predict the amount of consideration to which it will be entitled. The estimate of variable consideration is included in transaction price only to the extent that it is highly probable that a significant portion of the cumulative revenue already recognized will not be reversed when the related uncertainties are resolved. Revenue and contract liabilities are recognized when the related revenue is earned or when the decision to pay the variable consideration to the customer is made, whichever is later.

The Company recognizes contract liabilities (refund liabilities) after the sale of products to customers by estimating the return rate using the expected value methods based on historical experience. When the customer exercises its right to return the product, the Company recognizes the asset as a refund asset and adjusts cost of sales by the amount of the right to collect the product from the customer. The right to collect the product is measured by deducting the cost of collecting the product from the historical carrying amount of the product.

2.16 Leases

(A) Lessee accounting

The Company applies the practical expedient of Korean IFRS 1116, *Leases*, and does not separate the non-lease elements from the lease elements and accounts for the non-lease elements relating to each lease element as a single lease element.

At the commencement date of a lease, the Company recognizes a right-of-use asset (the lease asset) representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments. The right-of-use asset is presented in the statement of financial position as 'property, plant and equipment' and the lease liability is presented as 'current portion of long-term liabilities' or 'long-term borrowings.'

Lease liabilities are measured at the inception of the lease at the present value of the lease payments outstanding at that date, discounted at the Company's incremental borrowing rate.

For short-term leases (lease terms of 12 months or less at the inception of the lease) and low value assets (underlying assets of USD 5,000 or less), lease payments are recognized as expenses on a straight-line basis over the lease term applying the simplified practical expedient.

(B) Lessor accounting

The Company, as a lessor, determines whether a lease is a finance or an operating lease at the inception of the lease.

Leases that transfer substantially all the risk and rewards of ownership of the leased assets are classified as finance leases and all leases other than finance leases are classified as operating leases. Lease income from operating leases is recognized on a straight-line basis over the lease term, while initial direct costs incurred during the negotiation and contracting phase of an operating lease are added to the carrying amount of the leased asset and expensed over the lease term against the lease income.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

2.17 Government Grants

Government grants relating to revenues are deferred and recognized in the statement of profit or loss in the same period in which they are matched with revenues or expenses related to the purpose for which the grant was made. Government grants received related to the acquisition of assets are treated as deferred income and credited to the statement of profit or loss over the useful lives of the related assets.

2.18 Convenience Translation into United States Dollar Amounts

The US dollar amounts provided in the separate financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollar at the rate of ₩ 1,363.09 to \$1, the average exchange rate for the year ended December 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 any other rate.

2.19 Approval of the Separate Financial Statements

These separate financial statements of the Company were approved by the Board of Directors on January 31, 2025, and may be approved as amended at the Annual General Shareholders' Meetings.

3. Material Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on historical experience and future events that are reasonably foreseeable under the circumstances. These estimates may differ from actual results. The estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows.

(A) Revenue recognition

The Company recognizes a liability for a product return and a right to the returned goods that are expected to be returned by customers following the sale of products to customers. At the point of sale, the Company estimates the return using the expected value method based on accumulated experience at the portfolio level and the Company's revenue is affected by changes in the expected return.

Revenue from the sale of goods recognized at the point of transfer of control is the contractual consideration less consideration paid to customers in relation to certain sales promotion activities. Based on the historical experience and terms of contracts, the Company makes reasonable estimates of the sales deductions which affect the Company's revenue.

(B) Provision for warranty

The Company provides warranties for products sold. At the end of each reporting period, the Company recognizes a provision for warranties based on its best estimate of the amount it believes is necessary to provide for future and current warranty obligations. These best estimates are based on historical experience.

(C) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using various valuation techniques and assumptions based on market conditions prevailing at the end of each reporting period.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(D) Impairment of financial assets

In measuring the allowance for impairment losses on financial assets, the Company makes assumptions about the risk of default and expected credit rates. In making these assumptions and selecting the inputs for the impairment calculations, the Company makes judgment based on past experience and current and forecast of future economic conditions at the reporting date.

(E) Lease

In determining the lease term, the Company considers all relevant facts and circumstances that provide an economic incentive to exercise a renewal option, or not to exercise a termination option. The period covered by the renewal option (or the period covered by the termination option) is included in the lease term only if it is reasonably certain that the lessee will exercise (or not exercise) the renewal option.

The lease term is reassessed when the option is actually exercised (or not exercised) or when the Company becomes committed to exercise (or not exercise) the option. The Company only changes its assessment of whether it is reasonably certain the renewal option will be exercised (or not) if there is a significant event or change in circumstances within the lessee's control that affects the calculation of the lease term.

(F) Net defined benefit liabilities (assets)

The net defined benefit liabilities (assets) are dependent on a number of factors which are determined using actuarial methods based on a number of assumptions. Among the assumptions used to determine the net defined benefit liabilities (assets) is the discount rate, and changes in these assumptions will affect the carrying amount of the net defined benefit liability (asset). At the end of each year, the Company determines an appropriate discount rate, taking into account the interest rates on high-quality corporate bonds which represents the interest rate that should be used to determine the present value of the estimated future cash outflows expected to be required to settle the net defined benefit liability (asset). Some other key assumptions relating to the net defined benefit liability (asset) are based on current market conditions.

(G) Impairment of goodwill and intangible assets that have indefinite useful life

The Company tests goodwill and intangible assets with indefinite useful life for impairment annually. The recoverable amount of a cash-generating unit or asset, including goodwill, is determined based on a value-in-use calculation. These calculations are based on estimates.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(H) Income taxes

Income taxes on the Company's taxable income are calculated by applying tax laws and decisions of tax authorities in various countries, and, therefore, there is uncertainty in determining the final tax effect. The Company has recognized current and deferred tax based on its best estimate of the tax consequences expected to be payable in future periods as a result of the Company's operating activities up to the reporting date. However, the actual future final tax liability may not be consistent with the related assets and liabilities recognized, and such differences may affect the current and deferred tax assets and liabilities when the final tax effect is determined.

The Company is subject to additional income taxes, calculated in accordance with the method prescribed by tax laws, when a certain amount is not used for investment, wage growth, etcetera, in a given period. The related tax effect is reflected in the measurement of current and deferred income taxes for the period, and the amount of income tax payable by the Company depends on the level of investment, wage growth, etcetera in each year, resulting in uncertainty in determining the final tax effects.

The Company assesses uncertainty over its tax positions and, if the Company concludes that it is not probable that the tax authorities will accept an uncertain tax position, the effect of the uncertainty is recognized in the financial statements for each uncertain tax position using the method that is expected to provide a better estimate of the resolution of the uncertainty, which is more likely of the following methods.

- (1) Most likely amount: the single most probable amount within a range of possible outcomes.
- (2) Expected value: the sum of the probability-weighted amounts in a range of possible outcomes.

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

4. Financial Instruments by Category

(A) Categorizations of financial assets and liabilities as of December 31, 2024 and 2023 are as follows:

(1) As of December 31, 2024

<i>(In millions of Korean won)</i>	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Total
Financial assets				
Cash and cash equivalents	1,653,766	-	-	1,653,766
Short-term financial instruments	10,187,991	-	-	10,187,991
Trade receivables	33,840,357	-	-	33,840,357
Financial assets at fair value through other comprehensive income	-	2,176,346	-	2,176,346
Other	5,265,647	-	373,681	5,639,328
Total	50,947,761	2,176,346	373,681	53,497,788

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities^(*)	Total
Financial liabilities			
Trade payables	10,287,967	-	10,287,967
Short-term borrowings	-	11,110,972	11,110,972
Other payables	18,331,728	-	18,331,728
Current portion of long-term liabilities	21,997,265	266,961	22,264,226
Debentures	14,530	-	14,530
Long-term borrowings	-	795,703	795,703
Long-term other payables	4,383,749	-	4,383,749
Other	4,893,869	-	4,893,869
Total	59,909,108	12,173,636	72,082,744

(*) Other financial liabilities include lease liabilities, which are not subject to categorizations, and collateralized borrowings.

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(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	Total
Financial assets				
Cash and cash equivalents	6,061,451	-	-	6,061,451
Short-term financial instruments	50,071	-	-	50,071
Trade receivables	27,363,016	-	-	27,363,016
Financial assets at fair value through other comprehensive income	-	1,854,503	-	1,854,503
Financial assets at fair value through profit or loss	-	-	1	1
Other	4,972,284	-	393,235	5,365,519
Total	38,446,822	1,854,503	393,236	40,694,561

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities^(*)	Total
Financial liabilities			
Trade payables	7,943,834	-	7,943,834
Short-term borrowings	-	5,625,163	5,625,163
Other payables	15,015,578	-	15,015,578
Current portion of long-term liabilities	6,354	222,137	228,491
Debentures	19,064	-	19,064
Long-term borrowings	21,990,000	912,035	22,902,035
Long-term other payables	4,486,390	-	4,486,390
Other	3,652,969	-	3,652,969
Total	53,114,189	6,759,335	59,873,524

(*) Other financial liabilities include lease liabilities, which are not subject to categorizations, and collateralized borrowings.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(B) Net gains or net losses on each category of financial assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

(1) 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	Total
Financial assets				
Gain on valuation (other comprehensive income)	-	239,784	-	239,784
Loss on valuation/disposal (profit or loss)	-	-	(14,895)	(14,895)
Interest income	396,089	-	-	396,089
Foreign exchange differences (profit or loss)	1,326,139	-	-	1,326,139
Dividend income	-	3,962	-	3,962
Impairment (profit or loss)	(67,644)	-	-	(67,644)

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities^(*)	Total
Financial liabilities			
Interest expense	(330,514)	(509,097)	(839,611)
Foreign exchange differences (profit or loss)	(657,439)	(165,169)	(822,608)

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(2) 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	Total
Financial assets				
Gain on valuation (other comprehensive income)	-	356,472	-	356,472
Gain on valuation/disposal (profit or loss)	-	-	365,387	365,387
Interest income	371,106	-	-	371,106
Foreign exchange differences (profit or loss)	(216,145)	-	-	(216,145)
Dividend income	-	4,081	637	4,718
Impairment (profit or loss)	(2,113)	-	-	(2,113)

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities ^(*)	Total
Financial liabilities			
Interest expense	(310,267)	(285,498)	(595,765)
Foreign exchange differences (profit or loss)	5,103	31,557	36,660

(*) Other financial liabilities include lease liabilities which are not subject to categorizations, and collateralized borrowings.

5. Transfer of Financial Assets

The Company discounted trade receivables through factoring arrangements with banks during the years ended December 31, 2024 and 2023. Trade receivables provided as collaterals in factoring transactions have not been derecognized as they do not meet the requirements for derecognition of financial assets as the Company retains substantially all the risks and rewards, including the recourse in the event of default by the debtor. Financial liabilities recognized in these transactions are classified as 'short-term borrowings' on the separate statement of financial position (refer to Note 12).

The carrying amount of the discounted trade receivables and the associated liabilities as of December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Carrying amount of the discounted trade receivables	11,110,972	5,625,163
Carrying amount of the associated liabilities	11,110,972	5,625,163

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

6. Financial Assets at Fair Value

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

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

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Equity instruments	2,176,346	1,854,503

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

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Debt instruments	-	1

(B) Changes in financial assets at fair value for the years ended December 31, 2024 and 2023 are as follows:

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

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	1,854,503	1,364,325
Acquisition	-	15,515
Disposal	(2,942)	(15,577)
Fair value valuation gain	324,785	490,240
Balance as of December 31	2,176,346	1,854,503

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

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	1	283
Disposal	-	(282)
Other	(1)	-
Balance as of December 31	-	1

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

- (C) Changes in gain (loss) on valuation of financial assets at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	340,232	(166,635)
Fair value valuation gain	324,785	490,240
Reclassification to retained earnings due to disposal	2,939	16,627
Balance as of December 31	667,956	340,232
Income tax effects	(179,854)	(94,077)
Total	488,102	246,155

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

<i>(In millions of Korean won, number of shares and percentage)</i>	December 31, 2024			December 31, 2023	
	Number of shares owned	Percentage of ownership (%)^(a)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	1,514,508	1,038,712
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	73,974	131,108
iMarket Korea Inc.	647,320	1.9	324	5,179	5,560
KT Skylife Co., Ltd.	240,000	0.5	3,344	1,134	1,421
Mona Yongpyong Co., Ltd.	400,000	0.8	1,869	1,284	1,220
A-Tech Solution Co., Ltd.	1,592,000	15.9	26,348	8,804	17,241
Wonik Holdings Co., Ltd.	1,759,171	2.3	15,410	4,486	5,928
Wonik IPS Co., Ltd.	1,850,936	3.8	16,214	41,368	62,839
Dongjin Semichem Co., Ltd.	2,467,894	4.8	48,277	51,579	95,508
Soulbrain Co., Ltd.	437,339	5.6	40,382	72,336	132,952
S&S Tech Corporation	1,716,116	8.0	65,933	43,933	77,740
YC Corporation	9,601,617	11.7	47,336	98,033	47,864
KCTech Co., Ltd.	1,022,216	4.9	20,720	26,629	27,395
LOTVacuum Co., Ltd.	1,267,668	7.1	18,990	10,585	25,544
Newpower Co., Ltd.	2,140,939	4.9	12,739	9,463	11,240
Fine Semitech Corporation	1,522,975	7.0	43,009	23,956	37,541
DNF Co., Ltd.	810,030	7.0	20,964	7,144	19,400
Marvell Technology, Inc.	173,187	0.0	11,705	28,119	13,468
SoundHound AI, Inc.	1,702,957	0.5	13,719	49,666	4,655
Total			1,353,398	2,072,180	1,757,336

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

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

7. Trade and Non-Trade Receivables

(A) Trade and non-trade receivables as of December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	Trade	Non-trade	Trade	Non-trade
Receivables	33,967,334	3,263,714	27,421,756	1,927,564
Less: Loss allowance	(126,977)	(4,303)	(58,740)	(6,230)
Subtotal	33,840,357	3,259,411	27,363,016	1,921,334
Less: Non-current	-	(9,680)	-	(11,280)
Current	33,840,357	3,249,731	27,363,016	1,910,054

(B) Movements in the loss allowance for receivables for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Trade	Non-trade	Trade	Non-trade
Balance as of January 1	58,740	6,230	56,432	6,387
Bad debt expense (reversal)	68,237	(330)	2,308	(145)
Write-off	-	(1,597)	-	(12)
Balance as of December 31	126,977	4,303	58,740	6,230

(C) The details of trade and non-trade receivables classified by past due date for the purpose of measuring expected credit losses as of December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	Trade	Non-trade	Trade	Non-trade
Receivables not past due	33,374,582	3,141,782	26,584,115	1,747,904
Past due:				
Less than 31 days past due ^(e)	404,847	77,956	430,299	142,166
31 days to 90 days past due	71,780	13,019	252,998	7,893
Over 90 days past due	116,125	30,957	154,344	29,601
Subtotal	592,752	121,932	837,641	179,660
Total	33,967,334	3,263,714	27,421,756	1,927,564

^(e) The Company does not consider the credit risk of non-trade receivables that are overdue for less than or equal to 31 days has been significantly increased.

(D) The maximum exposure to current credit risk is equivalent to the carrying amount of receivables as of December 31, 2024. The Company has entered into insurance contracts with insurers for its major receivables.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

8. Inventories

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

<i>(In millions of Korean won)</i>	December 31, 2024			December 31, 2023		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	6,374,009	(774,903)	5,599,106	7,914,117	(1,203,662)	6,710,455
Work in process	20,944,352	(1,802,857)	19,141,495	21,866,523	(3,863,881)	18,002,642
Raw materials and supplies	4,561,944	(552,073)	4,009,871	4,910,170	(861,821)	4,048,349
Materials in transit	403,643	-	403,643	576,705	-	576,705
Total	32,283,948	(3,129,833)	29,154,115	35,267,515	(5,929,364)	29,338,151

Inventories recognized as an expense for the years ended December 31, 2024 and 2023 amount to ₩150,032,902 million and ₩142,735,272 million, respectively. The amount includes loss on the valuation of inventories.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

9. Investments in Subsidiaries, Associates and Joint Ventures

- (A) Changes in investments in subsidiaries, associates and joint ventures for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	57,392,438	57,397,249
Acquisition	336,648	108,300
Disposal	(315,306)	(144,317)
Impairment reversal	13,416	31,206
Balance as of December 31	57,427,196	57,392,438

- (B) Major investments in associates as of December 31, 2024 are as follows:
(refer to Note 30 for list of the Company's subsidiaries)

Investee	Nature of relationship with associate	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 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 ordinary shares issued by each entity.

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

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(C) A summary of the condensed financial information of major subsidiaries and associates as of and for the years ended December 31, 2024 and 2023 is as follows:

(1) Major subsidiaries

<i>(In millions of Korean won)</i>	2024			
	Assets	Liabilities	Sales	Profit (loss) for the year
Samsung Display Co., Ltd. (SDC)	67,541,382	8,305,660	25,401,419	5,989,037
Samsung Electronics America, Inc. (SEA)	50,777,503	18,653,435	40,650,074	1,628,652
Samsung Asia Pte. Ltd. (SAPL)	31,226,978	353,722	-	5,326,248
Samsung (China) Semiconductor Co., Ltd. (SCS)	18,796,411	900,205	11,180,211	1,195,361
Samsung (CHINA) Investment Co., Ltd. (SCIC)	16,111,528	15,246,946	2,754,791	300,719
Samsung India Electronics Private Ltd. (SIEL)	9,561,708	3,226,735	17,048,976	1,408,392
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,093,393	3,452,430	-	195,012
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	6,467,878	5,635,634	30,068,460	468,408
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,679,383	1,486,272	7,935,236	208,102
Samsung Electronics (UK) Ltd. (SEUK)	3,267,763	2,042,914	6,158,787	181,457
Thai Samsung Electronics Co., Ltd. (TSE)	2,637,138	502,266	4,513,870	166,928
Samsung Electronics Taiwan Co., Ltd. (SET)	2,411,145	1,642,510	5,744,458	62,255
SEMES Co., Ltd.	2,365,712	705,818	2,432,656	144,665
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,017,910	845,480	4,086,721	125,857
Samsung Electronics Europe Logistics B.V. (SELS)	1,928,760	1,710,124	15,682,546	(12,249)

(*) The above summary of condensed financial information is based on separate financial statements of each subsidiary.

<i>(In millions of Korean won)</i>	2023			
	Assets	Liabilities	Sales	Profit (loss) for the year
Samsung Display Co., Ltd. (SDC)	65,328,568	7,266,213	27,083,336	8,268,314
Samsung Electronics America, Inc. (SEA)	41,926,899	15,322,780	39,551,809	477,338
Samsung Asia Pte. Ltd. (SAPL)	22,234,942	282,614	-	14,140,195
Samsung (China) Semiconductor Co., Ltd. (SCS)	15,808,283	870,453	8,693,788	877,892
Samsung (CHINA) Investment Co., Ltd. (SCIC)	10,222,557	8,797,991	3,148,858	189,887
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,660,481	4,585,806	-	103,387
Samsung India Electronics Private Ltd. (SIEL)	7,738,259	3,373,730	15,216,331	1,153,256
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,542,627	1,587,911	7,222,304	333,812
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	5,262,086	4,552,030	15,649,307	244,210
Thai Samsung Electronics Co., Ltd. (TSE)	3,039,379	640,512	4,213,492	150,510
Samsung Electronics (UK) Ltd. (SEUK)	2,902,722	1,976,067	5,859,133	185,113
SEMES Co., Ltd.	2,187,919	659,607	2,502,143	58,754
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,153,032	1,038,115	3,638,080	148,873
Samsung Electronics Taiwan Co., Ltd. (SET)	1,797,627	1,139,056	4,108,479	56,467
Samsung Electronics Benelux B.V. (SEBN)	1,794,552	639,120	2,833,717	140,313

(*) The above summary of condensed financial information is based on separate financial statements of each subsidiary.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(2) Major associates

	2024				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
<i>(In millions of Korean won)</i>					
Current assets	5,891,746	9,003,787	5,518,118	10,334,313	2,754,194
Non-current assets	6,900,656	4,234,543	11,818,179	30,263,032	568,459
Current liabilities	3,056,861	2,495,409	3,853,188	10,855,694	1,594,190
Non-current liabilities	719,688	1,037,472	2,578,432	8,174,413	251,659
Revenue	10,294,103	13,828,232	4,547,322	16,592,249	4,344,257
Profit from continuing operations ^(*)	640,865	756,997	1,083,316	544,239	207,515
Profit from discontinued operation, net of tax ^(*)	38,265	-	-	55,051	-
Other comprehensive income (loss) ^(*)	349,340	144,625	(9,132)	722,676	76,571
Total comprehensive income ^(*)	1,028,470	901,622	1,074,184	1,321,966	284,086

^(*) Profit (loss) attributable to owners of the parent company.

	2023				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
<i>(In millions of Korean won)</i>					
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
Revenue	8,892,412	13,276,844	3,694,589	21,436,788	4,138,275
Profit from continuing operations ^(*)	449,857	693,422	857,691	1,921,820	187,302
Profit (loss) from discontinued operation, net of tax ^(*)	(26,900)	-	-	87,387	-
Other comprehensive income (loss) ^(*)	45,053	(11,085)	(11,673)	85,394	3,685
Total comprehensive income ^(*)	468,010	682,337	846,018	2,094,601	190,987

^(*) Profit (loss) attributable to owners of the parent company.

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(D) Fair value of marketable investments in associates as of December 31, 2024 and 2023 is as follows:

<i>(In millions of Korean won and number of shares)</i>	December 31, 2024			December 31, 2023	
	Number of shares held	Market value	Carrying amount	Market value	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	17,693,084	2,190,404	445,244	2,710,580	445,244
Samsung SDS Co., Ltd.	17,472,110	2,232,936	560,827	2,970,259	560,827
Samsung Biologics Co., Ltd.	22,217,309	21,084,226	1,595,892	16,885,155	1,595,892
Samsung SDI Co., Ltd.	13,462,673	3,332,012	1,242,605	6,354,382	1,242,605
Cheil Worldwide, Inc.	29,038,075	492,195	491,599	552,595	491,599

(E) Others

The Company's board of directors decided to exercise call options so as to acquire 3.94 million shares of Rainbow Robotics Inc., a Company's associate, from six shareholders including the largest shareholder on December 31, 2024. The aggregate exercise price is ₩267,463 million, and will be paid upon completion of relevant government administrative procedures.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

10. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	2024					
	Land	Buildings and structures	Machinery and equipment	Construction in progress	Other	Total
Balance as of January 1	7,881,222	26,564,296	69,492,787	34,675,331	1,965,525	140,579,161
Acquisition cost	7,883,620	41,814,348	228,287,817	34,675,331	5,182,709	317,843,825
Accumulated depreciation and impairment	(2,398)	(15,250,052)	(158,795,030)	-	(3,217,184)	(177,264,664)
Acquisitions and capital expenditures(*)	181,295	4,756,975	38,411,587	(3,208,214)	1,228,769	41,370,412
Depreciation	(2,340)	(2,464,085)	(27,213,533)	-	(605,340)	(30,285,298)
Disposal/scrap	(17,239)	(114,033)	(26,089)	-	(7,971)	(165,332)
Impairment	-	(199)	(3,624)	-	(942)	(4,765)
Other	915	(12,620)	165,845	(205)	(201,243)	(47,308)
Balance as of December 31	8,043,853	28,730,334	80,826,973	31,466,912	2,378,798	151,446,870
Acquisition cost	8,048,086	46,332,683	264,285,218	31,466,912	5,691,097	355,823,996
Accumulated depreciation and impairment	(4,233)	(17,602,349)	(183,458,245)	-	(3,312,299)	(204,377,126)

(*) Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩ 849,378 million, and the capitalization interest rate used to calculate the capitalized borrowing costs is 4.6%.

(In millions of Korean won)	2023					
	Land	Buildings and structures	Machinery and equipment	Construction in progress	Other	Total
Balance as of January 1	7,752,989	23,246,622	61,426,540	28,768,364	2,072,471	123,266,986
Acquisition cost	7,754,559	36,449,026	199,823,339	28,768,364	4,886,059	277,681,347
Accumulated depreciation and impairment	(1,570)	(13,202,404)	(138,396,799)	-	(2,813,588)	(154,414,361)
Acquisitions and capital expenditures(*)	131,535	5,509,158	31,107,219	5,907,608	461,345	43,116,865
Depreciation	(1,003)	(2,135,709)	(22,908,637)	-	(574,245)	(25,619,594)
Disposal/scrap	(2,277)	(25,652)	(95,125)	-	(5,330)	(128,384)
Impairment	-	(27,715)	(24,920)	-	(1,547)	(54,182)
Other	(22)	(2,408)	(12,290)	(641)	12,831	(2,530)
Balance as of December 31	7,881,222	26,564,296	69,492,787	34,675,331	1,965,525	140,579,161
Acquisition cost	7,883,620	41,814,348	228,287,817	34,675,331	5,182,709	317,843,825
Accumulated depreciation and impairment	(2,398)	(15,250,052)	(158,795,030)	-	(3,217,184)	(177,264,664)

(*) Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩646,471 million, and the capitalization interest rate used to calculate the capitalized borrowing costs is 4.6%.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

- (B) Changes in the right-of-use assets included in the property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024				
	Land	Buildings and structures	Machinery and equipment	Other	Total
Balance as of January 1	4,575	1,295,293	8,142	532,903	1,840,913
Acquisition	193	74,707	77,272	46,870	199,042
Depreciation	(2,340)	(231,116)	(29,075)	(46,160)	(308,691)
Cancellation of contract	(328)	(3,083)	-	(145)	(3,556)
Other	914	-	(283)	1,805	2,436
Balance as of December 31	3,014	1,135,801	56,056	535,273	1,730,144

<i>(In millions of Korean won)</i>	2023				
	Land	Buildings and structures	Machinery and equipment	Other	Total
Balance as of January 1	1,866	642,700	22,135	569,312	1,236,013
Acquisition	3,712	863,062	1,728	4,554	873,056
Depreciation	(1,003)	(189,855)	(16,057)	(40,749)	(247,664)
Cancellation of contract	-	(20,500)	-	(234)	(20,734)
Other	-	(114)	336	20	242
Balance as of December 31	4,575	1,295,293	8,142	532,903	1,840,913

- (C) Details of depreciation of property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Cost of sales	27,673,746	23,618,150
Selling and administrative expenses and other	2,611,552	2,001,444
Total	30,285,298	25,619,594

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

11. Intangible Assets

(A) Changes in intangible assets for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	2024				
	Intellectual property rights	Development cost	Membership	Other	Total
Balance as of January 1	1,287,798	-	196,827	8,955,586	10,440,211
External acquisitions	270,328	-	13,531	2,213,977	2,497,836
Amortization	(236,511)	-	-	(2,195,761)	(2,432,272)
Disposals/scrap	(33,661)	-	-	(16,040)	(49,701)
Impairment	-	-	(826)	-	(826)
Other	(741)	-	-	42,449	41,708
Balance as of December 31	1,287,213	-	209,532	9,000,211	10,496,956

(In millions of Korean won)	2023				
	Intellectual property rights	Development cost	Membership	Other	Total
Balance as of January 1	1,193,286	85,018	199,870	7,083,250	8,561,424
External acquisitions	371,570	-	1,069	4,174,044	4,546,683
Amortization	(229,849)	(85,018)	-	(2,299,322)	(2,614,189)
Disposals/scrap	(40,944)	-	(7,850)	(560)	(49,354)
Impairment	(6,265)	-	3,738	(3,114)	(5,641)
Other	-	-	-	1,288	1,288
Balance as of December 31	1,287,798	-	196,827	8,955,586	10,440,211

(B) Details of amortization of intangible assets for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	2024	2023
Cost of sales	1,836,827	2,016,938
Selling and administrative expenses and other	595,445	597,251
Total	2,432,272	2,614,189

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

12. Borrowings

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

<i>(In millions of Korean won)</i>	Financial institutions	Maturity date	Interest rate (%) as of December 31, 2024	December 31, 2024	December 31, 2023
Short-term borrowings					
Collateralized borrowings ^(*)	Woori Bank and other	-	0.4~14.9	11,110,972	5,625,163
Current portion of long-term borrowings					
Lease liabilities ^(*)	-	-	3.0	266,961	222,137
Non-collateralized borrowings	Samsung Display Co., Ltd.	August 16, 2025	4.6	21,990,000	-
Total				22,256,961	222,137
Long-term borrowings					
Lease liabilities ^(*)	-	-	3.0	795,703	912,035
Non-collateralized borrowings	-	-	-	-	21,990,000
Total				795,703	22,902,035

(*) Collateralized borrowings are secured by trade receivables.

(*) Interest expenses arising from the lease liabilities for the years ended December 31, 2024 and 2023 amount to ₩32,567 million and ₩28,282 million, respectively, which were determined using the weighted average incremental borrowing rate. Short-term lease payments and low-valued asset lease payments that are not included in lease liabilities during the years ended December 31, 2024 and 2023 amount to ₩47,328 million and ₩51,569 million, respectively.

(B) Maturities of unsecured borrowings outstanding as of December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	Non-collateralized Borrowings
Repayment in	
2025	22,619,095
Total	22,619,095

(C) Maturities of lease liabilities outstanding as of December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	Lease liabilities
Repayment in	
2025	299,447
2026	241,390
2027	168,208
2028	129,598
2029 and thereafter	333,846
Total	1,172,489

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

13. Debentures

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

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rate (%) as of Dec 31, 2024	December 31, 2024	December 31, 2023
US dollar denominated straight bonds(*)	Oct 2, 1997	Oct 1, 2027	7.7	22,050 (USD 15 million)	25,788 (USD 20 million)
Less: Discounts				(255)	(370)
Less: Current portion				(7,265)	(6,354)
Total				14,530	19,064

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

(B) Repayment schedule of debentures outstanding as of December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	Debentures
Repayment in	
2025	7,350
2026	7,350
2027	7,350
Total	22,050

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

14. Net Defined Benefit Liabilities (Assets)

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

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Present value of funded defined benefit obligations	13,152,202	11,959,655
Present value of unfunded defined benefit obligations	25,500	22,672
Subtotal	13,177,702	11,982,327
Fair value of plan assets	(15,427,494)	(15,728,024)
Total	(2,249,792)	(3,745,697)

- (B) The components of defined benefit costs recognized in profit or loss for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Current service cost	1,053,582	962,366
Net interest income	(215,644)	(275,246)
Total	837,938	687,120

The amount recognized as expenses of defined contribution plans for the years ended December 31, 2024 and 2023 are ₩77,360 million and ₩48,884 million, respectively

- (C) The expenses related to the defined benefit plans recognized in the statements of profit or loss for the years ended December 31, 2024 and 2023 are as follows :

<i>(In millions of Korean won)</i>	2024	2023
Cost of sales	336,493	271,113
Selling and administrative expenses and other	501,445	416,007
Total	837,938	687,120

- (D) Changes in the defined benefit obligations for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	11,982,327	10,758,672
Current service cost	1,053,582	962,366
Interest cost	642,716	613,363
Remeasurement:		
Changes in demographic assumptions	-	(61,559)
Changes in financial assumptions	538,347	226,995
Other	124,814	117,800
Benefits paid	(1,178,887)	(653,343)
Other	14,803	18,033
Balance as of December 31	13,177,702	11,982,327

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(E) Changes in the fair value of plan assets for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	15,728,024	15,168,895
Interest income on plan assets	858,360	888,609
Remeasurement of plan assets	(141,532)	(494,687)
Contributions by employer	-	694,100
Benefits paid	(1,021,978)	(537,855)
Other	4,620	8,962
Balance as of December 31	15,427,494	15,728,024

The reasonable estimate of the employer contributions expected to be paid in 2025 in respect of the defined benefit plans as of December 31, 2024 is ₩1,674,416 million.

(F) As of December 31, 2024, plan assets are invested in fixed income instruments with guaranteed principal and others.

(G) The principal actuarial assumptions as of December 31, 2024 and 2023 are as follows:

<i>(In percentage)</i>	December 31, 2024	December 31, 2023
Discount rate	5.1	5.6
Salary growth rate (including the effects of inflation)	5.5	5.6

(H) The sensitivity analysis of the defined benefit obligations as of December 31, 2024 and 2023 to changes in the principal assumptions is as follows:

<i>(In millions of Korean won)</i>	Defined benefit obligations	
	December 31, 2024	December 31, 2023
Discount rate		
1%p increase	11,947,468	10,888,509
1%p decrease	14,615,589	13,258,187
Salary growth rate		
1%p increase	14,591,538	13,242,324
1%p decrease	11,943,514	10,880,916

(I) The weighted average maturity of the defined benefit obligations is 10.12 years as of December 31, 2024.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

15. Provisions

Changes in provisions for the year ended December 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	673,951	1,815,938	713,719	3,750,227	6,953,835
Charged to profit or loss	801,454	1,337,893	202,630	2,384,980	4,726,957
Payment	(718,775)	(532,481)	(262,023)	(1,575,488)	(3,088,767)
Other	-	172,551	-	95,388	267,939
Balance as of December 31	756,630	2,793,901	654,326	4,655,107	8,859,964

- (A) The Company accrues warranty provisions for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiation.
- (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 estimated losses from contracts associated with discontinued products.
- (E) The Company makes provisions for the emission in excess of the emission rights held by the Company. Details of emission rights and liabilities as of December 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 December 31, 2024 are as follows:

<i>(In million metric tons)</i>	December 31, 2024
Emission rights allocated free of charge ^(*)	12.82
Estimated volume of emission	13.96

^(*) As of December 31, 2024, emission rights allocated free of charge for the remainder of the plan period are 11.16 million metric ton (2025: 11.16 million metric tons).

- (2) Changes in the emission rights for the years ended December 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
Acquisition	-	1,265
Utilization	-	(17,695)
Balance as of December 31^(*)	3,137	3,137

^(*) The quantity of emission rights is 27.48 million metric ton and no emission rights is provided as collateral as of December 31, 2024.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(3) Changes in the emission liabilities for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Balance as of January 1	-	32,825
Charged to the statement of profit or loss	-	(15,348)
Utilization	-	(17,477)
Balance as of December 31	-	-

16. Commitments and Contingencies

(A) Guarantees

(1) Debt guarantees provided by the Company for overseas subsidiaries as of December 31, 2024 are as follows:

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

Debtor	Creditor	Date of maturity	Amount of indebtedness	Guaranteed amount
SETK	BNP and others	Dec 16, 2025	675,675	1,392,090
Other	Others	-	-	10,518,247
Total			675,675 USD 495,321	11,910,337 USD 8,102,270

(2) The ceiling amount of guarantees provided by the Company for the execution of contracts by overseas subsidiaries is ₩532,893 million as of December 31, 2024.

(3) The Company has not been provided any collateral or guarantees from its related parties as of December 31, 2024.

(B) Litigation

As of December 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.

(C) Joint liabilities related to the divestiture

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

(D) Other commitments

(1) As of December 31, 2024, the Company has trade financing agreements, trade notes receivable discounting facilities, and loan facilities secured by accounts receivable with 4 financial institutions, including Woori Bank, with a combined limit of ₩10,677,500 million. In addition, the Company has a trade financing agreement with 18 financial institutions, including Shinhan bank, with a limit of USD 8,898 million, and loan facilities with 4 financial institutions, including Industrial Bank of Korea, with a limit of ₩506,249 million.

(2) As of December 31, 2024, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩7,335,536 million.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

17. Contract Liabilities

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

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Contract liabilities ^(*)	1,559,287	1,491,085

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

The revenue recognized for the year ended December 31, 2024 in relation to the contract liabilities carried forward as of January 1, 2024 amounts to ₩281,451 million.

18. Share Capital

As of December 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 December 31, 2024, excluding the number of retired shares. The number of shares outstanding is different from the aforementioned number of shares issued due to purchase of treasury shares. Due to the retirement of shares, the total par value of the shares issued which excludes the number of retired shares is ₩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.

<i>(Number of shares)</i>	Ordinary shares outstanding	Preference shares outstanding
As of January 1, 2023	5,969,782,550	822,886,700
Treasury shares purchased	-	-
As of December 31, 2023	5,969,782,550	822,886,700
As of January 1, 2024	5,969,782,550	822,886,700
Treasury shares purchased	(29,700,000)	(4,050,000)
As of December 31, 2024	5,940,082,550	818,836,700

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

19. Retained Earnings

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

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Appropriated retained earnings		
Legal reserves:		
Earned profit reserves(*)	450,789	450,789
Discretionary reserves	217,059,556	201,484,221
Subtotal	217,510,345	201,935,010
Unappropriated retained earnings	16,223,971	18,028,341
Total	233,734,316	219,963,351

(*) The Commercial Code of the Republic of Korea requires the Company to appropriate as a legal reserve, an amount equal to a minimum of 10% of annual cash dividends declared, until the reserve equals 50% of the aggregate par value of issued capital stock. As of December 31, 2024, since the Company's profit reserves reached 50% of its capital stock, the Company has no obligation to appropriate additional amount.

(B) Separate statements of appropriation of retained earnings for the years ended December 31, 2024 and 2023 are as follows:

The appropriation of retained earnings for the year ended December 31, 2024, is expected to be appropriated at the general shareholders' meeting to be held on March 19, 2025. The appropriation date for the year ended December 31, 2023 was March 20, 2024.

<i>(In millions of Korean won)</i>	2024	2023
Retained earnings before appropriations		
Unappropriated retained earnings carried over from prior year	30	30
Interim dividends:		
In 2024 - ₩1,083 (dividend rate: 1083%)	(7,356,461)	(7,356,461)
In 2023 - ₩1,083 (dividend rate: 1083%)		
Profit for the year	23,582,565	25,397,099
Disposal of financial assets measured at fair value through profit or loss	(2,163)	(12,327)
Retained earnings available for appropriation	16,223,971	18,028,341
Transfers from other reserves	-	-
Appropriations of retained earnings		
Cash dividends:	2,454,307	2,452,976
In 2024:		
Ordinary shares - ₩363 (dividend rate: 363%)		
Preference shares - ₩364 (dividend rate: 364%)		
In 2023:		
Ordinary shares - ₩361 (dividend rate: 361%)		
Preference shares - ₩362 (dividend rate: 362%)		
Reserve for research and human resources development	13,769,634	15,575,335
Total appropriations of retained earnings	16,223,941	18,028,311
Unappropriated retained earnings to be carried forward	30	30

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

(1) Interim dividends (Record date: March 31, June 30 and September 30, 2024 and 2023)

<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	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	Total		2,452,154	2,452,154
2 nd Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	Total		2,452,154	2,452,154
3 rd Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	Total		2,452,154	2,452,154

(2) Year-end dividends (Record date: December 31, 2024 and 2023)

<i>(In millions of Korean won and number of shares)</i>			2024	2023
Number of shares eligible for dividends	Ordinary shares		5,940,082,550	5,969,782,550
	Preference shares		818,836,700	822,886,700
Dividend rate (based on par value)	Ordinary shares		363%	361%
	Preference shares		364%	362%
Dividend amount	Ordinary shares		2,156,250	2,155,092
	Preference shares		298,057	297,884
Total			2,454,307	2,452,976

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

20. Other Components of Equity

(A) Other components of equity as of December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Gain on valuation of financial assets at fair value through other comprehensive income	488,102	246,155
Remeasurement of net defined benefit assets	(3,075,801)	(2,483,547)
Treasury shares	(1,811,775)	-
Others	1,760,408	1,760,408
Total	(2,639,066)	(476,984)

(B) Treasury shares as of December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won and number of shares)</i>	2024	2023
Number of treasury shares purchased	Ordinary shares	29,700,000
	Preference shares	4,050,000
Acquisition cost	Ordinary shares	1,625,252
	Preference shares	186,523

21. Expenses by Nature

Expenses by nature for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Changes in finished goods, work in process, and other	(27,504)	(1,557,583)
Raw materials used, merchandise purchased, and other	87,478,581	89,350,845
Wages and salaries	15,247,579	13,941,832
Post-employment benefit	915,298	736,004
Depreciation	30,285,298	25,619,594
Amortization	2,432,272	2,614,189
Welfare	3,414,856	3,307,047
Utilities	5,759,175	5,051,847
Outsourcing	4,505,891	3,791,485
Advertising	1,634,516	1,747,480
Sales promotion	1,385,627	1,298,806
Other	43,659,618	35,998,841
Total^(*)	196,691,207	181,900,387

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

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

22. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Selling and administrative expenses		
Wages and salaries	2,521,337	2,541,935
Post-employment benefit	163,548	133,881
Commissions	3,091,188	3,566,826
Depreciation	477,811	468,454
Amortization	398,113	390,581
Advertising	1,634,516	1,747,480
Sales promotion	1,385,627	1,298,806
Transportation	865,698	541,902
Service	1,292,125	981,945
Other	2,641,755	2,352,176
Subtotal	14,471,718	14,023,986
Research and development expenses		
Research and development	30,158,017	23,852,849
Total	44,629,735	37,876,835

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

23. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Other non-operating income		
Dividend income	9,736,333	29,096,899
Rental income	184,855	183,234
Gain on disposal of property, plant and equipment	64,356	105,553
Other	365,641	257,629
Total	10,351,185	29,643,315

<i>(In millions of Korean won)</i>	2024	2023
Other non-operating expenses		
Loss on disposal of property, plant and equipment	99,941	49,044
Donations	150,377	176,171
Other	290,224	150,508
Total	540,542	375,723

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

24. Financial Income and Expenses

Details of financial income and expenses for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Financial income		
Interest income	396,089	371,106
Financial assets measured at amortized cost	396,089	371,106
Foreign exchange differences	7,321,600	6,652,107
Gain from derivatives	-	365,451
Total	7,717,689	7,388,664

<i>(In millions of Korean won)</i>	2024	2023
Financial expenses		
Interest expenses	839,611	595,765
Financial liabilities measured at amortized cost	330,514	310,267
Other financial liabilities	509,097	285,498
Foreign exchange differences	7,280,623	7,002,694
Loss from derivatives	19,554	-
Total	8,139,788	7,598,459

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

25. Income Tax Expense

(A) Income tax expense for the years ended December 31, 2024 and 2023 consists of the following:

<i>(In millions of Korean won)</i>	2024	2023
Current taxes		
Current tax on profits for the year	1,689,123	337,983
Adjustments recognized in the current year	754,311	(487,822)
Subtotal	2,443,434	(149,839)
Deferred taxes		
Changes in deferred taxes arising from unused tax credits	(4,658,032)	(4,713,725)
Changes in deferred taxes arising from temporary differences	(547,094)	(2,073,330)
Changes in deferred taxes arising from unused tax losses	928,705	(928,705)
Subtotal	(4,276,421)	(7,715,760)
Income tax expense	(1,832,987)	(7,865,599)

(B) The difference between the income tax expense on the Company's profit before tax and the theoretical amount computed using the tax rate applicable to the Company's profit before tax is as follows:

<i>(In millions of Korean won)</i>	2024	2023
Profit before income tax	21,749,578	17,531,500
Tax calculated at tax rates applicable to profits^(*)	5,741,889	4,628,316
Adjustments:		
Non-taxable income	(2,696,812)	(7,340,802)
Non-deductible expense	10,691	6,256
Tax credits	(4,936,294)	(5,082,791)
Other	47,539	(76,578)
Subtotal	(7,574,876)	(12,493,915)
Income tax expense	(1,832,987)	(7,865,599)

(*) The statutory tax rate regulated by tax laws as of December 31, 2024 and 2023 is applied.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(C) The movement in deferred income tax assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

	2024			2023		
	Balance as of January 1	Increase (Decrease)	Balance as of December 31	Balance as of January 1	Increase (Decrease)	Balance as of December 31
<i>(In millions of Korean won)</i>						
Deferred tax arising from temporary differences						
Revaluation of land	(898,687)	1,998	(896,689)	(898,505)	(182)	(898,687)
Investments in subsidiaries, associates and joint ventures ^(*)	(228,304)	6,902	(221,402)	(819,038)	590,734	(228,304)
Accumulated depreciation and other	(1,408,682)	324,105	(1,084,577)	(1,634,038)	225,356	(1,408,682)
Accrued income	(3,564)	(28,996)	(32,560)	(2,487)	(1,077)	(3,564)
Provisions, accrued expenses, and other	5,433,027	153,938	5,586,965	3,613,572	1,819,455	5,433,027
Foreign currency translation	124,852	41,321	166,173	147,194	(22,342)	124,852
Asset impairment losses	181,641	3,687	185,328	184,282	(2,641)	181,641
Post-employment benefits	(1,879,227)	182,161	(1,697,066)	(1,427,630)	(451,597)	(1,879,227)
Other	539,804	(138,022)	401,782	624,180	(84,376)	539,804
Subtotal	1,860,860	547,094	2,407,954	(212,470)	2,073,330	1,860,860
Deferred tax arising from tax losses						
Unused tax losses	928,705	(928,705)	-	-	928,705	928,705
Deferred tax arising from unused tax credits						
Unused tax credits	6,339,250	4,658,032	10,997,282	1,625,525	4,713,725	6,339,250
Deferred tax recognized in equity						
Loss (gain) on valuation of financial assets at fair value through other comprehensive income and other	(88,295)	(86,785)	(175,080)	43,991	(132,286)	(88,295)
Remeasurement of net defined benefit assets	890,838	212,438	1,103,276	685,466	205,372	890,838
Subtotal	802,543	125,653	928,196	729,457	73,086	802,543
Total	9,931,358	4,402,074	14,333,432	2,142,512	7,788,846	9,931,358

(*) Deferred tax assets are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future for investments in subsidiaries, associates and joint ventures.

(D) Details of the period when the deferred tax assets (liabilities) are expected to be recovered (settled) as of December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Net deferred tax assets to be recovered (settled) within 12 months	3,776,380	5,055,283
Net deferred tax assets (liabilities) to be recovered (settled) after more than 12 months	10,557,052	4,876,075
Total	14,333,432	9,931,358

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

26. Earnings per Share

(A) Basic earnings per share

Basic earnings per share for the years ended December 31, 2024 and 2023 are calculated as follows:

(1) Ordinary shares

<i>(In millions of Korean won, thousands of number of shares)</i>	2024	2023
Profit for the year	23,582,565	25,397,099
Profit for the year available for ordinary shares	20,724,961	22,319,686
Weighted-average number of ordinary shares outstanding	5,969,672	5,969,783
Basic earnings per ordinary share (in Korean won)	3,472	3,739

(2) Preference shares

<i>(In millions of Korean won, thousands of number of shares)</i>	2024	2023
Profit for the year	23,582,565	25,397,099
Profit for the year available for preference shares	2,857,604	3,077,413
Weighted-average number of preference shares outstanding	822,871	822,887
Basic earnings per preference share (in Korean won)	3,473	3,740

(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 years ended December 31, 2024 and 2023.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

27. Statements of Cash Flows

(A) The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the years ended December 31, 2024 and 2023 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2024	2023
Adjustments :		
Income tax income	(1,832,987)	(7,865,599)
Financial income	(1,566,938)	(995,482)
Financial expenses	2,545,209	1,316,292
Post-employment benefits	915,298	736,004
Depreciation	30,285,298	25,619,594
Amortization	2,432,272	2,614,189
Bad debt expense	67,958	2,308
Dividend income	(9,736,333)	(29,096,899)
Gain on disposal of property, plant and equipment	(64,356)	(105,553)
Loss on disposal of property, plant and equipment	99,941	49,044
(Reversal of) loss on valuation of inventories and others	(1,691,973)	3,558,358
Other	39,740	74,820
Total	21,493,129	(4,092,924)

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2024	2023
Changes in assets and liabilities :		
Increase in trade receivables	(5,566,775)	(6,883,154)
Decrease (increase) in non-trade receivables	(1,213,085)	612,652
Increase in prepaid expenses	(286,511)	(339,588)
Decrease (increase) in inventories	1,929,763	(4,399,456)
Increase (decrease) in trade payables	2,028,901	(701,579)
Increase (decrease) in other payables	1,304,136	(335,900)
Increase (decrease) in advances received	47,859	(18,100)
Increase (decrease) in withholdings	70,984	(77,884)
Decrease in accrued expenses	(50,071)	(1,677,917)
Increase in provisions	1,638,190	1,076,981
Payment of post-employment benefits	(1,256,247)	(702,328)
Decrease (increase) in plan assets	1,021,978	(156,245)
Other	(429,208)	386,971
Total	(760,086)	(13,215,547)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(B) Significant non-cash investing and financing transactions for the years ended December 31, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Valuation of financial assets at fair value through other comprehensive income	324,785	490,240
Reclassification of construction in progress to property, plant and equipment	43,491,326	38,188,436
Acquisition of right-of-use assets (new lease contracts established)	199,042	873,056
Reclassification of current portion of debentures and long-term borrowings	22,264,226	228,492

(C) Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023 are as follows:

(1) 2024

<i>(In millions of Korean won)</i>	As of January 1	Cash flows from financing activities	Non-cash transactions		As of December 31
			New lease contracts	Other ^(*)	
Short-term borrowings	5,625,163	5,316,919	-	168,890	11,110,972
Debentures and long-term borrowings	23,149,590	(217,305)	199,042	(56,868)	23,074,459
Total	28,774,753	5,099,614	199,042	112,022	34,185,431

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

(2) 2023

<i>(In millions of Korean won)</i>	As of January 1	Cash flows from financing activities	Non-cash transactions		As of December 31
			New lease contracts	Other ^(*)	
Short-term borrowings	2,381,512	3,274,337	-	(30,686)	5,625,163
Debentures and long-term borrowings	815,644	21,804,684	567,652	(38,390)	23,149,590
Total	3,197,156	25,079,021	567,652	(69,076)	28,774,753

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

For the years ended December 31, 2024 and 2023, cash outflows from repayment of the principal of lease liabilities (financial activities) amount to ₩210,858 million and ₩178,979 million, respectively, while cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩32,567 million and ₩28,282 million, respectively.

(D) The Company recorded cash inflows and outflows from short-term financial instruments with frequent transactions, large gross amounts and short-term maturities, as well as from short-term borrowings on a net basis. As of December 31, 2024, most of the Company's cash and cash equivalents consist mainly of bank deposits.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

28. Financial Risk Management

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

The Company establishes global financial management standards and manages the risks by periodically measuring customer's and counterparties' financial risk, applying currency hedges, and reviewing cash flows.

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

The Company's financial assets subject to financial risk management consist of cash and cash equivalents, short-term financial instruments, 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 does not eliminate, the foreign exchange risk to which the Company is exposed. Moreover, the Company periodically evaluates and monitors the foreign exchange risk to efficiently mitigate such risk, and the speculative foreign exchange transactions are strictly prohibited.

As of December 31, 2024 and 2023, the impact on profit or loss (before tax) of a 5% change in exchange rates on the Company's financial assets and financial liabilities denominated in a major foreign currency other than the functional currency would be as follows:

(In millions of Korean won)	December 31, 2024		December 31, 2023	
	Increase	Decrease	Increase	Decrease
USD	132,956	(132,956)	201,224	(201,224)
EUR	(92,620)	92,620	(25,356)	25,356

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(2) Interest rate risk

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

(3) Price risk

The Company's investment portfolio consists of direct and indirect investments in equity instruments classified as financial assets at fair value through other comprehensive income, which is in line with the Company's strategy.

As of December 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 ₩20,722 million and ₩17,573 million, respectively.

(B) Credit risk

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

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

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

(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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

As of December 31, 2024 and 2023, the maturity analysis of financial liabilities, based on the remaining period from the reporting date to the contractual maturity date, is as follows:

<i>(In millions of Korean won)</i>	December 31, 2024				
	Less than 3 months	~ 6 months	~ 1 year	1 - 5 years	More than 5 years
Financial liabilities	43,847,890	556,915	22,667,554	4,894,826	728,620

<i>(In millions of Korean won)</i>	December 31, 2023				
	Less than 3 months	~ 6 months	~ 1 year	1 - 5 years	More than 5 years
Financial liabilities	32,311,019	374,370	980,835	27,454,095	1,378,061

The cash flows included in the maturity classification, based on the remaining period to the contractual maturity date, are undiscounted expected cash outflows.

Under supplier finance arrangement with a bank, a supplier which provided goods or services to the Company may elect to receive early payment of their invoices from the bank and the Company repays the bank on the payment due date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide willing suppliers early payment terms. The Company does not derecognize the original trade or other payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified.

The maximum amount of liquidity risk in the form of payment and performance guarantees provided to subsidiaries as of December 31, 2024 and 2023, other than the financial liabilities mentioned above, is ₩ 12,443,230 million and ₩ 10,960,748 million, respectively.

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

<i>(In millions of Korean won)</i>	December 31, 2024	December 31, 2023
Total liabilities	88,569,470	72,069,515
Total equity	236,396,657	224,787,774
Debt ratio	37.5%	32.1%

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(E) Fair value measurement

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

(In millions of Korean won)	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	1,653,766	(*)	6,061,451	(*)
Short-term financial instruments	10,187,991	(*)	50,071	(*)
Trade receivables	33,840,357	(*)	27,363,016	(*)
Financial assets at fair value through other comprehensive income	2,176,346	2,176,346	1,854,503	1,854,503
Financial assets at fair value through profit or loss	-	-	1	1
Other ^(*)	5,639,328	373,681	5,365,519	393,235
Total financial assets	53,497,788		40,694,561	
Financial liabilities				
Trade payables	10,287,967	(*)	7,943,834	(*)
Short-term borrowings	11,110,972	(*)	5,625,163	(*)
Other payables	18,331,728	(*)	15,015,578	(*)
Current portion of long-term liabilities	22,264,226	7,737	228,491	6,757
- Long-term borrowing	22,256,961	(*) (*)	222,137	(*)
- Debentures	7,265	7,737	6,354	6,757
Debentures	14,530	16,427	19,064	21,695
Long-term borrowings	795,703	(*)	22,902,035	(*) (*)
Long-term other payables	4,383,749	(*)	4,486,390	(*)
Other	4,893,869	(*)	3,652,969	(*)
Total financial liabilities	72,082,744		59,873,524	

(*) 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 ₩ 5,265,647 million and ₩ 4,972,284 million as of December 31, 2024 and 2023, respectively, are excluded as their carrying amounts are a reasonable estimate of fair value.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

	December 31, 2024			
(In millions of Korean won)	Level 1	Level 2	Level 3	Total balance
Assets				
Financial assets at fair value through other comprehensive income	2,072,180	-	104,166	2,176,346
Financial assets at fair value through profit or loss	-	-	-	-
Other	-	-	373,681	373,681
Liabilities				
Current portion of debentures	-	7,737	-	7,737
Debentures	-	16,427	-	16,427

	December 31, 2023			
(In millions of Korean won)	Level 1	Level 2	Level 3	Total balance
Assets				
Financial assets at fair value through other comprehensive income	1,757,336	-	97,167	1,854,503
Financial assets at fair value through profit or loss	-	-	1	1
Liabilities	-	-	393,235	393,235
Current portion of debentures	-	6,757	-	6,757
Debentures	-	21,695	-	21,695

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.

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.

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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 December 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	36,253	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	14.5%
MiCo Ceramics Co., Ltd.	49,794	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.3%
Call option on equity instruments	373,681	Binomial model	Risk-free rate	2.7%
			Price Variance	47.6%

(4) Changes in Level 3 instruments for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	2024	2023
Financial assets		
Balance as of January 1	490,403	116,726
Acquisitions	-	27,784
Disposals	(2,942)	(343)
Amount recognized in profit or loss	(19,555)	365,451
Amount recognized in other comprehensive income	9,941	(19,215)
Balance as of December 31	477,847	490,403

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(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> Classification	Favorable changes		Unfavorable changes	
	Profit or loss	Equity	Profit or loss	Equity
Financial assets at fair value through other comprehensive income ^(*)	-	6,327	-	(4,182)
Other ^(*)	127,996	-	(127,995)	-

(*) For equity securities, changes in fair value are calculated by increasing or decreasing perpetual growth rate and weighted average cost of capital (-1.0%~1.0%), which are significant unobservable inputs.

(*) Changes in fair value were calculated by increasing or decreasing underlying asset price (20%) and price volatility (10%), which are significant unobservable inputs.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

29. 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, and others.

Total assets and liabilities of each operating segment are excluded from the disclosure as these have not been provided regularly to the Management Committee.

(1) For the year ended December 31, 2024

<i>(In millions of Korean won)</i>	DX	DS	Total^(*)
Revenue	109,294,016	108,861,352	209,052,241
Depreciation	565,540	29,518,534	30,285,298
Amortization	1,595,847	605,793	2,432,272
Operating profit	1,474,559	10,886,378	12,361,034

(*) Other operating segments are not separately disclosed.

(2) For the year ended December 31, 2023

<i>(In millions of Korean won)</i>	DX	DS	Total^(*)
Revenue	106,661,889	65,438,933	170,374,090
Depreciation	534,813	24,882,772	25,619,594
Amortization	1,682,132	696,457	2,614,189
Operating profit	5,256,921	(16,788,154)	(11,526,297)

(*) Other operating segments are not separately disclosed.

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30. Related Party Transactions

(A) Subsidiaries

List of subsidiaries as of December 31, 2024 are as follows:

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

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

Samsung Electronics Co., Ltd.

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

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

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

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

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

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

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Region	Subsidiaries	Business	Percentage of ownership (%) ^(*)
Middle East & Africa	Samsung Gulf Electronics Co., Ltd. (SGE)	Sale of electronic devices	100.0
	Samsung Electronics Turkiye (SETK)	Sale of electronic devices	100.0
	Samsung Electronics Industry and Commerce Ltd. (SETK-P)	Manufacture of electronic devices	100.0
	Samsung Electronics Levant Co., Ltd. (SELV)	Sale of electronic devices	100.0
	Samsung Electronics Maghreb Arab (SEMAG)	Sale of electronic devices	100.0
	Samsung Electronics Egypt S.A.E (SEEG)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Israel Ltd. (SEIL)	Marketing	100.0
	Samsung Electronics Tunisia S.A.R.L (SETN)	Marketing	100.0
	Samsung Electronics Pakistan(Private) Ltd. (SEPAK)	Marketing	100.0
	Samsung Electronics Middle East and North Africa (SEMENA)	Management of overseas subsidiaries	100.0
	Samsung Electronics Saudi Arabia Ltd. (SESAR)	Sale of electronic devices	100.0
	Samsung Semiconductor Israel R&D Center, Ltd. (SIRC)	R&D	100.0
	Corephotonics Ltd.	R&D	100.0
	Samsung Electronics South Africa(Pty) Ltd. (SSA)	Sale of electronic devices	100.0
	Samsung Electronics South Africa Production (Pty) Ltd. (SSAP)	Manufacture of TV and monitors	100.0
	Samsung Electronics West Africa Ltd. (SEWA)	Marketing	100.0
	Samsung Electronics East Africa Ltd. (SEEA)	Marketing	100.0
	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

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

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

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

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Region	Subsidiaries	Business	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 and processing of food products	100.0
		Development and supply of semiconductor process defect and quality control software	99.9
	Mirero System Co., Ltd.		
	Harman International Korea	Software development and supply	100.0
	Samsung Venture Capital Union #21	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #22	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #26	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #28	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #32	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #33	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #37	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #67	Venture capital investments in technology business	99.0
	Growth Type Private Equity Trust Specialized in Semiconductors	Investment on semiconductor industry	66.7
	System LSI Mutual Benefit Private Equity Trust	Investment on semiconductor industry	62.5
	Semiconductor Ecosystem 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.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(B) Sale and purchase transactions

Sale and purchase transactions with related parties for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	Name of company ^(*)	2024			
		Sales and other	Disposal of non- current assets	Purchases and other	Purchase of non- current assets
Subsidiaries	Samsung Display Co., Ltd.	6,081,548	-	1,978,814	-
	Samsung Electronics America, Inc. (SEA)	29,191,890	49	239,434	-
	Samsung Asia Pte. Ltd. (SAPL)	45	-	19,630	-
	Samsung Austin Semiconductor LLC. (SAS)	92	-	4,998,728	-
	Samsung Semiconductor, Inc. (SSI)	42,993,409	-	952,847	-
	Harman and its subsidiaries ^(*)	1,691	-	86,182	-
	Samsung (China) Semiconductor Co., Ltd. (SCS)	305,793	13,573	11,179,941	4,579
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	2,623,756	-	14,749	-
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	2,822,390	461	22,021,129	4,070
	Samsung India Electronics Private Ltd. (SIEL)	3,382,049	-	6,247,023	-
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	-	-	-	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	1,715,000	-	14,392,955	132
	Samsung Display Vietnam Co., Ltd. (SDV)	1,567,614	-	-	-
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	28,414,204	-	-	-
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	508,390	272	6,049,850	-
	Samsung Eletronica da Amazonia Ltda. (SEDA)	2,470,490	149	6,434	-
	Samsung Electronics (UK) Ltd. (SEUK)	1,921,656	-	116,400	-
	Thai Samsung Electronics Co., Ltd. (TSE)	2,283,763	20	2,158,606	-
	Samsung International, Inc. (SII)	259,766	1,753	7,316,100	-
	Samsung Electronics Taiwan Co., Ltd. (SET)	4,652,560	-	1,490	-
	SEMES Co., Ltd.	6,286	-	1,973,123	-
	Samsung Electronics GmbH (SEG)	3,367,756	-	7,298	-
	Samsung Electronics Mexico S.A. De C.V. (SEM)	2,982,398	-	10,331	-
	Samsung Electronics Europe Logistics B.V. (SELS)	6,291,992	-	3,153	-
	Samsung Electronics Benelux B.V. (SEBN)	931,126	-	937	-
	Others	50,898,717	22,109	13,541,160	7,969
	Total	195,674,381	38,386	93,316,314	16,750
Associates and joint ventures	Samsung SDS Co., Ltd.	103,524	21,504	1,960,668	271,717
	Samsung Electro-Mechanics Co., Ltd.	37,521	-	793,001	-
	Samsung SDI Co., Ltd.	70,196	-	326,467	20,515
	Cheil Worldwide Inc.	34,803	-	934,551	7,125
	Others	641,033	122	982,206	8,264
	Total	887,077	21,626	4,996,893	307,621
Other related parties ^(*)	Samsung C&T Co., Ltd.	12,795	-	119,056	5,658,238
	Others	629,744	-	642,110	161,448
	Total	642,539	-	761,166	5,819,686
Other	Samsung E&A Co., Ltd.	2,244	-	57,371	4,209,500
	S-1	8,812	-	452,836	38,931
	Others	207,490	-	251,877	894,163
	Total	218,546	-	762,084	5,142,594

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

^(*) Transactions with the intermediate parent company, Harman International Industries, Inc. and its subsidiaries.

^(*) 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

		2023			
(In millions of Korean won)	Name of company ^(*)	Sales and other	Disposal of non- current assets	Purchases and other	Purchase of non- current assets
Subsidiaries	Samsung Display Co., Ltd.	347,653	-	1,842,995	10,406
	Samsung Electronics America, Inc. (SEA)	29,881,238	-	222,087	-
	Samsung Asia Pte. Ltd. (SAPL)	16,989,574	-	21,813	-
	Harman and its subsidiaries ^(*)	938	-	56,890	-
	Samsung Austin Semiconductor LLC. (SAS)	2,823	4,610	4,109,744	1,657
	Samsung (China) Semiconductor Co., Ltd. (SCS)	83,033	38,085	8,691,615	12,435
	Samsung Semiconductor, Inc. (SSI)	21,587,458	-	682,687	-
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	4,338,706	196	20,044,847	591
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	4,892,443	-	10,186	-
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	671,024	-	-	-
	Samsung India Electronics Private Ltd. (SIEL)	3,714,751	210	4,636,864	-
	Samsung Display Vietnam Co., Ltd. (SDV)	1,496,684	-	-	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	2,434,796	18	13,251,399	774
	Samsung Eletronica da Amazonia Ltda. (SEDA)	1,449,960	-	13,791	-
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	15,336,448	-	-	-
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	542,912	4,101	5,209,254	-
	Thai Samsung Electronics Co., Ltd. (TSE)	2,085,433	-	2,062,771	-
	Samsung Electronics (UK) Ltd. (SEUK)	1,762,387	-	109,697	-
	SEMES Co., Ltd.	7,285	-	2,245,344	-
	Samsung Electronics Mexico S.A. De C.V. (SEM)	2,668,921	-	7,501	-
	Samsung Electronics GmbH (SEG)	3,620,706	-	7,018	-
	Samsung International, Inc. (SII)	264,826	51	6,397,400	-
	Samsung Electronics Taiwan Co., Ltd. (SET)	3,500,155	-	1,261	-
	Samsung Electronics Benelux B.V. (SEBN)	1,589,366	-	1,175	-
	Samsung Electronics Europe Logistics B.V. (SELS)	5,070,057	-	8,132	-
	Others	50,707,430	3,780	13,212,836	3,689
Total		175,047,007	51,051	82,847,307	29,552
Associates and joint ventures	Samsung SDS Co., Ltd.	201,304	-	1,801,672	283,411
	Samsung Electro-Mechanics Co., Ltd.	65,765	-	786,087	-
	Samsung SDI Co., Ltd.	68,343	-	374,035	31,668
	Cheil Worldwide Inc.	36,020	-	907,775	1,163
	Others	601,887	-	968,224	9,167
Total		973,319	-	4,837,793	325,409
Other related parties	Samsung C&T Co., Ltd.	23,156	70	57,652	5,588,270
	Others	468,819	-	762,644	190,405
	Total	491,975	70	820,296	5,778,675
Other ^(*)	Samsung E&A Co., Ltd.	1,162	-	31,957	2,747,278
	S-1	4,532	-	444,657	23,479
	Others	200,836	-	281,667	512,899
	Total	206,530	-	758,281	3,283,656

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

(*) Transactions with the intermediate parent company, Harman International Industries, Inc. and its subsidiaries.

(*) 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

(C) Balances of receivables and payables

Balances of receivables and payables arising from the sales and purchases of goods and services as of December 31, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	Name of company ^(*)	December 31, 2024	
		Receivables and other ^(*)	Payables and other ^(*)
	Samsung Display Co., Ltd.	64,853	218,158
	Samsung Electronics America, Inc. (SEA)	4,440,842	637,861
	Samsung Asia Pte. Ltd. (SAPL)	1,817	1,301
	Samsung Austin Semiconductor LLC. (SAS)	7,277	584,322
	Samsung Semiconductor, Inc. (SSI)	11,910,574	340,273
	Harman and its subsidiaries ^(*)	8,749	20,906
	Samsung (China) Semiconductor Co., Ltd. (SCS)	59,706	970,717
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	190,954	363,362
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	833,617	2,620,106
	Samsung India Electronics Private Ltd. (SIEL)	696,280	430,196
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	3,256	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	513,163	2,010,992
	Samsung Display Vietnam Co., Ltd. (SDV)	97,479	362
Subsidiaries	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	4,859,048	82
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	137,456	620,008
	Samsung Eletronica da Amazonia Ltda. (SEDA)	271,048	9,157
	Samsung Electronics (UK) Ltd. (SEUK)	93,808	30,843
	Thai Samsung Electronics Co., Ltd. (TSE)	98,027	262,109
	Samsung International, Inc. (SII)	167,656	212,535
	Samsung Electronics Taiwan Co., Ltd. (SET)	388,807	69,362
	SEMES Co., Ltd.	81,448	699,286
	Samsung Electronics GmbH (SEG)	16,599	95,727
	Samsung Electronics Mexico S.A. De C.V. (SEM)	88,572	2,064
	Samsung Electronics Europe Logistics B.V. (SELS)	424,204	244,987
	Samsung Electronics Benelux B.V. (SEBN)	23,398	7,495
	Other	6,759,498	3,156,728
	Total	32,238,136	13,608,939
Associates and joint ventures	Samsung SDS Co., Ltd.	23,133	569,158
	Samsung Electro-Mechanics Co., Ltd.	4,039	66,901
	Samsung SDI Co., Ltd.	114,061	33,653
	Cheil Worldwide Inc.	69	425,271
	Others	156,624	197,504
	Total	297,926	1,292,487
Other related parties	Samsung C&T Corporation	181,822	1,781,431
	Others	14,747	179,533
	Total	196,569	1,960,964
Other ^(*)	Samsung E&A Co., Ltd.	475	1,870,246
	S-1 Corporation	2,330	50,798
	Others	3,489	599,373
	Total	6,294	2,520,417

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

^(*) The Company has not recognized bad debt allowance in relation to the receivables due from subsidiaries as of December 31, 2024.

^(*) Payables and others include lease liabilities.

^(*) Transactions with the intermediate parent company, Harman International Industries, Inc. and its subsidiaries.

^(*) 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 FairTrade Act.

Samsung Electronics Co., Ltd.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

<i>(In millions of Korean won)</i>	Name of company ^(*1)	December 31, 2023	
		Receivables and other ^(*2)	Payables and other ^(*3)
	Samsung Display Co., Ltd.	74,259	196,686
	Samsung Electronics America, Inc. (SEA)	3,841,560	1,119,907
	Samsung Asia Pte. Ltd. (SAPL)	2,091	1,147
	Harman and its subsidiaries ^(*4)	5,179	9,659
	Samsung Austin Semiconductor LLC. (SAS)	9,575	303,203
	Samsung (China) Semiconductor Co., Ltd. (SCS)	68,251	687,410
	Samsung Semiconductor, Inc. (SSI)	5,271,414	209,789
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	925,410	2,324,691
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	181,785	201,966
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	2,760	-
	Samsung India Electronics Private Ltd. (SIEL)	922,630	297,628
	Samsung Display Vietnam Co., Ltd. (SDV)	90,305	46
	Samsung Electronics Vietnam Co., Ltd. (SEV)	502,410	1,377,493
Subsidiaries	Samsung Eletronica da Amazonia Ltda. (SEDA)	256,936	1,226
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	3,906,968	281
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	148,857	367,007
	Thai Samsung Electronics Co., Ltd. (TSE)	280,682	267,659
	Samsung Electronics (UK) Ltd. (SEUK)	64,642	40,118
	SEMES Co., Ltd.	68,340	917,707
	Samsung Electronics Mexico S.A. De C.V. (SEM)	252,813	2,021
	Samsung Electronics GmbH (SEG)	72,258	4,448
	Samsung International, Inc. (SII)	129,178	54,694
	Samsung Electronics Taiwan Co., Ltd. (SET)	362,737	87,718
	Samsung Electronics Benelux B.V. (SEBN)	52,172	6,266
	Samsung Electronics Europe Logistics B.V. (SELS)	413,581	415
	Other	6,556,255	2,607,878
Total		24,463,048	11,087,063
Associates and joint ventures	Samsung SDS Co., Ltd.	84,541	418,787
	Samsung Electro-Mechanics Co., Ltd.	1,857	86,166
	Samsung SDI Co., Ltd.	114,103	50,149
	Cheil Worldwide Inc.	51	429,435
	Others	164,058	183,813
Total		364,610	1,168,350
Other related parties	Samsung C&T Corporation	190,443	1,876,745
	Others	13,835	149,585
Total		204,278	2,026,330
Other ^(*5)	Samsung E&A Co., Ltd.	269	766,329
	S-1 Corporation	598	39,223
	Others	4,342	265,721
Total		5,209	1,071,273

^(*1) Transactions with separate entities that are related parties of the Company.

^(*2) The Company has not recognized bad debt allowance in relation to the receivables due from subsidiaries as of December 31, 2023.

^(*3) Payables and others include lease liabilities.

^(*4) Transactions with the intermediate parent company, Harman International Industries, Inc. and its subsidiaries.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

- (D) For the years ended December 31, 2024 and 2023, the Company had no lending to its subsidiaries. The Company had no additional borrowings from its subsidiaries during the year ended December 31, 2024 and had borrowings amounting to ₩21,990,000 million during the year ended December 31, 2023. In addition, the Company had no lending to or borrowings from associates and joint ventures during the years ended December 31, 2024 and 2023. The borrowings from subsidiaries as of December 31, 2024 and 2023 amount to ₩21,990,000 million.
- (E) For the years ended December 31, 2024 and 2023, the Company invested ₩336,648 million and ₩49,318 million, respectively, in subsidiaries, and made a capital recovery of ₩319,943 million and ₩143,799 million from its investments in subsidiaries, respectively. In addition, the Company had no additional investment in associates and joint ventures and made no recovery from its investments in associates and joint ventures during the year ended December 31, 2024. The Company invested ₩58,982 million in associates and joint ventures and made a recovery of ₩518 million from its investments in associates and joint ventures during the year ended December 31, 2023.
- (F) For the years ended December 31, 2024 and 2023, the Company declared dividend of ₩1,610,832 million and ₩1,650,995 million, respectively, to related parties. In addition, for the years ended December 31, 2024 and 2023, the Company declared dividends of ₩128,232 million and ₩128,232 million, respectively, to the entities that are not related parties of the Company in accordance with Korean IFRS 1024, but belong to the same conglomerate according to the Monopoly Regulation and Fair Trade Act. As of December 31, 2024 and December 31, 2023, there are no dividends payable to related parties.
- (G) For the years ended December 31, 2024 and 2023, the Company entered into lease agreements with its related parties amounting to ₩23,571 million and ₩182,860 million, respectively, and the lease payments made to the related parties were ₩60,211 million and ₩59,287 million, respectively.
- (H) As of December 31, 2024, the Company provides guarantees in relation to borrowings of the related parties (refer to Note 16).
- (I) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the years ended December 31, 2024 and 2023 consists of:

<i>(In millions of Korean won)</i>	2024	2023
Short-term employee benefits	9,991	14,073
Post-employment benefits	600	557
Other long-term employee benefits	8,078	7,834

31. Subsequent Events

Based on a resolution by the board of directors on November 15, 2024, the Company is in the process of purchasing treasury shares. Subsequent to December 31, 2024, the Company acquired a total of 23.3 million shares (20.44 million ordinary shares and 2.86 million preferred shares).