

**23rd Annual Shareholders' Meeting**

**Agenda Item  
for FY 2024 Annual General Meeting  
of Shareholders**

**March 2025**

**LG Electronics Inc.**

# 23rd Annual Shareholders' Meeting and Agenda Items for Approval

## ☐ Date and Venue

- Date : AM 9:00 March 25th (Tuesday), 2025
- Venue : Connect Hall (B1), East Wing of LG Twin Towers

## ☐ Agenda Items for Approval (February 18th Resolution of Board of Directors)

<b>Agenda 1 : Approval of Proposed FY 2024 Financial Statements</b>	- Year-end dividend per share : Common Stock 500 KRW, Preferred Stock 550 KRW (Total dividend per share including FY 2024 interim dividend : Common Stock 1,000 KRW, Preferred Stock 1,050 KRW)
<b>Agenda 2 : Approval of Amendment of Article of Incorporation</b>	- Amending the Articles of Incorporation regarding the record date of interim dividends.
<b>Agenda 3 : Appointment of Directors</b>	- 3-1 : Non-Independent Non-Executive Director : Bong-Seok Kwon (Re-appointment) - 3-2 : Inside Director : Joo-Wan Cho (Re-appointment) - 3-3 : Outside Director : Choong-Yuel Yoo (Re-appointment) - 3-4 : Outside Director : Sung-Choon Kang (New appointment)
<b>Agenda 4 : Appointment of Audit Committee Member</b>	- 4-1. Audit Committee Member : Choong-Yuel Yoo (Re-appointment) - 4-2. Audit Committee Member : Sung-Choon Kang (New appointment)
<b>Agenda 5 : Approval of Compensation Limit for Directors</b>	- Compensation Limit 8.0 Billion KRW (Previous Year : 8.0 Billion KRW)

# Agenda 1 : Approval of Financial Statements (FY2024)

## Consolidated Statements of Income

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024	YoY
<b>Net sales</b>	<b>82,263</b>	<b>87,728</b>	5,465
Cost of Sales	62,461	66,349	
<b>Gross profit</b>	<b>19,801</b>	<b>21,379</b>	1,578
(%)	24.1%	24.4%	0.3%p↑
Selling & Admin Expense	16,148	17,960	1,812
<b>Operating Income</b>	<b>3,653</b>	<b>3,420</b>	<b>Δ233</b>
(%)	4.4%	3.9%	0.5%p↓
Financial expenses	Δ102	35	
Gain(Loss) on equity method investment	Δ1,045	Δ992	
Other non-operating expenses	Δ492	Δ1,127	
<b>Net Income before tax</b>	<b>2,015</b>	<b>1,336</b>	<b>Δ679</b>
Income tax	757	463	
<b>Profit(loss) for the period from continuing operations</b>	<b>1,258</b>	<b>873</b>	<b>Δ385</b>
<b>Profit (loss) for the period from discontinued operations</b>	<b>Δ107</b>	<b>Δ282</b>	<b>Δ175</b>
<b>Net Income</b>	<b>1,151</b>	<b>591</b>	<b>Δ560</b>
Earnings per share for profit attributable to the ordinary equity holders of the Parent Company (in KRW)	3,954	2,036	

# Agenda 1 : Approval of Financial Statements (FY2024)

## Consolidated Statements of Comprehensive Income

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024	YoY
<b>Profit for the year</b>	<b>1,151</b>	<b>591</b>	<b>Δ560</b>
<b>Other comprehensive income(loss), net of tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Actuarial profit(loss) on defined benefit liability	Δ257	114	
Shares of actuarial profit(loss) of associates	18	Δ49	
Financial assets at fair value through other comprehensive income	Δ2	1	
<b>Items that will be reclassified subsequently to profit or loss</b>			
Currency translation differences	369	1,159	
Cash flow hedges	Δ58	Δ17	
Other comprehensive loss from associates and JV	25	268	
<b>Total comprehensive income for the year, net of tax</b>	<b>1,245</b>	<b>2,068</b>	<b>823</b>
<b>Comprehensive income(loss) for the year, net of tax, attributable to</b>			
Equity holders of the Parent Company	818	1,620	
Non-controlling interest	427	448	

# Agenda 1 : Approval of Financial Statements (FY2024)

## Consolidated Statements of Financial Position

December 31, 2024 and 2023

(in billions of KRW)

	2024 Beginning	2024 Ending	YoY
<b>Assets</b>			
<b>Current assets</b>	<b>30,341</b>	<b>33,924</b>	3,583
Cash and cash equivalents	8,488	7,573	
Trade receivables	9,265	10,536	
Inventories	9,125	10,729	
Other current assets	3,463	5,086	
<b>Non-current assets</b>	<b>29,900</b>	<b>31,706</b>	1,806
Investments in associates and joint ventures	3,005	2,776	
Tangible/intangible assets	19,686	20,594	
Other non-current assets	7,209	8,337	
	<b>60,241</b>	<b>65,630</b>	5,389
<b>Liabilities</b>			
Trade payables	9,427	9,885	
Borrowings	13,321	13,983	
Lease liabilities	1,193	1,260	
Provisions	1,377	1,760	
Other liabilities	11,424	13,531	
	<b>36,742</b>	<b>40,418</b>	3,676
<b>Equity</b>			
Paid in capital	3,992	3,992	
Retained earnings	16,201	16,353	
Accumulated other comprehensive loss	Δ421	813	
Other components of equity	Δ108	Δ163	
Non controlling interest	3,834	4,217	
	<b>23,499</b>	<b>25,212</b>	1,713
<b>Debt ratio</b>	<b>156.4%</b>	<b>160.3%</b>	3.9%p↑

# Agenda 1 : Approval of Financial Statements (FY2024)

## Consolidated Statements of Changes in Equity

Year Ended December 31, 2024 and 2023

(in billions of KRW)

**2023**

**Balance at the beginning of year**

**Owners  
equity**

**Non controlling  
interest**

**Total**

**18,992**

**3,500**

**22,492**

### **Changes in Equity**

Retained earnings

367

304

671

Accumulated other comprehensive income

329

9

338

Others

**Δ23**

21

**Δ2**

**673**

**334**

**1,007**

**Balance at the end of year**

**19,665**

**3,834**

**23,499**

**2024**

**Balance at the beginning of year**

**19,665**

**3,834**

**23,499**

### **Changes in Equity**

Retained earnings

151

182

333

Accumulated other comprehensive income

1,233

185

1,418

Others

**Δ55**

17

**Δ38**

**1,330**

**383**

**1,713**

**Balance at the end of year**

**20,995**

**4,217**

**25,212**

# Agenda 1 : Approval of Financial Statements (FY2024)

## Consolidated Statements of Cash Flows

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024
<b>Cash flows from operating activities</b>		
Cash generated from operations	7,052	4,935
Interest received	424	488
Dividends received	13	23
Interest paid	Δ560	Δ623
Income tax paid	Δ1,015	Δ980
	<b>5,914</b>	<b>3,843</b>
<b>Cash flows from investing activities</b>		
Increase in tangible/intangible assets	Δ4,138	Δ3,668
Others	Δ1,152	Δ544
	<b>Δ5,290</b>	<b>Δ4,212</b>
<b>Cash flows from financing activities</b>		
Decrease in borrowings	2,041	216
Repayments of lease liabilities	Δ361	Δ380
Dividends paid, Etc.	Δ177	Δ541
	<b>1,503</b>	<b>Δ705</b>
<b>Exchange losses on cash and cash equivalents</b>	<b>38</b>	<b>159</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,165</b>	<b>Δ915</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>6,322</b>	<b>8,488</b>
<b>Cash and cash equivalents reclassified to assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of year</b>	<b>8,488</b>	<b>7,573</b>

# Agenda 1 : Approval of Financial Statements (FY2024)

## Separate Statements of Income

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024	YoY
<b>Net sales</b>	<b>28,868</b>	<b>30,763</b>	1,895
Cost of Sales	21,157	22,360	
<b>Gross profit</b>	<b>7,712</b>	<b>8,403</b>	691
(%)	26.7%	27.3%	0.6%p↑
Selling & Admin Expense	7,025	7,844	
<b>Operating Income</b>	<b>687</b>	<b>559</b>	<b>Δ128</b>
(%)	2.4%	1.8%	0.6%p↓
Financial expenses	<b>Δ178</b>	<b>Δ48</b>	
Other non-operating expenses	852	598	
<b>Net Income before tax</b>	<b>1,361</b>	<b>1,109</b>	
Income tax	240	<b>Δ312</b>	
<b>Profit (loss) for the period from continuing operations</b>	1,121	1,421	
<b>Profit (loss) for the period from discontinued operations</b>	<b>Δ117</b>	<b>Δ284</b>	
<b>Net Income</b>	1,004	1,137	133
Earnings per share for profit attributable to the ordinary equity holders of the Parent Company(in KRW)	5,577	6,309	



# Agenda 1 : Approval of Financial Statements (FY2024)

## Separate Statements of Comprehensive Income

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024	YoY
Profit for the year	1,004	1,137	133
Other comprehensive income(loss),net of tax			
Items that will not be reclassified subsequently to profit or loss :			
Actuarial loss on defined benefit liability	Δ202	71	
Financial assets at fair value through other comprehensive income	1	1	
Items that will be reclassified subsequently to profit or loss			
Cash flow hedges	Δ50	Δ12	
	Δ251	60	311
Total comprehensive income for the year, net of tax	753	1,197	444

# Agenda 1 : Approval of Financial Statements (FY2024)

## Separate Statements of Financial Position

December 31, 2024 and 2023

(in billions of KRW)

	2023 Ending	2024 Ending	YoY
<b>Assets</b>			
<b>Current assets</b>	<b>10,758</b>	<b>11,937</b>	1,179
Cash and cash equivalents	2,350	1,204	
Trade receivables	5,393	6,276	
Inventories	1,370	1,465	
Other current assets	1,646	2,992	
<b>Non-current assets</b>	<b>20,990</b>	<b>22,962</b>	1,972
Investments in associates and joint ventures	8,391	8,642	
Tangible/intangible assets	8,128	8,906	
Other non-current assets	4,471	5,413	
	<b>31,748</b>	<b>34,899</b>	3,151
<b>Liabilities</b>			
Trade payables	5,809	6,787	
Borrowings	9,225	9,363	
Lease liabilities	156	128	
Provisions	681	1,131	
Other liabilities	5,362	6,012	
	<b>21,232</b>	<b>23,421</b>	2,189
<b>Equity</b>			
Paid in capital	3,992	3,992	
Retained earnings	6,566	7,539	
Accumulated other comprehensive loss	Δ10	Δ22	
Other components of equity	Δ33	Δ33	
	<b>10,516</b>	<b>11,477</b>	961
<b>Debt ratio</b>	<b>201.9%</b>	<b>204.1%</b>	2.2%p↑

# Agenda 1 : Approval of Financial Statements (FY2024)

## Separate Statements of Changes in Equity

Year Ended December 31, 2024 and 2023

(in billions of KRW)

### 2023

Balance at the beginning of year

Total

9,889

#### Changes in Equity

Retained earnings

802

Dividends

Δ127

Accumulated other comprehensive income

Δ49

627

Balance at the end of year

10,516

### 2024

Balance at the beginning of year

10,516

#### Changes in Equity

Retained earnings

1,208

Dividends

Δ235

Accumulated other comprehensive income

Δ11

962

Balance at the end of year

11,477

# Agenda 1 : Approval of Financial Statements (FY2024)

## Separate Statements of Cash Flows

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024
<b>Cash flows from operating activities</b>		
Cash generated from operations	Δ29	933
Interest received	124	144
Dividends received	1,788	1,281
Interest paid	Δ294	Δ328
Income tax paid	Δ282	Δ163
	<b>1,308</b>	<b>1,866</b>
<b>Cash flows from investing activities</b>		
Increase in tangible/intangible assets	Δ1,215	Δ1,872
Others	Δ1,085	Δ686
	<b>Δ2,300</b>	<b>Δ2,558</b>
<b>Cash flows from financing activities</b>		
Decrease in borrowings	1,611	Δ143
Repayments of lease liabilities	Δ74	Δ76
Dividends paid	Δ127	Δ235
	<b>1,410</b>	<b>Δ454</b>
<b>Exchange losses on cash and cash equivalents</b>	<b>Δ10</b>	-
<b>Net increase in cash and cash equivalents</b>	<b>408</b>	<b>Δ1,146</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>1,942</b>	<b>2,350</b>
<b>Cash and cash equivalents at the end of year</b>	<b>2,350</b>	<b>1,204</b>

# Agenda 1 : Approval of Financial Statements (FY2024)

## Statements of Appropriation of Retained Earnings

Year Ended December 31, 2024 and 2023

(in billions of KRW)

	2023	2024
<b>Unappropriated retained earnings(deficit)</b>		
Retained earnings carried forward	0.1	0.1
Remeasurements of the net defined benefit liability	Δ202	71
Profit(loss) for the year	1,004	1,137
	<b>802</b>	<b>1,208</b>
 <b>Transfer from voluntary reserve</b>		
Reserve for research and human resource development	5,504	6,147
 <b>Total</b>	<b>6,307</b>	<b>7,355</b>
 <b>Appropriations of retained earnings</b>		
Earned surplus reserve	14	18
Reserve for research and human resource development	6,147	7,156
Dividends	145	181
	<b>6,307</b>	<b>7,355</b>
 <b>Unappropriated Retained Earnings</b>	<b>0.1</b>	<b>0.1</b>

## Agenda 2 : Approval of Amendment of Article of Incorporation

Pursuant to Article 433 of the Commercial Act and Article 14 of the Regulations of the Board of Directors, Approval of Amendment of Article of Incorporation is submitted as an Agenda Item for Shareholder's Meeting.

### 1. Background

- In accordance of the amendment of the Commercial Act and the statutory interpretation issued by the Ministry of justice in 2023, the Company amended its Articles of Incorporation regarding the year-end dividends through the general shareholders' meeting held in 2024.
- Similarly as the provision regarding dividends under the Financial Investment Services and Capital Markets Act has been amended this year, the Company aims to revise the Articles of Incorporation regarding interim dividends.

### 2. Major Amendments

Item	Amendments
Dividend Record Date	<ul style="list-style-type: none"><li>▪ Amending the Articles of Incorporation regarding the record date of interim dividends.</li></ul>

### 3. Item for Approval

- Current Article of Incorporation and Amendment Proposal Comparison

## Agenda 2 : Approval of Amendment of Article of Incorporation

### ▪ Current Articles of Incorporation and Amendment Proposal Comparison

Category	Current	Amendment Proposal
<b>Article 45. (Interim Dividends)</b>	<p>1. The Company may pay interim dividends to the shareholders or registered pledgees on the shareholders' register as of 00:00 on July 1 in accordance with the Article 165-12 of the FISCMA, limited to one (1) time each year. Interim dividends shall be distributed in cash.</p> <p>2. The interim dividends under the preceding Paragraph 1 shall be decided by the resolution of the board of directors, which resolution shall be adopted by the board of directors within forty-five (45) days after the record date under Paragraph 1 above.</p>	<p>1. The Company may pay interim dividends, <u>which shall be decided by the resolution of the board of directors, in accordance with relevant laws. Interim dividends shall be distributed in cash.</u></p> <p>2. <u>The board of directors may set up a record date to determine shareholders eligible to receive dividends under paragraph 1, and in such cases, notice shall be given two weeks prior to the said record date.</u></p> <p>3. <u>Specific matters regarding interim dividends shall be governed by the relevant laws.</u></p>
<b>Addenda</b>	<p><u>(New)</u></p>	<p><u>[Addenda] (2025. 3. 25.)</u></p> <p>This Articles of Incorporation shall be effective on and after March 25, 2025.</p>

# Agenda 3 : Appointment of Directors

## 1. Background

- Appointment of Directors has been set in accordance with Article 382 of the Korean Commercial Code and Article 30 of the Articles of Incorporation.

## 2. Item for Approval

- Appointment of Bong-Seok Kwon as a Non-Independent Non-Executive Director and Joo-Wan Cho as an Inside Director and Choong-Yuel Yoo / Sung-Choon Kang as an Outside Directors

Items	Category	Name	Year of Birth	Career	Terms	Notes
Agenda 3-1	Non-Independent Non-Executive Director	Bong-Seok Kwon	1963	<ul style="list-style-type: none"><li>▪ (Present) COO &amp; Vice Chairman of LG Corp.</li><li>▪ (Former) CEO &amp; President of LG Electronics</li><li>▪ (Former) President of MC Company</li><li>▪ (Former) President of HE Company</li></ul>	3 Years (`25.3 ~ `28.3)	Re-Appointment
Agenda 3-2	Inside Director	Joo-Wan Cho	1962	<ul style="list-style-type: none"><li>▪ (Present) CEO &amp; President of LG Electronics</li><li>▪ (Former) Executive Vice President &amp; CSO of LG Electronics</li><li>▪ (Former) Senior Vice President of NA Region Representative &amp; LG Electronics USA</li><li>▪ (Former) Vice President of LG Electronics RAC business</li></ul>	2 Years (`25.3 ~ `27.3)	Re-Appointment
Agenda 3-3	Outside Director	Choong-Yuel Yoo	1971	<ul style="list-style-type: none"><li>▪ (Present) Professor of KAIST College of Business</li><li>▪ (Present) Director of Korean Association of Fair Economy</li><li>▪ (Present) Advisory Council Member of Korea Deposit Insurance Corporation</li><li>▪ (Present) Chairman of Special committee for financial disclosure improvement, the Korea Accounting Institute</li></ul>	3 Years (`25.3 ~ `28.3)	Re-Appointment
Agenda 3-4	Outside Director	Sung-Choon Kang	1970	<ul style="list-style-type: none"><li>▪ (Present) Professor of Seoul National University Business School</li><li>▪ (Present) Member of Win-win Wage Commission, the Ministry of Labor</li><li>▪ (Present) Vice president of Korean Academy of Organization and Management</li><li>▪ (Former) Vice president of Korean Academy of Management</li><li>▪ (Former) National Labor Relations Commission Public interest member</li></ul>	3 Years (`25.3 ~ `28.3)	New Appointment



#### 1. Profile



- Name: Bong-Seok Kwon
- Title: COO & Vice Chairman of LG Corp.
- Year of Birth: 1963

#### 2. Career

- `08.01 ~ `11.12 : Vice President of HE Monitor Business & Media Business
- `12.01 ~ `13.11 : Senior Vice President of MC Product Planning Group
- `13.12 ~ `14.12 : Senior Vice President, Synergy Team leader of LG Corp.
- `15.01 ~ `18.11 : Executive Vice president of HE Company
- `18.12 ~ `19.11 : President of HE & MC Company
- `19.12 ~ `21.11 : CEO & President of LG Electronics
- `21.12 ~ Present : COO & Vice Chairman of LG Corp.

#### 1. Profile



- Name: Joo-Wan Cho
- Title: CEO & President of LG Electronics
- Year of Birth: 1962

#### 2. Career

- `06.01 ~ `09.12 : Vice President of LG Electronics Canada
- `10.01 ~ `11.11 : Vice President of LG Electronics Australia
- `11.12 ~ `13.11 : Vice President of LG Electronics RAC business
- `13.12 ~ `16.11 : Vice President of LG Electronics USA
- `16.12 ~ `19.11 : Senior Vice President of NA Region Representative & LG Electronics USA
- `19.12 ~ `21.11 : Executive Vice President & CSO of LG Electronics
- `21.12 ~ Present : CEO & President of LG Electronics

#### 1. Profile



- Name: Choong-Yuel Yoo
- Title: Professor at College of Business, KAIST
- Year of Birth: 1971

#### 2. Career

- `09 ~ Present : Professor at College of Business, KAIST
- `15 ~ Present : Chairperson of Korea Accounting Standards Board (KASB) Special Committee on Financial Disclosure Initiative
- `19 ~ Present : Advisory Council Member of Korea Deposit Insurance Corporation (KDIC)
- `19 ~ Present : Director of Korean Association of Fair Economy
- `24 ~ Present : Outside director of Daehan Synthetic Fiber Co. Ltd
- `24 ~ Present : Standing director of Korea Accounting Association

#### 1. Profile



- Name: Sung-Choon Kang
- Title: Professor at Seoul National University Business School
- Year of Birth: 1970

#### 2. Career

- `08 ~ Present : Professor of Seoul National University Business School
- `17 ~ `21 : Public interest member of National Labor Relations Commission
- `23 ~ Present : Member of Win-win Wage Commission, the Ministry of Labor
- `23 ~ `24 : Vice president of Korean Academy of Management
- `23 ~ Present : Vice president of Korean Academy of Organization and Management

## Agenda 4 : Appointment of Audit Committee Member

### 1. Background

- Appoint an outside director as a Audit Committee Member in accordance with Article 542-12 of the Korean Commercial Code and Article 38 of the Articles of Incorporation

### 2. Item for Approval

- Appointment of Choong-Yuel Yoo / Sung-Choon Kang for an Outside Director as Audit Committee Member

Items	Category	Name	Year of Birth	Career	Terms	Notes
Agenda 4-1	Audit Committee Member	Choong-Yuel Yoo	1971	<ul style="list-style-type: none"><li>▪ (Present) Professor of KAIST College of Business</li><li>▪ (Present) Director of Korean Association of Fair Economy</li><li>▪ (Present) Advisory Council Member of Korea Deposit Insurance Corporation</li><li>▪ (Present) Chairman of Special committee for financial disclosure improvement, the Korea Accounting Institute</li></ul>	3 Years (`25.3 ~ `28.3)	Re-Appointment
Agenda 4-2	Audit Committee Member	Sung-Choon Kang	1970	<ul style="list-style-type: none"><li>▪ (Present) Professor of Seoul National University Business School</li><li>▪ (Present) Member of Win-win Wage Commission, the Ministry of Labor</li><li>▪ (Present) Vice president of Korean Academy of Organization and Management</li><li>▪ (Former) Vice president of Korean Academy of Management</li><li>▪ (Former) National Labor Relations Commission Public interest member</li></ul>	3 Years (`25.3 ~ `28.3)	New Appointment

### 1. Profile



- Name: Choong-Yuel Yoo
- Title: Professor at College of Business, KAIST
- Year of Birth: 1971

### 2. Career

- `09 ~ Present : Professor at College of Business, KAIST
- `15 ~ Present : Chairperson of Korea Accounting Standards Board (KASB) Special Committee on Financial Disclosure Initiative
- `19 ~ Present : Advisory Council Member of Korea Deposit Insurance Corporation (KDIC)
- `19 ~ Present : Director of Korean Association of Fair Economy
- `24 ~ Present : Outside director of Daehan Synthetic Fiber Co. Ltd
- `24 ~ Present : Standing director of Korea Accounting Association

### 1. Profile



- Name: Sung-Choon Kang
- Title: Professor of Seoul National University Business School
- Year of Birth: 1970

### 2. Career

- '08 ~ Present : Professor of Seoul National University Business School
- '17 ~ '21 : Public interest member of the National Labor Relations Commission
- '23 ~ Present : Member of Win-win Wage Commission, the Ministry of Labor
- '23 ~ '24 : Vice president of Korean Academy of Management
- '23 ~ Present : Vice president of Korean Academy of Organization and Management

# Agenda 5 : Approval of Compensation Limit for Directors

## 1. Background

- To set the compensation limit for Directors in accordance with Article 388 of the Korean Commercial Code and Article 39 of the Articles of Incorporation

## 2. Item for Approval

- 2025 compensation limit: 8.0 billion KRW (2024 : 8.0 billion)
- Compensation of directors: Fixed annual income (basic income + income based on role) and bonus

Item	FY2024		FY2025 Plan	Notes
	Approved Limit	Actual Payroll		
Compensation Limit	8.0 billion KRW	4.0billion KRW	8.0 billion KRW	The same level as previous year
Number of Directors	7 Directors		7 Directors	

## 3. References

- The compensation limit of directors for the 23rd General Meeting of Shareholders is set at 8 billion won. This amount is based on the estimates of fixed annual salaries (base and role-based pay), performance incentives, and other benefits for inside directors, and fixed annual salaries of outside directors, all of which were reviewed by the Board of Directors. Compensation for inside directors is paid in the form of annual base salary, role-based pay, and performance incentive in accordance with the Executive Directors Personnel Management Rules established by the Board. Annual base salary is determined based on the Executive Remuneration Rules set by the Board of Directors, taking into account inflation and business circumstances. Role-based pay is calculated in consideration of job position, the volume of business, and strategic importance as outlined in the relevant rules. Performance incentive is calculated based on quantitative (achievements of sales/operating income targets) and non-quantitative indicators (future preparation from a long-term perspective, strategic initiatives, customer value innovation, talent development, improvement of organizational capabilities, etc.) in accordance with the relevant rules of the Executive Remuneration Rules established by the Board of Directors.
- Compensation evaluation criteria
  - Base salary is determined in consideration of factors such as inflation, business environment, scope of responsibility, difficulty in management, productivity, etc.
  - Role-based pay is calculated considering job/position, strategic importance, intensity of business competition, difficulty in securing capabilities, volume of business, etc.
  - Performance incentive is determined based on financial performance (achievements of sales/operating income targets, competitive standing), future preparation from a long-term perspective (strategic initiatives, customer value innovation, etc.), and talent development (enhancing organizational capabilities, nurturing talents, etc.).