

SAMSUNG ELECTRONICS CO., LTD.

Separate Financial Statements

December 31, 2025 and 2024

(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, 2025 and 2024, 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, 2025 and 2024 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, 2025. 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 over identifying and monitoring of delayed 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 projects have been placed into 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, 2025 and 2024 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 12, 2026

This report is effective as of February 12, 2026. 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))

		December 31,	December 31,	December 31,	December 31,
	Notes	2025	2024	2025	2024
		KRW	KRW	USD	USD
Assets					
Current assets					
Cash and cash equivalents	4, 28	12,581,632	1,653,766	8,848,557	1,163,080
Short-term financial instruments	4, 28	12,332,721	10,187,991	8,673,500	7,165,129
Trade receivables	4, 5, 7, 28	42,081,734	33,840,357	29,595,732	23,799,641
Non-trade receivables	4, 7, 28	2,146,762	3,249,731	1,509,800	2,285,509
Prepaid expenses		1,474,647	1,381,781	1,037,107	971,795
Inventories	8	28,051,916	29,154,115	19,728,679	20,503,846
Other current assets	4, 28	2,770,017	2,852,581	1,948,129	2,006,196
		101,439,429	82,320,322	71,341,504	57,895,196
Non-current assets					
Financial assets at fair value through other comprehensive income	4, 6, 28	4,248,587	2,176,346	2,987,996	1,530,606
Investments in subsidiaries, associates and joint ventures	9	59,498,635	57,427,196	41,844,894	40,388,068
Property, plant and equipment	10	155,360,355	151,446,870	109,263,642	106,511,320
Intangible assets	11	11,233,489	10,496,956	7,900,419	7,382,422
Net defined benefit assets	14	3,367,162	2,249,792	2,368,097	1,582,260
Deferred income tax assets	25	19,320,422	14,333,432	13,587,892	10,080,583
Other non-current assets	4, 7, 28	4,433,972	4,515,213	3,118,375	3,175,511
		257,462,622	242,645,805	181,071,315	170,650,770
Total assets		358,902,051	324,966,127	252,412,819	228,545,966

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	2025	2024	2025	2024
		KRW	KRW	USD	USD
Liabilities and Equity					
Current liabilities					
Trade payables	4, 28	14,247,155	10,287,967	10,019,905	7,235,441
Short-term borrowings	4, 5, 12, 28	15,375,658	11,110,972	10,813,572	7,814,254
Other payables	4, 28	21,165,572	18,591,524	14,885,570	13,075,263
Advances received	17	450,101	350,448	316,552	246,467
Withholdings	4, 28	495,432	516,454	348,433	363,218
Accrued expenses	4, 17, 28	11,031,657	9,039,886	7,758,472	6,357,676
Current income tax liabilities		3,811,821	1,380,469	2,680,822	970,872
Current portion of long-term liabilities	4, 12, 13, 28	268,801	22,264,226	189,046	15,658,244
Provisions	15	5,724,412	6,257,389	4,025,931	4,400,769
Other current liabilities	17	364,772	358,641	256,543	252,231
		72,935,381	80,157,976	51,294,846	56,374,435
Non-current liabilities					
Debentures	4, 13, 28	7,134	14,530	5,017	10,219
Long-term borrowings	4, 12, 28	23,399,087	795,703	16,456,383	559,611
Long-term other payables	4, 28	5,223,964	4,965,481	3,673,970	3,492,181
Long-term provisions	15	2,226,960	2,602,575	1,566,202	1,830,369
Other non-current liabilities		779,442	33,205	548,176	23,354
		31,636,587	8,411,494	22,249,748	5,915,734
Total liabilities		104,571,968	88,569,470	73,544,594	62,290,169

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	2025	2024	2025	2024
		KRW	KRW	USD	USD
Equity					
Preference shares	18	119,467	119,467	84,020	84,020
Ordinary shares	18	778,047	778,047	547,194	547,194
Share premium		4,403,893	4,403,893	3,097,221	3,097,221
Retained earnings	19	254,566,830	233,734,316	179,034,728	164,383,395
Other components of equity	20	(5,538,154)	(2,639,066)	(3,894,938)	(1,856,033)
Total equity		254,330,083	236,396,657	178,868,225	166,255,797
Total liabilities and equity		358,902,051	324,966,127	252,412,819	228,545,966

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,			
		2025	2024	2025	2024
		KRW	KRW	USD	USD
Revenue	29	238,043,009	209,052,241	167,413,663	147,024,697
Cost of sales	21	165,994,290	152,061,472	116,742,400	106,943,565
Gross profit		72,048,719	56,990,769	50,671,263	40,081,132
Selling and administrative expenses	21, 22	48,445,100	44,629,735	34,071,035	31,387,720
Operating profit	29	23,603,619	12,361,034	16,600,228	8,693,412
Other non-operating income	23	9,815,254	10,351,185	6,902,987	7,279,903
Other non-operating expense	23	247,096	540,542	173,781	380,159
Financial income	24	7,445,403	7,717,689	5,236,290	5,427,786
Financial expense	24	7,181,098	8,139,788	5,050,406	5,724,645
Profit before income tax		33,436,082	21,749,578	23,515,318	15,296,297
Income tax benefit	25	(250,519)	(1,832,987)	(176,187)	(1,289,124)
Profit for the year		33,686,601	23,582,565	23,691,505	16,585,421
Earnings per share	26				
<i>(in Korean won, in US dollars)</i>					
- Basic		5,027	3,472	3.54	2.44
- Diluted		5,026	3,472	3.53	2.44

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,			
		2025	2024	2025	2024
		KRW	KRW	USD	USD
Profit for the year		33,686,601	23,582,565	23,691,505	16,585,421
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	1,545,804	239,784	1,087,150	168,638
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	(12,435)	(592,254)	(8,745)	(416,527)
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income (loss) for the year, net of tax		1,533,369	(352,470)	1,078,405	(247,889)
Total comprehensive income for the year		35,219,970	23,230,095	24,769,910	16,337,532

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, 2025	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2025		119,467	778,047	4,403,893	233,734,316	(2,639,066)	236,396,657
Profit for the year		-	-	-	33,686,601	-	33,686,601
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	3,682	1,542,122	1,545,804
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(12,435)	(12,435)
Total comprehensive income for the year		-	-	-	33,690,283	1,529,687	35,219,970
Dividends declared	19	-	-	-	(9,808,728)	-	(9,808,728)
Purchase of treasury shares	18, 20	-	-	-	-	(8,189,263)	(8,189,263)
Retirement of treasury shares	18	-	-	-	(3,049,041)	3,049,041	-
Share-based payment	20	-	-	-	-	711,447	711,447
Total transactions with owners		-	-	-	(12,857,769)	(4,428,775)	(17,286,544)
Balance as of December 31, 2025		119,467	778,047	4,403,893	254,566,830	(5,538,154)	254,330,083

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, 2025	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Total
Balance as of January 1, 2025		84,020	547,194	3,097,221	164,383,395	(1,856,033)	166,255,797
Profit for the year		-	-	-	23,691,505	-	23,691,505
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	2,590	1,084,560	1,087,150
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(8,745)	(8,745)
Total comprehensive income for the year		-	-	-	23,694,095	1,075,815	24,769,910
Dividends declared	19	-	-	-	(6,898,397)	-	(6,898,397)
Purchase of treasury shares	18, 20	-	-	-	-	(5,759,440)	(5,759,440)
Retirement of treasury shares	18	-	-	-	(2,144,365)	2,144,365	-
Share-based payment	20	-	-	-	-	500,355	500,355
Total transactions with owners		-	-	-	(9,042,762)	(3,114,720)	(12,157,482)
Balance as of December 31, 2025		84,020	547,194	3,097,221	179,034,728	(3,894,938)	178,868,225

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, 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)
Purchase of treasury shares	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		84,020	547,194	3,097,221	154,698,390	(335,459)	158,091,366
Profit for the year		-	-	-	16,585,421	-	16,585,421
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	(1,521)	170,159	168,638
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(416,527)	(416,527)
Total comprehensive income (loss) for the year		-	-	-	16,583,900	(246,368)	16,337,532
Dividends declared	19	-	-	-	(6,898,895)	-	(6,898,895)
Purchase of treasury shares	20	-	-	-	-	(1,274,206)	(1,274,206)
Total transactions with owners		-	-	-	(6,898,895)	(1,274,206)	(8,173,101)
Balance as of December 31, 2024		84,020	547,194	3,097,221	164,383,395	(1,856,033)	166,255,797

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,			
		2025	2024	2025	2024
		KRW	KRW	USD	USD
Operating activities					
Profit for the year		33,686,601	23,582,565	23,691,505	16,585,421
Adjustments	27	33,652,598	21,493,129	23,667,592	15,115,938
Changes in assets and liabilities arising from operating activities	27	(4,707,300)	(760,086)	(3,310,605)	(534,562)
Cash generated from operations		62,631,899	44,315,608	44,048,492	31,166,797
Interest received		307,064	277,362	215,956	195,066
Interest paid		(687,461)	(674,010)	(483,486)	(474,026)
Dividends received		9,325,148	9,635,502	6,558,299	6,776,568
Income tax paid		(2,842,694)	(1,062,965)	(1,999,243)	(747,573)
Net cash provided by operating activities		68,733,956	52,491,497	48,340,018	36,916,832
Investing activities					
Net increase in short-term financial instruments		(2,201,896)	(10,122,673)	(1,548,575)	(7,119,191)
Disposal of financial assets at fair value through other comprehensive income		26,604	2,942	18,710	2,069
Disposal of financial assets at fair value through profit or loss		-	1	-	1
Disposal of investments in subsidiaries, associates and joint ventures		152,808	319,965	107,469	225,029
Acquisition of investments in subsidiaries, associates and joint ventures		(1,186,866)	(336,648)	(834,713)	(236,762)
Disposal of property, plant and equipment		170,270	130,956	119,749	92,100
Acquisition of property, plant and equipment		(37,748,045)	(38,246,765)	(26,547,885)	(26,898,631)
Disposal of intangible assets		2,303	13,327	1,620	9,373
Acquisition of intangible assets		(4,104,861)	(2,069,083)	(2,886,914)	(1,455,169)
Cash inflow (outflow) from other investing activities		26,135	(69,666)	18,380	(48,996)
Net cash used in investing activities		(44,863,548)	(50,377,644)	(31,552,159)	(35,430,177)

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))

		For the years ended December 31,			
	Notes	2025	2024	2025	2024
		KRW	KRW	USD	USD
Financing activities					
Net increase in short-term borrowings	27	4,498,284	5,316,919	3,163,606	3,739,345
Increase in debentures and long-term borrowings	27	2,800,000	-	1,969,217	-
Repayment of debentures and long-term borrowings	27	(2,240,906)	(217,305)	(1,576,010)	(152,829)
Dividends paid		(9,809,646)	(9,808,653)	(6,899,042)	(6,898,344)
Purchase of treasury shares		(8,189,263)	(1,811,775)	(5,759,440)	(1,274,206)
Net cash used in financing activities		(12,941,531)	(6,520,814)	(9,101,669)	(4,586,034)
Effect of foreign exchange rate changes		(1,011)	(724)	(713)	(509)
Net increase (decrease) in cash and cash equivalents		10,927,866	(4,407,685)	7,685,477	(3,099,888)
Cash and cash equivalents					
Beginning of the year		1,653,766	6,061,451	1,163,080	4,262,968
End of the year		12,581,632	1,653,766	8,848,557	1,163,080

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2025 and 2024, and
For the years ended December 31, 2025 and 2024

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, 2025:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

The amended standards:

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

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

The Korean IFRS 1118 newly issued on December 19, 2025 will replace Korean IFRS 1001, *Presentation of Financial Statements*, and is effective for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted.

The new accounting standard introduces the following key requirements.

- The Company is required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, income tax categories and discontinued operations. The Company is also required to present a newly-defined operating profit subtotal.
- Management-defined Performance Measures are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, the Company is required to use the operating profit as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for management-defined performance measures. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labeled as 'other'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 CONSOLIDATED 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 ₩ 1,421.89 to \$1, the average exchange rate for the year ended December 31, 2025. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollars at this or 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 28, 2026, 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

(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. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Financial Instruments by Category

(A) Categorizations of financial assets and liabilities as of December 31, 2025 and 2024 are as follows:

(1) As of December 31, 2025

<i>(In millions of Korean won)</i>	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Total
Financial assets				
Cash and cash equivalents	12,581,632	-	-	12,581,632
Short-term financial instruments	12,332,721	-	-	12,332,721
Trade receivables	42,081,734	-	-	42,081,734
Financial assets at fair value through other comprehensive income	-	4,248,587	-	4,248,587
Other	5,512,456	-	-	5,512,456
Total	72,508,543	4,248,587	-	76,757,130

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities^(*)	Total
Financial liabilities			
Trade payables	14,247,155	-	14,247,155
Short-term borrowings	-	15,375,658	15,375,658
Other payables	20,822,393	-	20,822,393
Current portion of long-term liabilities	7,093	261,708	268,801
Debentures	7,134	-	7,134
Long-term borrowings	22,800,000	599,087	23,399,087
Long-term other payables	4,639,493	-	4,639,493
Other	4,436,223	-	4,436,223
Total	66,959,491	16,236,453	83,195,944

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(2) As of December 31, 2024

<i>(In millions of Korean won)</i>	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Net gains or net losses on each category of financial assets and liabilities for the years ended December 31, 2025 and 2024 are as follows:

(1) 2025

<i>(In millions of Korean won)</i>	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Total
Financial assets				
Gain on valuation, net of tax (other comprehensive income)	-	1,545,804	-	1,545,804
Gain on valuation/disposal (profit or loss)	-	-	664,223	664,223
Interest income	230,516	-	-	230,516
Foreign exchange differences (profit or loss)	(327,631)	-	-	(327,631)
Dividend income	-	4,288	-	4,288
Impairment	(135,232)	-	-	(135,232)

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Other financial liabilities^(*)	Total
Financial liabilities			
Interest expense	(459,956)	(374,141)	(834,097)
Foreign exchange differences (profit or loss)	557,823	266,869	824,692

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(2) 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, net of tax (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	(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.

5. Transfer of Financial Assets

The Company discounted trade receivables through factoring arrangements with banks during the years ended December 31, 2025 and 2024. 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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Carrying amount of the discounted trade receivables	15,375,658	11,110,972
Carrying amount of the associated liabilities	15,375,658	11,110,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Financial Assets at Fair Value

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

Financial assets at fair value through other comprehensive income

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Equity instruments	4,248,587	2,176,346

(B) Changes in financial assets at fair value for the years ended December 31, 2025 and 2024 are as follows:

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

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	2,176,346	1,854,503
Disposal	(26,424)	(2,942)
Fair value valuation gain	2,098,665	324,785
Balance as of December 31	4,248,587	2,176,346

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

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	-	1
Other	-	(1)
Balance as of December 31	-	-

(C) Changes in gain (loss) on valuation of financial assets at fair value through other comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	667,956	340,232
Fair value valuation gain	2,098,665	324,785
Reclassification to retained earnings due to disposal	(5,002)	2,939
Balance as of December 31	2,761,619	667,956
Less: Income tax effect recognized directly in equity	(731,395)	(179,854)
Total	2,030,224	488,102

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

<i>(In millions of Korean won, number of shares and percentage)</i>	December 31, 2025			December 31, 2024	
	Number of shares owned	Percentage of ownership (%) ^(*)	Acquisition cost	Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	3,230,057	1,514,508
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	89,410	73,974
iMarket Korea Inc.	647,320	1.9	324	5,101	5,179
KT Skylife Co., Ltd.	240,000	0.5	3,344	1,207	1,134
Mona Yongpyong Co., Ltd.	400,000	0.8	1,869	1,322	1,284
A-Tech Solution Co., Ltd.	1,592,000	15.9	26,348	16,414	8,804
Wonik Holdings Co., Ltd.	1,759,171	2.3	15,410	85,672	4,486
Wonik IPS Co., Ltd.	1,850,936	3.8	16,214	125,679	41,368
Dongjin Semichem Co., Ltd.	2,467,894	4.8	48,277	90,448	51,579
Soulbrain Co., Ltd.	437,339	5.6	40,382	114,583	72,336
S&S Tech Corporation	1,716,116	8	65,933	82,888	43,933
YC Corporation	9,601,617	11.7	47,336	139,031	98,033
KCTech Co., Ltd.	1,022,216	4.9	20,720	40,531	26,629
LOTVacuum Co., Ltd.	1,267,668	7.1	18,990	15,719	10,585
New Power Co., Ltd.	2,140,939	4.9	12,739	11,069	9,463
Fine Semitech Corporation	1,538,204	7.0	43,009	47,146	23,956
DNF Co., Ltd.	810,030	7.0	20,964	12,653	7,144
Marvell Technology. Inc.	173,187	0.0	11,705	21,118	28,119
SoundHound AI, Inc.	-	-	-	-	49,666
Total			1,339,679	4,130,048	2,072,180

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Trade and Non-Trade Receivables

(A) Trade and non-trade receivables as of December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2025		December 31, 2024	
	Trade	Non-trade	Trade	Non-trade
Receivables	42,370,721	2,302,978	33,967,334	3,263,714
Less: Loss allowance	(257,981)	(6,771)	(126,977)	(4,303)
Subtotal	42,112,740	2,296,207	33,840,357	3,259,411
Less: Non-current	(31,006)	(149,445)	-	(9,680)
Current	42,081,734	2,146,762	33,840,357	3,249,731

(B) Movements in the loss allowance for receivables for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025		2024	
	Trade	Non-trade	Trade	Non-trade
Balance as of January 1	126,977	4,303	58,740	6,230
(Reversal of) Bad debt expense	132,354	2,194	68,237	(330)
Write-off	(1,350)	274	-	(1,597)
Balance as of December 31	257,981	6,771	126,977	4,303

(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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2025		December 31, 2024	
	Trade	Non-trade	Trade	Non-trade
Receivables not past due	41,693,710	2,114,416	33,374,582	3,141,782
Past due:				
Less than 31 days past due ^(a)	373,294	138,858	404,847	77,956
31 days to 90 days past due	186,331	14,121	71,780	13,019
Over 90 days past due	117,386	35,583	116,125	30,957
Subtotal	677,011	188,562	592,752	121,932
Total	42,370,721	2,302,978	33,967,334	3,263,714

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

(D) The maximum exposure to current credit risk is equivalent to the carrying amount of receivables as of December 31, 2025. The Company has entered into insurance contracts with insurers for its major receivables.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Inventories

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

<i>(In millions of Korean won)</i>	December 31, 2025			December 31, 2024		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	5,147,484	(1,269,403)	3,878,081	6,374,009	(774,903)	5,599,106
Work in process	22,182,027	(2,487,276)	19,694,751	20,944,352	(1,802,857)	19,141,495
Raw materials and supplies	4,342,662	(402,208)	3,940,454	4,561,944	(552,073)	4,009,871
Materials in transit	538,630	-	538,630	403,643	-	403,643
Total	32,210,803	(4,158,887)	28,051,916	32,283,948	(3,129,833)	29,154,115

Inventories recognized as an expense for the years ended December 31, 2025 and 2024 amount to ₩164,499,020 million and ₩150,032,902 million, respectively. The amount includes loss on the valuation of inventories.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED 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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	57,427,196	57,392,438
Acquisition	2,224,770	336,648
Disposal	(153,331)	(315,306)
Impairment reversal	-	13,416
Balance as of December 31	59,498,635	57,427,196

(B) Major investments in associates as of December 31, 2025 are as follows:
(refer to Note 31 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. (*2)(*3)	Investment in new business	31.2	Korea	December
Samsung Epis Holdings Co., Ltd. (*2)(*3)	Investment in new business	31.2	Korea	December
Samsung SDI Co., Ltd. (*4)(*5)	Manufacture and supply electronic parts including secondary cell batteries	19.4	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

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

(*2) The Company's ownership of ordinary shares outstanding is 31.3%.

(*3) Samsung Biologics Co., Ltd. carried out a spin-off of Samsung Epis Holdings Co, Ltd. with November 1, 2025 as the effective date of spin-off.

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

(*5) The Company's ownership of ordinary shares issued and outstanding decreased due to the Company's participation of a non-proportional paid-in capital increase during the year ended December 31, 2025.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(C) A summary of the condensed financial information of major subsidiaries and associates as of and for the years ended December 31, 2025 and 2024 is as follows:

(1) Major subsidiaries

<i>(In millions of Korean won)</i>	2025			
	Assets	Liabilities	Sales	Profit (loss) for the year
Samsung Display Co., Ltd. (SDC)	76,710,079	8,779,728	25,993,317	5,522,684
Samsung Electronics America, Inc. (SEA)	52,966,362	20,138,323	41,064,994	1,475,163
Samsung Asia Pte. Ltd. (SAPL)	35,742,415	350,888	-	5,296,559
Samsung (China) Semiconductor Co., Ltd. (SCS)	16,042,066	1,114,773	8,635,744	1,105,878
Samsung (CHINA) Investment Co., Ltd. (SCIC)	14,604,846	13,562,847	2,717,013	168,077
Samsung India Electronics Private Ltd. (SIEL)	10,369,065	2,967,992	18,415,931	1,543,542
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	9,474,930	8,969,730	31,954,060	483,630
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,351,798	2,995,765	-	123,913
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,815,175	1,617,379	7,288,189	(311,121)
Samsung Electronics (UK) Ltd. (SEUK)	3,174,054	2,025,539	6,521,190	205,612
SEMES Co., Ltd.	2,637,216	768,123	2,457,516	210,584
Thai Samsung Electronics Co., Ltd. (TSE)	2,324,358	621,508	5,022,979	205,028
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,267,579	813,376	4,280,240	123,815
Samsung Electronics Taiwan Co., Ltd. (SET)	2,115,046	1,784,638	7,146,910	74,236
Samsung Electronics Europe Logistics B.V. (SELS)	2,072,011	1,816,197	16,169,338	(20,337)

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

<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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(2) Major associates

<i>(In millions of Korean won)</i>	2025					
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung Epis Holdings Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide Inc.
Current assets	7,097,623	9,405,729	4,408,367	1,880,001	8,739,929	2,880,955
Non-current assets	7,498,273	4,047,975	6,652,375	5,835,583	33,515,410	706,862
Current liabilities	3,819,497	2,331,827	2,532,917	1,401,268	9,794,853	1,627,926
Non-current liabilities	979,054	858,977	1,076,714	525,244	8,890,373	371,841
Revenue	11,314,459	13,929,868	5,701,873	243,752	13,266,731	4,546,895
Profit from continuing operations ^(*)	707,356	759,539	1,614,330	8,332	(939,434)	207,546
Profit (loss) from discontinued operation, net of tax ^(*)	(1,242)	-	170,022	-	289,965	-
Other comprehensive income (loss) ^(*)	182,615	46,319	(5,393)	2,336	746,802	38,901
Total comprehensive income ^(*)	888,729	805,858	1,778,959	10,668	97,333	246,447

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

<i>(In millions of Korean won)</i>	2024				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(D) Fair value of marketable investments in associates as of December 31, 2025 and 2024 is as follows:

<i>(In millions of Korean won and number of shares)</i>	December 31, 2025			December 31, 2024	
	Number of shares held	Market value	Carrying amount	Market value	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	17,693,084	4,511,736	445,244	2,190,404	445,244
Samsung SDS Co., Ltd.	17,472,110	2,996,467	560,827	2,232,936	560,827
Samsung Biologics Co., Ltd.	14,449,944	24,492,655	1,410,104	21,084,226	1,595,892
Samsung Epis Holdings Co., Ltd.	7,767,364	5,771,151	185,788	-	-
Samsung SDI Co., Ltd.	15,663,968	4,221,439	1,614,403	3,332,012	1,242,605
Cheil Worldwide, Inc.	29,038,075	609,800	491,599	492,195	491,599

(E) The Company exercised its call option to acquire 3.94 million shares from the largest shareholder of Rainbow Robotics Co., Ltd. on March 12, 2025. Following the acquisition, in accordance with the shareholders' agreement, the Company secured the right to appoint the entire board of directors and consequently reclassified Rainbow Robotics Co., Ltd. from an associate to a subsidiary. The acquisition cost of the shares amounted to ₩1,241,750 million, and a valuation gain on exercised call option on the date of acquisition amounting to ₩600,606 million was recognized as financial income.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025					
	Land	Buildings and structures	Machinery and equipment	Construction in progress	Other	Total
Balance as of January 1	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)
Acquisitions and capital expenditures(*)	9,086	6,913,816	35,119,220	(3,226,941)	712,947	39,528,128
Depreciation	(2,381)	(2,738,487)	(31,864,430)	-	(686,130)	(35,291,428)
Disposal/scrap	(473)	(92,901)	(39,434)	(212)	(7,201)	(140,221)
Impairment	-	-	(5,890)	-	(1)	(5,891)
Other	-	(40,185)	(105,844)	-	(31,074)	(177,103)
Balance as of December 31	8,050,085	32,772,577	83,930,595	28,239,759	2,367,339	155,360,355
Acquisition cost	8,053,741	53,041,534	295,191,397	28,239,759	6,244,326	390,770,757
Accumulated depreciation and impairment	(3,656)	(20,268,957)	(211,260,802)	-	(3,876,987)	(235,410,402)

(*) Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩687,528 million, and the capitalization interest rate used to calculate the capitalized borrowing costs is 4.2%.

<i>(In millions of Korean won)</i>	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%.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Changes in the right-of-use assets included in the property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025				
	Land	Buildings and structures	Machinery and equipment	Other	Total
Balance as of January 1	3,014	1,135,801	56,056	535,273	1,730,144
Acquisition	3,358	125,719	1,147	23,492	153,716
Depreciation	(2,381)	(235,128)	(29,185)	(49,921)	(316,615)
Cancellation of contract	(226)	(85,901)	-	(1,668)	(87,795)
Other	-	(124)	(52)	(186)	(362)
Balance as of December 31	3,765	940,367	27,966	506,990	1,479,088

<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

(C) Details of depreciation of property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	31,792,760	27,673,746
Selling and administrative expenses and other	3,498,668	2,611,552
Total	35,291,428	30,285,298

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Intangible Assets

(A) Changes in intangible assets for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025			
	Intellectual property rights	Membership	Other	Total
Balance as of January 1	1,287,213	209,532	9,000,211	10,496,956
Acquisitions	266,442	174	3,228,224	3,494,840
Amortization	(244,707)	-	(2,513,279)	(2,757,986)
Disposals/scrap	(26,683)	-	(556)	(27,239)
Impairment	-	(1,754)	-	(1,754)
Other	(124)	-	28,796	28,672
Balance as of December 31	1,282,141	207,952	9,743,396	11,233,489

<i>(In millions of Korean won)</i>	2024			
	Intellectual property rights	Membership	Other	Total
Balance as of January 1	1,287,798	196,827	8,955,586	10,440,211
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

(B) Details of amortization of intangible assets for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	2,077,412	1,836,827
Selling and administrative expenses and other	680,574	595,445
Total	2,757,986	2,432,272

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Borrowings

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

<i>(In millions of Korean won)</i>	Financial institutions	Maturity date	Interest rate (%) as of Dec 31, 2025	December 31, 2025	December 31, 2024
Short-term borrowings					
Collateralized borrowings ^{(*)1}	Woori Bank and other	-	1.2 ~ 16.5	15,375,658	11,110,972
Current portion of long-term borrowings					
Lease liabilities ^{(*)2}	-	-	2.7	261,708	266,961
Non-collateralized borrowings	Samsung Display Co., Ltd.	August 16, 2025	4.6	-	21,990,000
Total				261,708	22,256,961
Long-term borrowings					
Lease liabilities ^{(*)2}	-	-	2.7	599,087	795,703
Non-collateralized borrowings ^{(*)3}	Samsung Display Co., Ltd.	February 16, 2028	3.9	20,000,000	-
Bank Borrowings	Korea Development Bank	April 30, 2035	2.6	2,000,000	-
Bank Borrowings	Korea Development Bank	December 10, 2030	2.6	800,000	-
Total				23,399,087	795,703

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

(*)2 Interest expenses arising from the lease liabilities for the years ended December 31, 2025 and 2024 amount to ₩25,646 million and ₩32,567 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, 2025 and 2024 amount to ₩53,563 million and ₩47,328 million, respectively.

(*)3 The maturity of the non-collateralized borrowings amounting to ₩20,000,000 million has been extended to February 16, 2028, and the annual interest rate has been changed to 3.9%.

(B) Maturities of long-term borrowings outstanding as of December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	Non-collateralized Borrowings
Repayment in	
2026	851,720
2027	851,720
2028	20,169,949
2029	71,720
2030 and thereafter	3,091,238
Total	25,036,347

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(C) Maturities of lease liabilities outstanding as of December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	Lease liabilities
Repayment in	
2026	286,771
2027	182,482
2028	136,357
2029	113,589
2030 and thereafter	220,920
Total	940,119

13. Debentures

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

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rate (%) as of Dec 31, 2025	December 31, 2025	December 31, 2024
US dollar denominated straight bonds(*)	October 2, 1997	October 1, 2027	7.7	14,349 (USD 10 million)	22,050 (USD 15 million)
Less: Discounts				(122)	(255)
Less: Current portion				(7,093)	(7,265)
Total				7,134	14,530

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

(B) Repayment schedule of debentures outstanding as of December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	Debentures
Repayment in	
2026	7,175
2027	7,174
Total	14,349

NOTES TO THE CONSOLIDATED 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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Present value of funded defined benefit obligations	12,682,447	13,152,202
Present value of unfunded defined benefit obligations	10,934	25,500
Subtotal	12,693,381	13,177,702
Fair value of plan assets	(16,060,543)	(15,427,494)
Total	(3,367,162)	(2,249,792)

- (B) The components of defined benefit costs recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Current service cost	1,153,819	1,053,582
Net interest income	(114,740)	(215,644)
Total	1,039,079	837,938

The amount recognized as expenses of defined contribution plans for the years ended December 31, 2025 and 2024 are ₩130,386 million and ₩77,360 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, 2025 and 2024 are as follows :

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	428,666	336,493
Selling and administrative expenses and other	610,413	501,445
Total	1,039,079	837,938

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(D) Changes in the defined benefit obligations for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	13,177,702	11,982,327
Current service cost	1,153,819	1,053,582
Interest cost	645,319	642,716
Remeasurement:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(643,347)	538,347
Other	275,729	124,814
Benefits paid	(1,934,853)	(1,178,887)
Other	19,012	14,803
Balance as of December 31	12,693,381	13,177,702

The Company is currently assessing the potential impact of the Supreme Court's ruling on the scope of average wages on its defined benefit obligation.

(E) Changes in the fair value of plan assets for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	15,427,494	15,728,024
Interest income on plan assets	760,059	858,360
Remeasurement of plan assets	(384,512)	(141,532)
Contributions made by the employer	2,071,100	-
Benefits paid	(1,820,333)	(1,021,978)
Other	6,735	4,620
Balance as of December 31	16,060,543	15,427,494

The reasonable estimate of the employer contributions expected to be paid in 2026 in respect of the defined benefit plans as of December 31, 2025 is ₩1,673,469 million.

(F) As of December 31, 2025, plan assets are invested in fixed income instruments with guaranteed principal and others.

(G) The principal actuarial assumptions as of December 31, 2025 and 2024 are as follows:

<i>(In percentage)</i>	December 31, 2025	December 31, 2024
Discount rate	5.5	5.1
Salary growth rate (including the effects of inflation)	5.4	5.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- (H) The sensitivity analysis of the defined benefit obligations as of December 31, 2025 and 2024 to changes in the principal assumptions is as follows:

<i>(In millions of Korean won)</i>	Defined benefit obligations	
	December 31, 2025	December 31, 2024
Discount rate		
1%p increase	11,523,046	11,947,468
1%p decrease	14,058,175	14,615,589
Salary growth rate		
1%p increase	14,042,167	14,591,538
1%p decrease	11,514,171	11,943,514

- (I) The weighted average maturity of the defined benefit obligations is 9.99 years as of December 31, 2025.

15. Provisions

Changes in provisions for the year ended December 31, 2025 are as follows:

<i>(In millions of Korean won)</i>	Warranty (A)	Royalty expenses (B)	Long-term incentives (C)	Other (D, E)	Total
Balance as of January 1	756,630	2,793,901	654,326	4,655,107	8,859,964
Charged to profit or loss	513,472	653,479	196,584	415,244	1,778,779
Payment	(604,691)	(1,102,664)	(159,331)	(571,566)	(2,438,252)
Other ^(*)	-	(125,718)	(102,692)	(20,709)	(249,119)
Balance as of December 31	665,411	2,218,998	588,887	4,478,076	7,951,372

^(*) Other includes effects of changes in foreign currency exchange rates and ₩102,692 million reclassified to other components of equity pursuant to an agreement to settle a portion of long-term incentives in ordinary shares.

- (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 future expenses expected to be incurred for products that have been discontinued from manufacturing and sales.

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- (E) The Company recognizes provisions for the emission in excess of the emission rights held by the Company for the applicable years.

- (1) The amount of emission rights allocated free of charge in the current commitment period and the estimated amount of emission as of December 31, 2025 are as follows:

<i>(In ten thousand metric tons)</i>	December 31, 2025
Emission rights allocated free of charge	1,117
Estimated volume of emission	1,425

- (2) Changes in the emission rights for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	3,137	3,137
Acquisition	-	-
Utilization	-	-
Balance as of December 31^(*)	3,137	3,137

(*) The quantity of emission rights is 19.67 million metric tons and no emission rights is provided as collateral as of December 31, 2025.

- (3) The Company has not recognized emission liabilities for the years ended December 31, 2025 and 2024.

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16. Commitments and Contingencies

(A) Guarantees

- (1) Debt guarantees provided by the Company for overseas subsidiaries as of December 31, 2025 are as follows:

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

Debtor	Creditor	Expiration date	Amount of actual indebtedness	Guaranteed amount
SETK	BNP and others	December 16, 2026	16,700	1,358,850
Other	Others	-	-	10,268,447
Total			16,700 (USD 11,639)	11,627,297 (USD 8,103,211)

- (2) The ceiling amount of guarantees provided by the Company for the execution of contracts by overseas subsidiaries is ₩594,689 million as of December 31, 2025.
- (3) The Company has not been provided any collateral or guarantees from its related parties as of December 31, 2025.

(B) Litigation

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

(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, 2025, the Company has entered into agreements for trade financing, working capital loans, and borrowings secured by trade receivables with 3 financial institutions, including Woori Bank, with a combined limit of ₩9,351,800 million. In addition, the Company has a trade financing agreement with 19 financial institutions, including Shinhan bank, with a limit of USD 9,937 million, and financial guarantee agreements with 4 financial institutions, including Citi Bank, with a limit of ₩95,418 million.
- (2) As of December 31, 2025, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩8,586,096 million.

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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, 2025	December 31, 2024
Contract liabilities ^(*)	2,433,647	1,559,287

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

The revenue recognized for the year ended December 31, 2025 in relation to the contract liabilities carried forward as of January 1, 2025 amounts to ₩264,416 million.

18. Share Capital

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

<i>(Number of shares)</i>	Ordinary shares outstanding	Preference shares outstanding
As of January 1, 2024	5,969,782,550	822,886,700
Treasury shares purchased	(29,700,000)	(4,050,000)
As of December 31, 2024	5,940,082,550	818,836,700
As of January 1, 2025	5,940,082,550	818,836,700
Treasury shares purchased	(118,314,495)	(16,465,497)
Treasury shares granted	6,040,880	-
As of December 31, 2025	5,827,808,935	802,371,203

The Company retired 50,144,628 ordinary shares and 6,912,036 preference shares during the year ended December 31, 2025, with a total acquisition cost of ₩3,049,040 million, pursuant to the board of directors' resolution on February 18, 2025. The Company granted 6,040,880 treasury shares to its employees during the year ended December 31, 2025, with a total acquisition cost of ₩345,637 million, pursuant to the board of directors' resolutions on May 23, July 25 and October 30, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Retained Earnings

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

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Appropriated retained earnings		
Legal reserves:		
Earned profit reserves(*)	450,789	450,789
Discretionary reserves	230,829,189	217,059,556
Subtotal	231,279,978	217,510,345
Unappropriated retained earnings	23,286,852	16,223,971
Total	254,566,830	233,734,316

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

The appropriation of retained earnings for the year ended December 31, 2025, is expected to be appropriated at the general shareholders' meeting to be held on March 18, 2026. The appropriation date for the year ended December 31, 2024 was March 19, 2025.

<i>(In millions of Korean won)</i>	2025	2024
Retained earnings before appropriations		
Unappropriated retained earnings carried over from prior year	30	30
Interim dividends:		
In 2025 - ₩1,102 (dividend rate: 1102%)	(7,354,421)	(7,356,461)
In 2024 - ₩1,083 (dividend rate: 1083%)		
Retirement of treasury shares	(3,049,040)	-
Profit for the year	33,686,601	23,582,565
Disposal of financial assets measured at fair value through other comprehensive income	3,682	(2,163)
Retained earnings available for appropriation	23,286,852	16,223,971
Transfers from other reserves	-	-
Appropriations of retained earnings		
Cash dividends:	3,753,484	2,454,307
In 2025:		
Ordinary shares - ₩566 (dividend rate: 566%)		
Preference shares - ₩567 (dividend rate: 567%)		
In 2024:		
Ordinary shares - ₩363 (dividend rate: 363%)		
Preference shares - ₩364 (dividend rate: 364%)		
Reserve for research and human resources development	19,533,338	13,769,634
Total appropriations of retained earnings	23,286,822	16,223,941
Unappropriated retained earnings to be carried forward	30	30

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

(1) Interim dividends (Record date: March 31, June 30 and September 30, 2025 and 2024)

<i>(In millions of Korean won and number of shares)</i>			2025	2024
1 st Quarter	Number of shares eligible for dividends	Ordinary shares	5,892,637,922	5,969,782,550
		Preference shares	812,249,664	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	365%	361%
	Dividend amount	Ordinary shares	2,150,813	2,155,092
		Preference shares	296,471	297,062
	Total		2,447,284	2,452,154
	Number of shares eligible for dividends	Ordinary shares	5,876,745,450	5,969,782,550
		Preference shares	809,337,676	822,886,700
2 nd Quarter	Dividend rate (based on par value)	Ordinary/Preference	367%	361%
	Dividend amount	Ordinary shares	2,156,766	2,155,092
		Preference shares	297,027	297,062
	Total		2,453,793	2,452,154
3 rd Quarter	Number of shares eligible for dividends	Ordinary shares	5,828,224,765	5,969,782,550
		Preference shares	802,437,676	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	370%	361%
	Dividend amount	Ordinary shares	2,156,443	2,155,092
		Preference shares	296,902	297,062
	Total		2,453,345	2,452,154

(2) Year-end dividends (Record date: December 31, 2025 and 2024)

<i>(In millions of Korean won and number of shares)</i>			2025	2024
Number of shares eligible for dividends	Ordinary shares		5,827,808,935	5,940,082,550
	Preference shares		802,371,203	818,836,700
Dividend rate (based on par value)	Ordinary shares		566%	363%
	Preference shares		567%	364%
Dividend amount	Ordinary shares		3,298,540	2,156,250
	Preference shares		454,944	298,057
Total			3,753,484	2,454,307

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20. Other Components of Equity

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

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Gain on valuation of financial assets at fair value through other comprehensive income	2,030,224	488,102
Remeasurement of net defined benefit assets	(3,088,236)	(3,075,801)
Treasury shares	(6,606,360)	(1,811,775)
Share-based payment	365,810	-
Others	1,760,408	1,760,408
Total	(5,538,154)	(2,639,066)

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

<i>(In millions of Korean won and number of shares)</i>		2025	2024
Number of treasury shares purchased	Ordinary shares	91,828,987	29,700,000
	Preference shares	13,603,461	4,050,000
Acquisition cost	Ordinary shares	5,892,428	1,625,252
	Preference shares	713,932	186,523

(C) Equity-settled performance incentive

The Company agreed to grant 1,176,383 ordinary shares as restricted stock awards (RSA) to executives to settle a part of their performance incentives in January 2026. Accordingly, ₩63,912 million was reclassified from accrued expenses to other components of equity.

(D) Share-based compensation for employees and executives

The Company agreed to grant 30 ordinary shares to each of all employees and executives who were in service as of March 5, 2025, as agreed through labor-management negotiations. Accordingly, the Company recognized the fair value of 3,686,880 ordinary shares, amounting to ₩199,092 million as of the grant date, as wages and salaries and other components of equity, and the grant of was completed during the year ended December 31, 2025.

In addition, the Company agreed to grant a total of 3,149,370 ordinary shares to high-performing employees for retention and motivation purposes and recognized the fair value of ₩182,544 million as of the grant date, as welfare expense and other components of equity. Grant of shares was partially executed during the year ended December 31, 2025 and grants of the remaining shares will be completed in 2026.

(E) Equity-settled long-term incentives

The Company agreed to grant shares for a portion of long-term incentives to executives and provisions amounting to ₩102,692 million, which is the fair value of 1,558,299 ordinary shares as of the grant date, was reclassified to other components of equity. Grant of shares was partially executed during the year ended December 31, 2025 and the grants of the remaining shares will be completed in 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(F) Performance Stock Units

The Company has introduced a Performance Stock Units (PSU) plan for employees and executives. In connection with this plan, the Company recognized expenses amounting to ₩152,091 million during the year ended December 31, 2025.

<i>(In Korean won)</i>	December 31, 2025^(*)
Grant date	October 14, 2025
Base date	October 14, 2025
Vesting date	October 13, 2028
Vesting condition	Achievement of a minimum required base stock price increase rate
Payment method	Equal installment payments over 3-years
Settlement method	Equity (Treasury stock)
Valuation model	Binomial model
Weighted average fair value	51,760
Underlying asset's fair value	91,600
Expected volatility(%)	27.84%
Expected dividend yield (%)	1.58%
Risk-free rate (%)	2.53%

^(*) The target number of shares is 36 million which forms the basis for determining the actual number of shares to be issued. However, the actual number of shares to be granted to executives and employees may vary depending on the differentiated payout multiple determined by the rate of increase in the base share price.

Expected volatility of share price was determined based on the historical volatility of the parent company's share price over a period consistent with the expected vesting period.

21. Expenses by Nature

Expenses by nature for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Changes in finished goods, work in process, and other	1,167,769	(27,504)
Raw materials used, merchandise purchased, and other	92,697,315	87,478,581
Wages and salaries	18,626,836	15,247,579
Post-employment benefit	1,169,465	915,298
Depreciation	35,291,428	30,285,298
Amortization	2,757,986	2,432,272
Welfare	3,791,224	3,414,856
Utilities	6,428,646	5,759,175
Outsourcing	4,651,500	4,505,891
Advertising	2,011,624	1,634,516
Sales promotion	1,843,944	1,385,627
Other	44,001,653	43,659,618
Total^(*)	214,439,390	196,691,207

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

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22. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Selling and administrative expenses		
Wages and salaries	2,847,142	2,521,337
Post-employment benefit	202,970	163,548
Commissions	3,296,180	3,091,188
Depreciation	493,341	477,811
Amortization	456,509	398,113
Advertising	2,011,624	1,634,516
Sales promotion	1,843,944	1,385,627
Transportation	622,836	865,698
Service	1,154,009	1,292,125
Other	2,936,518	2,641,755
Subtotal	15,865,073	14,471,718
Research and development expenses		
Research and development	32,580,027	30,158,017
Total	48,445,100	44,629,735

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23. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Other non-operating income		
Dividend income	9,224,817	9,736,333
Rental income	175,382	184,855
Gain on disposal of property, plant and equipment	134,295	64,356
Other	280,760	365,641
Total	9,815,254	10,351,185

<i>(In millions of Korean won)</i>	2025	2024
Other non-operating expenses		
Loss on disposal of property, plant and equipment	16,451	99,941
Donations	146,124	150,377
Other	84,521	290,224
Total	247,096	540,542

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24. Financial Income and Expenses

Details of financial income and expenses for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Financial income		
Interest income	230,516	396,089
Financial assets measured at amortized cost	230,516	396,089
Foreign exchange differences	6,550,664	7,321,600
Gain from derivatives	664,223	-
Total	7,445,403	7,717,689

<i>(In millions of Korean won)</i>	2025	2024
Financial expenses		
Interest expenses	834,097	839,611
Financial liabilities measured at amortized cost	459,956	330,514
Other financial liabilities	374,141	509,097
Foreign exchange differences	6,347,001	7,280,623
Loss from derivatives	-	19,554
Total	7,181,098	8,139,788

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Income Tax Expense

(A) Income tax expense (benefit) for the years ended December 31, 2025 and 2024 consists of the following:

<i>(In millions of Korean won)</i>	2025	2024
Current taxes		
Current tax on profit for the year	4,818,504	1,689,123
Adjustments recognized in the current year	473,411	754,311
Subtotal	5,291,915	2,443,434
Deferred taxes		
Changes in deferred taxes arising from unused tax credits	(5,058,664)	(4,658,032)
Changes in deferred taxes arising from temporary differences	(483,770)	(547,094)
Changes in deferred taxes arising from unused tax losses	-	928,705
Subtotal	(5,542,434)	(4,276,421)
Income tax benefit	(250,519)	(1,832,987)

(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>	2025	2024
Profit before income tax	33,436,082	21,749,578
Tax calculated at tax rates applicable to profits^(*)	8,827,126	5,741,889
Adjustments:		
Non-taxable income	(2,324,071)	(2,696,812)
Non-deductible expense	25,557	10,691
Tax credits	(6,553,643)	(4,936,294)
Effect of changes in tax rates	(171,721)	-
Other	(53,767)	47,539
Subtotal	(9,077,645)	(7,574,876)
Income tax benefit	(250,519)	(1,832,987)

(*) The statutory tax rate regulated by tax laws as of December 31, 2025 and 2024 is applied.

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(C) The movement in deferred income tax assets and liabilities for the years ended December 31, 2025 and 2024 are as follows:

	2025		2024			
	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	(896,689)	36	(896,653)	(898,687)	1,998	(896,689)
Investments in subsidiaries, associates and joint ventures(*)	(221,402)	(6,174)	(227,576)	(228,304)	6,902	(221,402)
Accumulated depreciation and other	(1,084,577)	490,228	(594,349)	(1,408,682)	324,105	(1,084,577)
Accrued income	(32,560)	21,029	(11,531)	(3,564)	(28,996)	(32,560)
Provisions, accrued expenses, and other	5,586,965	342,244	5,929,209	5,433,027	153,938	5,586,965
Foreign currency translation	166,173	117,128	283,301	124,852	41,321	166,173
Asset impairment losses	185,328	(19,195)	166,133	181,641	3,687	185,328
Post-employment benefits	(1,697,066)	(299,446)	(1,996,512)	(1,879,227)	182,161	(1,697,066)
Other	401,782	(162,080)	239,702	539,804	(138,022)	401,782
Subtotal	2,407,954	483,770	2,891,724	1,860,860	547,094	2,407,954
Deferred tax arising from tax losses						
Unused tax losses	-	-	-	928,705	(928,705)	-
Deferred tax arising from unused tax credits						
Unused tax credits	10,997,282	5,058,664	16,055,946	6,339,250	4,658,032	10,997,282
Deferred tax recognized in equity						
Gain on valuation of financial assets at fair value through other comprehensive income and other	(175,080)	(559,904)	(734,984)	(88,295)	(86,785)	(175,080)
Remeasurement of net defined benefit assets	1,103,276	4,460	1,107,736	890,838	212,438	1,103,276
Subtotal	928,196	(555,444)	372,752	802,543	125,653	928,196
Total	14,333,432	4,986,990	19,320,422	9,931,358	4,402,074	14,333,432

(*) 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, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Net deferred tax assets to be recovered within 12 months	4,469,662	3,776,380
Net deferred tax assets to be recovered after more than 12 months	14,850,760	10,557,052
Total	19,320,422	14,333,432

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26. Earnings per Share

Earnings per share for the years ended December 31, 2025 and 2024 are calculated as follows:

(A) Ordinary shares

(1) Basic earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period	33,686,601	23,582,565
Profit for the period attributable to ordinary shares	29,607,505	20,724,961
Weighted-average number of ordinary shares outstanding	5,889,607	5,969,672
Basic earnings per ordinary share (in Korean won)	5,027	3,472

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period	33,686,601	23,582,565
Profit for the period attributable to ordinary shares	29,608,800	20,724,961
Weighted-average number of ordinary shares outstanding ^(*)	5,891,373	5,969,672
Diluted earnings per ordinary share (in Korean won)	5,026	3,472

^(*) The weighted average diluted potential common shares included are related to stock-based compensation, and the number of shares is 1.767 million shares and nil for the years ended December 31, 2025 and 2024, respectively.

Diluted earnings per share is calculated by adjusting the weighted-average number of ordinary shares outstanding, assuming the conversion of all dilutive potential ordinary shares into ordinary shares. Among the dilutive potential ordinary shares held by the Company, the number of shares rising from Performance Stock Units is calculated based on the number of shares to be granted to employees and executives, assuming that the share price as of December 31, 2025 is equal to the reference share price at the end of the three-year vesting period. Potentially dilutive instruments that have an antidilutive effect are excluded from the calculation of diluted earnings per share.

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(B) Preference shares

(1) Basic earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period	33,686,601	23,582,565
Profit for the period attributable to preference shares	4,079,096	2,857,604
Weighted-average number of preference shares outstanding	811,381	822,871
Diluted earnings per preference share (in Korean won)	5,027	3,473

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025	2024
Profit for the period	33,686,601	23,582,565
Profit for the period attributable to preference shares	4,077,801	2,857,604
Weighted-average number of diluted preference shares outstanding	811,381	822,871
Diluted earnings per preference share (in Korean won)	5,026	3,473

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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, 2025 and 2024 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2025	2024
Adjustments :		
Income tax benefit	(250,519)	(1,832,987)
Financial income	(1,695,074)	(1,566,938)
Financial expenses	2,354,569	2,545,209
Post-employment benefits	1,169,465	915,298
Depreciation	35,291,428	30,285,298
Amortization	2,757,986	2,432,272
Bad debt expense	132,699	67,958
Dividend income	(9,224,817)	(9,736,333)
Gain on disposal of property, plant and equipment	(134,295)	(64,356)
Loss on disposal of property, plant and equipment	16,451	99,941
(Reversal of) loss on valuation of inventories and others	2,541,992	(1,691,973)
Other	692,713	39,740
Total	33,652,598	21,493,129

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2025	2024
Changes in assets and liabilities :		
Increase in trade receivables	(9,064,808)	(5,566,775)
Decrease (increase) in non-trade receivables	987,576	(1,213,085)
Decrease (increase) in prepaid expenses	78,263	(286,511)
Decrease (increase) in inventories	(1,339,790)	1,929,763
Increase in trade payables	4,166,034	2,028,901
Increase (decrease) in other payables	(614,178)	1,304,136
Increase in advances received	11,350	47,859
Increase (decrease) in withholdings	(21,022)	70,984
Increase (decrease) in accrued expenses	3,054,368	(50,071)
Increase (decrease) in provisions	(10,613)	1,638,190
Payment of post-employment benefits	(2,065,238)	(1,256,247)
Decrease (increase) in plan assets	(250,767)	1,021,978
Other	361,525	(429,208)
Total	(4,707,300)	(760,086)

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(B) Significant non-cash investing and financing transactions for the years ended December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Valuation of financial assets at fair value through other comprehensive income	2,098,665	324,785
Reclassification of construction in progress to property, plant and equipment	43,854,889	43,491,326
Changes in assets and liabilities related to the acquisition of property, plant and equipment	1,626,367	2,924,605
Acquisition of right-of-use assets (new lease contracts established)	153,716	199,042
Reclassification of current portion of debentures and long-term borrowings	268,801	22,264,226

(C) Changes in liabilities arising from financing activities for the years ended December 31, 2025 and 2024 are as follows:

(1) 2025

<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	11,110,972	4,498,284	-	(233,598)	15,375,658
Debentures and long-term borrowings	23,074,459	559,094	153,716	(112,247)	23,675,022
Total	34,185,431	5,057,378	153,716	(345,845)	39,050,680

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

(2) 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.

For the years ended December 31, 2025 and 2024, cash outflows from repayment of the principal of lease liabilities (financial activities) amount to ₩243,556 million and ₩210,858 million, respectively, while cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩25,646 million and ₩32,567 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, 2025, most of the Company's cash and cash equivalents consist mainly of bank deposits.

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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, 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, 2025 and 2024, 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:

<i>(In millions of Korean won)</i>	December 31, 2025		December 31, 2024	
	Increase	Decrease	Increase	Decrease
USD	171,804	(171,804)	132,956	(132,956)
EUR	(21,281)	21,281	(92,620)	92,620

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(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.

As of December 31, 2025 and 2024, the effect on profit or loss before tax of a 1%p change in interest rates on the Company's variable interest rate financial liabilities is as follows:

<i>(In millions of Korean won)</i>	December 31, 2025		December 31, 2024	
	Increase	Decrease	Increase	Decrease
Financial liabilities	(28,000)	28,000	-	-

(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, 2025 and 2024, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩41,300 million and ₩20,722 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.

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(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.

As of December 31, 2025 and 2024, the maturity analysis of financial liabilities, based on the remaining period from the reporting date to the contractual maturity date, is as follows:

(In millions of Korean won)	December 31, 2025				
	Less than 3 months	~ 6 months	~ 1 year	1 - 5 years	More than 5 years
Financial liabilities	53,671,523	448,577	1,224,824	27,054,587	2,771,550

(In millions of Korean won)	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

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, 2025 and 2024, other than the financial liabilities mentioned above, is ₩ 12,221,986 million and ₩ 12,443,230 million, respectively.

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(D) Capital risk management

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

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

<i>(In millions of Korean won)</i>	December 31, 2025	December 31, 2024
Total liabilities	104,571,968	88,569,470
Total equity	254,330,083	236,396,657
Debt ratio	41.1%	37.5%

29. Fair Value Measurement

(A) Carrying amounts and fair value of financial instruments by category as of December 31, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	12,581,632	(*)	1,653,766	(*)
Short-term financial instruments	12,332,721	(*)	10,187,991	(*)
Trade receivables	42,081,734	(*)	33,840,357	(*)
Financial assets at fair value through other comprehensive income	4,248,587	4,248,587	2,176,346	2,176,346
Other ^(*)	5,512,456	-	5,639,328	373,681
Total financial assets	76,757,130		53,497,788	
Financial liabilities				
Trade payables	14,247,155	(*)	10,287,967	(*)
Short-term borrowings	15,375,658	(*)	11,110,972	(*)
Other payables	20,822,393	(*)	18,331,728	(*)
Current portion of long-term liabilities	268,801	7,556	22,264,226	7,737
- Long-term borrowing	261,708	(*)(*)	22,256,961	(*)(*)
- Debentures	7,093	7,556	7,265	7,737
Debentures	7,134	7,875	14,530	16,427
Long-term borrowings	23,399,087	(*)(*)	795,703	(*)
Long-term other payables	4,639,493	(*)	4,383,749	(*)
Other	4,436,223	(*)	4,893,869	(*)
Total financial liabilities	83,195,944		72,082,744	

(*) 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 ₩5,512,456 million and ₩5,265,647 million as of December 31, 2025 and 2024, respectively, are excluded as their carrying amounts are a reasonable estimate of fair value.

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

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

	December 31, 2025			
(In millions of Korean won)	Level 1	Level 2	Level 3	Total balance
Financial assets				
Financial assets at fair value through other comprehensive income	4,130,048	-	118,539	4,248,587
Other	-	-	-	-
Financial liabilities				
Current portion of debentures	-	7,556	-	7,556
Debentures	-	7,875	-	7,875

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

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.

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.

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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.

(C) Valuation technique and the inputs

The Company utilizes a present value technique to discount future cash flows using proper interest rates for currency forwards, 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, 2025.

(In millions of Korean won, and percentage)

Classification	Fair value	Valuation technique	Level 3 inputs	Input range
Financial assets at fair value through other comprehensive income				
Samsung Venture Investment	35,062	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	13.1%
MiCo Ceramics Co., Ltd.	64,679	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	11.2%

(D) Changes in Level 3 instruments for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	2025	2024
Financial assets		
Balance as of January 1	477,847	490,403
Disposals	(265)	(2,942)
Amount recognized in profit or loss	600,606	(19,555)
Amount recognized in other comprehensive income	14,638	9,941
Other	(974,287)	-
Balance as of December 31	118,539	477,847

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

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

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

(In millions of Korean won)		
	Favorable changes	Unfavorable changes
Classification	Equity	Equity
Financial assets at fair value through other comprehensive income ^(*)	10,913	(5,871)

(*) 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.

30. 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, 2025

(In millions of Korean won)	DX	DS	Total ^(*)
Revenue	119,928,927	128,332,103	238,043,009
Depreciation	601,891	34,508,465	35,291,428
Amortization	1,748,827	764,672	2,757,986
Operating profit	1,906,355	21,695,736	23,603,619

(*) Other operating segments are not separately disclosed.

(2) For the year ended December 31, 2024

(In millions of Korean won)	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.

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31. Related Party Transactions

(A) Subsidiaries

List of subsidiaries as of December 31, 2025 are as follows:

Region	Subsidiaries	Business	Percentage of ownership (%)^(*)
America	Samsung Electronics America, Inc. (SEA)	Sale of electronic devices	100.0
	Samsung International, Inc. (SII)	Manufacture of electronic devices	100.0
	Samsung Mexicana S.A. de C.V (SAMEX)	Manufacture of electronic devices	100.0
	Samsung Electronics Home Appliances America, LLC (SEHA)	Manufacture of home appliances	100.0
	Samsung Research America, Inc. (SRA)	Research and Development (R&D)	100.0
	Samsung Next LLC (SNX)	Management of overseas subsidiaries	100.0
	Samsung Next Fund LLC (SNXF)	Technology business, venture capital investments	100.0
	NeuroLogica Corp.	Manufacture and sale of medical equipment	100.0
	Samsung Lennox HVAC North America, LLC	Sale of air conditioning products	50.1
	Joyent, Inc.	Cloud services	100.0
	SmartThings, Inc.	Sale of smart home electronics	100.0
	TeleWorld Solutions, Inc. (TWS)	Deployment and optimization of network devices	100.0
	Xealth Inc.	Digital health care	100.0
	Samsung Semiconductor, Inc. (SSI)	Sale of semiconductor and display panels	100.0
	Samsung Federal, Inc. (SFI)	R&D	100.0
	Samsung Austin Semiconductor LLC. (SAS)	Manufacture of semiconductors	100.0
	Samsung Oak Holdings, Inc. (SHI)	Management of overseas subsidiaries	100.0
	SEMES America, Inc.	Maintenance of semiconductor equipment	100.0
	Samsung Display America Holdings, Inc. (SDAH)	Management of overseas subsidiaries	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
	RAINBOW ROBOTICS USA Co., Ltd.	Sale of robots	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 (%)^(*)
America	Samsung Eletronica da Amazonia Ltda. (SEDA)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Mexico S.A. De C.V. (SEM)	Sale of electronic devices	100.0
	Samsung Electronics Digital Appliance Mexico, SA de CV (SEDAM)	Manufacture of home appliances	100.0
	Samsung Electronics Latinoamerica(Zona Libre), S. A. (SELA)	Sale of electronic devices	100.0
	Samsung Electronics Latinoamerica Miami, Inc. (SEMI)	Sale of electronic devices	100.0
	Samsung Electronica Colombia S.A. (SAMCOL)	Sale of electronic devices	100.0
	Samsung Electronics Argentina S.A. (SEASA)	Marketing and services	100.0
	Samsung Electronics Chile Limitada (SECH)	Sale of electronic devices	100.0
	Samsung Electronics Peru S.A.C. (SEPR)	Sale of electronic devices	100.0
	Samsung Electronics Venezuela, C.A. (SEVEN)	Marketing and services	100.0
	Samsung Electronics Panama. S.A. (SEPA)	Consulting	100.0
	SEMCO LLC	Manufacture and sale of air conditioning products	100.0
	SEMCO Duct & Acoustical Products Inc	Manufacture and sale of air conditioning products	100.0
	Woods Air Movement Ltd.	Manufacture and sale of air conditioning products	100.0
	Harman International Industries, Inc.	Management of overseas subsidiaries	100.0
	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products and R&D	100.0
	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Manufacture and sale of audio products	100.0
	Harman de Mexico, S. de R.L. de C.V.	Manufacture of audio products	100.0
	Harman do Brasil Industria Eletronica e Participacoes Ltda.	Sale of audio products and R&D	100.0
	Harman International Industries Canada Ltd.	Sale of audio products	100.0
	Harman International Mexico, S. de R.L. de C.V.	Sale of audio products	100.0
	Harman KG Holding, LLC	Management of overseas subsidiaries	100.0
	Harman Professional, Inc.	Sale of audio products and R&D	100.0
	Roon Labs, LLC.	Sale of audio products	100.0
	Viper Holdings Corporation	Management of overseas subsidiaries	100.0
	DEI Holdings, Inc.	Management of overseas subsidiaries	100.0
	DEI Sales, Inc.	Sale of audio products	100.0
	Sound United, LLC	Sale of audio products	100.0
	Sound United Canada Inc.	Sale of audio products	100.0
	Polk Audio, LLC	Sale of audio products	100.0
	D&M Holdings U.S. Inc.	Sale of audio products	100.0
	Boston Acoustics, Inc.	Sale of audio products	100.0
	D&M Premium Sound Solutions, LLC	Sale of audio products	100.0
	Denon Electronics (USA), LLC	Sale of audio products	100.0
	Digital Networks North America Inc.	Sale of audio products	100.0
	Marantz America, LLC	Sale of audio products	100.0
	D&M Sales & Marketing Americas, LLC	Sale of audio products	100.0
	The Speaker Company	Sale of audio products	100.0
	Definitive Technology, LLC	Sale of audio products	100.0
	Equity International, LLC	Sale of audio products	100.0
	Beijing Integrated Circuit Industry International Fund, L.P	Venture capital investments	61.4
	China Materialia New Materials 2016 Limited Partnership	Venture capital investments	99.0

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
	FlaktWoods LLC	Sale of air conditioning products	100.0
	FlaktGroup Havalandirma Sanayi A.S.	Manufacture and sale of air conditioning products	100.0
	Harman Industries Holdings Mauritius Ltd.	Management of overseas subsidiaries	100.0
	Red Bend Ltd.	Manufacture of audio products	100.0
Asia (Excluding China)	Samsung Asia Pte. Ltd. (SAPL)	Management of overseas subsidiaries	100.0
	Samsung Electronics Singapore Pte. Ltd. (SESP)	Sale of electronic devices	100.0
	Samsung Malaysia Electronics (SME) Sdn. Bhd. (SME)	Sale of electronic devices	100.0
	Samsung Electronics Display (M) Sdn. Bhd. (SDMA)	Manufacture of electronic devices	100.0
	Samsung Electronics (M) Sdn. Bhd. (SEMA)	Manufacture of home appliances	100.0
	Samsung Vina Electronics Co., Ltd. (SAVINA)	Sale of electronic devices	100.0
	Samsung Electronics Vietnam Co., Ltd. (SEV)	Manufacture of electronic devices	100.0
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	Manufacture of communication equipment	100.0
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	Manufacture and sale of electronic devices	100.0
	Samsung Display Vietnam Co., Ltd. (SDV)	Manufacture of display panels	100.0
	PT Samsung Electronics Indonesia (SEIN)	Manufacture and sale of electronic devices	100.0
	PT Samsung Telecommunications Indonesia (STIN)	Sale of electronic devices and services	100.0
	Thai Samsung Electronics Co., Ltd. (TSE)	Manufacture and sale of electronic devices	91.8
	Laos Samsung Electronics Sole Co., Ltd (LSE)	Marketing	100.0
	Samsung Electronics Philippines Corporation (SEPCO)	Sale of electronic devices	100.0
	Samsung Electronics Australia Pty. Ltd. (SEAU)	Sale of electronic devices	100.0
	Samsung Electronics New Zealand Limited (SENZ)	Sale of electronic devices	100.0
	Samsung India Electronics Private Ltd. (SIEL)	Manufacture and sale of electronic devices	100.0
	Red Brick Lane Marketing Solutions Pvt. Ltd.	Marketing	100.0
	Samsung Display Noida Private Limited (SDN)	Manufacture of display panels	100.0
	Samsung R&D Institute India-Bangalore Private Limited (SRI-Bangalore)	R&D	100.0
	Samsung R&D Institute Bangladesh Limited (SRBD)	R&D	100.0
	Samsung Nepal Services Pvt, Ltd (SNSL)	Service	100.0
	Samsung Japan Corporation (SJC)	Sale of semiconductor and display panels	100.0

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Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Region	Subsidiaries	Business	Percentage of ownership (%)^(*)
Asia (Excluding China)	Samsung R&D Institute Japan Co. Ltd. (SRJ)	R&D	100.0
	Samsung Electronics Japan Co., Ltd. (SEJ)	Sale of electronic devices	100.0
	FläktGroup India Private Ltd.	Manufacture and sale of air conditioning products	100.0
	FlaktGroup Singapore Pte. Ltd.	Sale of air conditioning products	100.0
	Harman International (India) Private Limited	Sale of audio products and R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International (Thailand) Co., Ltd.	Manufacture and sale of audio products	100.0
	Harman International Japan Co., Ltd.	Sale of audio products and R&D	100.0
	Harman Singapore Pte. Ltd.	Sale of audio products	100.0
	D&M Holdings, Inc.	Manufacture and sale of audio products, R&D	100.0
	Sound United Australia Pty Ltd.	R&D	100.0
	Sound United Sales & Marketing Australia Pty Limited	Sale of audio products	100.0
China	Samsung (CHINA) Investment Co., Ltd. (SCIC)	Sale of electronic devices	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, and venture capital investments	99.0
	Harman (China) Technologies Co., Ltd.	Manufacture of audio products	100.0
	Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.	Sale of audio products	100.0
	Harman Automotive Electronic Systems (Suzhou) Co., Ltd.	Manufacture of audio products and R&D	100.0
	Harman Commercial (Shanghai) Co., Ltd.	Sale of audio products	100.0
	Harman Holding Limited	Sale of audio products	100.0
	Harman International (China) Holdings Co., Ltd.	Sale of audio products and R&D	100.0
	Harman Technology (Shenzhen) Co., Ltd.	Sale of audio products and R&D	100.0
	Sound United Hong Kong Limited	Management of overseas subsidiaries	100.0
	Sound Electronics (Shenzhen) Co. Ltd.	R&D	100.0

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Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Region	Subsidiaries	Business	Percentage of ownership (%)^(*)
China	D&M Sales & Marketing (H.K) Ltd.	Sale of audio products	100.0
	D&M Digital Audio Trading (Shanghai) Ltd.	Management of overseas subsidiaries	100.0
	Marantz Shanghai Trading Ltd.	Management of overseas subsidiaries	100.0
	D&M Shanghai Electronics Ltd.	Sale of audio products	100.0
	D&M Sales & Marketing Taiwan Ltd.	Sale of audio products	100.0
	Bowers & Wilkins Trading Zhuhai Company Ltd.	Manufacture of audio products	100.0
	B&W Group Asia Limited	Sale of audio products	100.0
Domestic	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of display panel components	50.0
	STECO Co., Ltd.	Manufacture of semiconductor components	70.0
	SEMES Co., Ltd.	Manufacture and sale of semiconductor/FPD	91.5
	Samsung Electronics Service Co., Ltd.	Repair services for electronic devices	99.3
	Samsung Electronics Service Customer Satisfaction Co., Ltd.	Call center for repair services for electronic devices	100.0
	Samsung Electronics Sales Co., Ltd.	Sale of electronic devices	100.0
	Samsung Electronics Logitech Co., Ltd.	General logistics agency	100.0
	Samsung Medison Co., Ltd.	Manufacture and sale of medical equipment	68.5
	Stella Forest of Hope	Manufacture of food	100.0
	Mirero System Co., Ltd.	Development and supply of semiconductor process defect and quality control software	99.9
	Harman International Korea	Software development and supply	100.0
	Rainbow Robotics Co., Ltd.	Manufacture and sale of robots and robot parts	35.0
	D&M Sales & Marketing Korea Ltd.	Sale of audio products	100.0
	Samsung Venture Capital Union #21	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #26	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #28	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #32	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #33	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #67	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #74	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #76	Venture capital investments in technology business	73.3
	Growth Type Private Equity Trust Specialized in Semiconductors	Investment in semiconductor industry	66.7
	System LSI Mutual Benefit Private Equity Trust	Investment in semiconductor industry	62.5
	Semiconductor Ecosystem Private Equity Trust	Investment in semiconductor industry	66.7

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Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Sale and purchase transactions

Sale and purchase transactions with related parties for the years ended December 31, 2025 and 2024 are as follows:

		2025			
(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.	536,224	-	1,501,733	-
	Samsung Electronics America, Inc. (SEA)	29,834,584	-	373,773	-
	Samsung Asia Pte. Ltd. (SAPL)	56	-	13,413	-
	Samsung Austin Semiconductor LLC. (SAS)	7,212	-	3,755,827	-
	Samsung Semiconductor, Inc. (SSI)	55,971,618	-	950,149	442
	Harman and its subsidiaries ^(*)	3,077	-	73,356	-
	Samsung (China) Semiconductor Co., Ltd. (SCS)	4,603,085	58,639	8,635,744	23,610
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	1,716,402	-	11,340	-
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	3,150,399	276	25,501,081	340
	Samsung India Electronics Private Ltd. (SIEL)	3,762,566	-	6,335,321	27,473
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	30,612,240	-	-	-
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	-	-	-	-
	Samsung Display Vietnam Co., Ltd. (SDV)	1,518,556	-	-	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	1,596,054	93	16,834,919	219
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	521,304	950	6,717,032	28
	Samsung Eletronica da Amazonia Ltda. (SEDA)	1,785,453	3	4,569	-
	Samsung Electronics (UK) Ltd. (SEUK)	1,971,464	-	110,774	-
	Samsung International, Inc. (SII)	311,845	3	7,303,971	-
	SEMES Co., Ltd.	7,244	-	1,950,547	-
	Thai Samsung Electronics Co., Ltd. (TSE)	2,578,313	-	2,421,169	-
	Samsung Electronics Mexico S.A. De C.V. (SEM)	3,140,046	-	8,052	-
	Samsung Electronics Taiwan Co., Ltd. (SET)	6,343,132	-	1,159	-
	Samsung Electronics Europe Logistics B.V. (SELS)	5,410,620	-	10,267	-
	Samsung Japan Corporation (SJC)	3,279,175	-	123,749	-
	Samsung Electronics GmbH (SEG)	3,633,097	-	8,360	-
	Others	56,096,545	17,261	13,708,670	13,094
	Total	218,390,311	77,225	96,354,975	65,206
Associates and joint ventures	Samsung SDS Co., Ltd.	109,037	61	2,053,507	273,364
	Samsung Electro-Mechanics Co., Ltd.	44,483	-	690,052	-
	Samsung SDI Co., Ltd.	71,500	-	358,010	11,460
	Cheil Worldwide Inc.	38,099	-	954,179	4,197
	Others	711,946	794	855,270	11,391
	Total	975,065	855	4,911,018	300,412
Other related parties	Samsung C&T Co., Ltd.	2,060	20	38,884	3,375,496
	Others	293,109	-	639,885	64,157
	Total	295,169	20	678,769	3,439,653
Other ^(*)	Samsung E&A Co., Ltd.	4,476	-	32,480	2,069,984
	S-1 Corporation	14,868	-	469,779	60,564
	Others	190,132	-	247,236	479,486
	Total	209,476	-	749,495	2,610,034

^(*) 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. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		2024			
(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.	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 Corporation	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. and its subsidiaries

NOTES TO THE CONSOLIDATED 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, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	Name of company ^{(*)1}	December 31, 2025	
		Receivables and other ^{(*)2}	Payables and other ^{(*)3}
Subsidiaries	Samsung Display Co., Ltd.	52,814	158,345
	Samsung Electronics America, Inc. (SEA)	2,161,468	967,625
	Samsung Asia Pte. Ltd. (SAPL)	2,090	-
	Samsung Austin Semiconductor LLC. (SAS)	6,536	183,567
	Samsung Semiconductor, Inc. (SSI)	17,075,167	238,368
	Harman and its subsidiaries ^{(*)4}	4,487	17,164
	Samsung (China) Semiconductor Co., Ltd. (SCS)	66,784	1,864,110
	Samsung (CHINA) Investment Co., Ltd. (SCIC)	142,708	271,131
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	1,160,571	3,620,502
	Samsung India Electronics Private Ltd. (SIEL)	841,800	1,909,955
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	8,168,594	6,277
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	1,721	-
	Samsung Display Vietnam Co., Ltd. (SDV)	111,701	-
	Samsung Electronics Vietnam Co., Ltd. (SEV)	515,417	2,365,410
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	108,414	579,428
	Samsung Eletronica da Amazonia Ltda. (SEDA)	290,367	3,585
	Samsung Electronics (UK) Ltd. (SEUK)	145,685	34,066
	Samsung International, Inc. (SII)	275,082	162,601
	SEMES Co., Ltd.	94,204	847,790
	Thai Samsung Electronics Co., Ltd. (TSE)	130,685	261,094
	Samsung Electronics Mexico S.A. De C.V. (SEM)	67,872	33,614
	Samsung Electronics Taiwan Co., Ltd. (SET)	473,249	123,449
	Samsung Electronics Europe Logistics B.V. (SELS)	328,563	926,490
	Samsung Japan Corporation (SJC)	795,141	57,326
	Samsung Electronics GmbH (SEG)	40,555	5,844
	Other	7,311,079	2,756,367
	Total	40,372,754	17,394,108
Associates and joint ventures	Samsung SDS Co., Ltd.	26,250	611,133
	Samsung Electro-Mechanics Co., Ltd.	2,474	55,018
	Samsung SDI Co., Ltd.	120,664	32,385
	Cheil Worldwide Inc.	54	435,498
	Other	168,932	221,149
	Total	318,374	1,355,183
Other related parties	Samsung C&T Corporation	182,715	1,795,005
	Other	14,535	133,003
	Total	197,250	1,928,008
Other ^{(*)5}	Samsung E&A Co., Ltd.	260	1,190,006
	S-1 Corporation	1,238	49,080
	Other	3,652	228,548
	Total	5,150	1,467,634

^{(*)1} Balances due to and from 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, 2025.

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

^{(*)4} Balances due to and from 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.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In millions of Korean won)	Name of company ^{(*)1}	December 31, 2024	
		Receivables and other ^{(*)2}	Payables and other ^{(*)3}
	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 ^{(*)4}	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
	Other	156,624	197,504
	Total	297,926	1,292,487
Other related parties	Samsung C&T Corporation	181,822	1,781,431
	Other	14,747	179,533
	Total	196,569	1,960,964
Other ^{(*)5}	Samsung E&A Co., Ltd.	475	1,870,246
	S-1 Corporation	2,330	50,798
	Other	3,489	599,373
	Total	6,294	2,520,417

(*)1 Balances due to and from 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, 2024.

(*)3 Payables and others include lease liabilities.

(*)4 Balances due to and from 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 CONSOLIDATED FINANCIAL STATEMENTS

- (D) For the years ended December 31, 2025 and 2024, the Company had no lending to its subsidiaries. The Company had no additional borrowings from its subsidiaries during the years ended December 31, 2025 and 2024. For the years ended December 31, 2025 and 2024, the Company repaid borrowings from its subsidiaries amounting to ₩1,990,000 million and nil, respectively. In addition, the Company had no lending to or borrowings from associates and joint ventures during years ended December 31, 2025 and 2024.
- (E) For the years ended December 31, 2025 and 2024, the Company invested ₩878,685 million and ₩336,648 million, respectively, in subsidiaries, and made a capital recovery of ₩152,092 million and ₩319,943 million from its investments in subsidiaries, respectively. In addition, the Company invested ₩308,181 million and nil in associates and joint ventures and made a recovery of ₩720 million and nil from its associates and joint ventures for years ended December 31, 2025 and 2024, respectively.
- (F) For the years ended December 31, 2025 and 2024, the Company declared dividend of ₩1,612,090 million and ₩1,610,832 million, respectively, to related parties. In addition, for the years ended December 31, 2025 and 2024, the Company declared dividends of ₩129,277 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, 2025 and 2024, there are no dividends payable to related parties.
- (G) For the years ended December 31, 2025 and 2024, the Company entered into lease agreements with its related parties amounting to ₩87,834 million and ₩23,571 million, respectively, and the lease payments made to the related parties were ₩49,663 million and ₩60,211 million, respectively.
- (H) As of December 31, 2025, 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, 2025 and 2024 consists of:

<i>(In millions of Korean won)</i>	2025	2024
Short-term employee benefits	12,718	9,991
Post-employment benefits	493	600
Other long-term employee benefits	5,598	8,078

32. Subsequent Events

The Company is in the process of purchasing treasury shares pursuant to the board of director's resolutions on January 7 and January 28, 2026. The total expected purchase amount is estimated to be approximately ₩6,073,000 million (approximately 40 million shares). The actual number of shares to be purchased is subject to change depending on future movements in the share price.