

SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES

Interim Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

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

Reviewed Financial Statements

We have reviewed the accompanying interim consolidated financial statements of Samsung Electronics Co., Ltd. and its subsidiaries ("the Group"), expressed in Korean won which comprise the interim consolidated statement of financial position as of June 30, 2025, the interim consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, interim consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2025 and 2024, and notes, comprising material accounting policy information and other explanatory information.

Management's Responsibility for the Interim Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Conclusion

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



Other matters

We have audited the consolidated statement of financial position of the Group as of December 31, 2024, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with Korean Standards on Auditing, and our report thereon, dated February 19, 2025, expressed an unmodified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2024, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

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

The accompanying interim consolidated financial statements as of June 30, 2025 and December 31, 2024 and for the three-month and six-month periods ended June 30, 2025 and 2024 have been translated into United States dollars solely for the convenience of the reader and such translation does not comply with Korean International Financial Reporting Standards. We have reviewed the translation and nothing came to our attention that causes us to believe that the interim consolidated financial statements expressed in Korean won have not been translated into dollars on the basis set forth in note 2.3 to the interim consolidated financial statements.

KPMG Samjory Accounting Corp.

Seoul, Korea
August 13, 2025

This report is effective as of August 13, 2025, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying interim consolidated financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Notes	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		KRW	KRW	USD	USD
Assets					
Current assets					
Cash and cash equivalents	3, 26	47,120,025	53,705,579	33,011,598	37,625,340
Short-term financial instruments	3, 26	53,580,554	58,909,334	37,537,749	41,271,014
Short-term financial assets at fair value through profit or loss	3, 4, 26	27,575	36,877	19,319	25,835
Trade receivables	3, 26	43,550,509	43,623,073	30,510,847	30,561,684
Non-trade receivables	3, 26	6,805,736	9,622,974	4,767,999	6,741,714
Prepaid expenses		3,651,493	3,362,824	2,558,182	2,355,945
Inventories	5	51,037,413	51,754,865	35,756,062	36,258,699
Other current assets	3, 26	6,387,366	6,046,740	4,474,896	4,236,259
		212,160,671	227,062,266	148,636,652	159,076,490
Non-current assets					
Financial assets at fair value through other comprehensive income	3, 4, 26	11,030,251	10,580,932	7,727,632	7,412,846
Financial assets at fair value through profit or loss	3, 4, 26	1,233,859	1,175,749	864,423	823,712
Investments in associates and joint ventures	6	12,843,894	12,592,117	8,998,244	8,821,852
Property, plant and equipment	7	205,025,638	205,945,209	143,637,952	144,282,190
Intangible assets	8	25,997,746	23,738,566	18,213,639	16,630,891
Net defined benefit assets	11	2,398,103	3,089,571	1,680,076	2,164,508
Deferred income tax assets		19,448,012	14,236,468	13,624,992	9,973,860
Other non-current assets	3, 26	14,737,011	16,111,070	10,324,532	11,287,179
		292,714,514	287,469,682	205,071,490	201,397,038
Total assets		504,875,185	514,531,948	353,708,142	360,473,528

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – (Continued)

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

	Notes	June 30,	December 31,	June 30,	December 31,
		2025	2024	2025	2024
		KRW	KRW	USD	USD
Liabilities and Equity					
Current liabilities					
Trade payables	3, 26	12,675,844	12,370,177	8,880,510	8,666,364
Short-term borrowings	3, 9, 26	7,190,268	13,172,504	5,037,396	9,228,463
Other payables	3, 26	14,809,044	18,547,365	10,374,999	12,994,012
Advances received	14	1,726,072	1,841,420	1,209,261	1,290,072
Withholdings	3, 26	894,050	991,812	626,358	694,849
Accrued expenses	3, 14, 26	28,113,018	29,613,258	19,695,568	20,746,614
Current income tax liabilities		7,643,128	4,340,171	5,354,663	3,040,660
Current portion of long-term liabilities	3, 9, 10, 26	1,203,701	2,207,290	843,295	1,546,395
Provisions	12	7,455,925	8,216,469	5,223,512	5,756,338
Other current liabilities	3, 14, 26	2,691,595	2,025,833	1,885,692	1,419,268
		84,402,645	93,326,299	59,131,254	65,383,035
Non-current liabilities					
Debentures	3, 10, 26	13,470	14,530	9,437	10,180
Long-term borrowings	3, 9, 26	5,622,234	3,935,860	3,938,855	2,757,406
Long-term other payables	3, 26	5,198,076	5,510,455	3,641,696	3,860,544
Net defined benefit liabilities	11	521,564	521,410	365,400	365,292
Deferred income tax liabilities		446,536	528,231	312,837	370,071
Long-term provisions	12	2,904,014	3,120,044	2,034,510	2,185,857
Other non-current liabilities	3, 14, 26	6,204,679	5,383,049	4,346,907	3,771,284
		20,910,573	19,013,579	14,649,642	13,320,634
Total liabilities		105,313,218	112,339,878	73,780,896	78,703,669

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – (Continued)

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

	Notes	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		KRW	KRW	USD	USD
Equity attributable to owners of the parent company					
Preference shares	15	119,467	119,467	83,697	83,697
Ordinary shares	15	778,047	778,047	545,088	545,088
Share premium		4,403,893	4,403,893	3,085,303	3,085,303
Retained earnings	16	375,605,244	370,513,188	263,143,519	259,576,100
Other components of equity	17	7,787,466	15,873,008	5,455,785	11,120,396
		388,694,117	391,687,603	272,313,392	274,410,584
Non-controlling interests		10,867,850	10,504,467	7,613,854	7,359,275
Total equity		399,561,967	402,192,070	279,927,246	281,769,859
Total liabilities and equity		504,875,185	514,531,948	353,708,142	360,473,528

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

INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Notes	For the three-month periods ended June 30,						For the six-month periods ended June 30,					
		2025	2024	2025	2024	USD	KRW	2025	2024	USD	KRW	2025	2024
Revenue	27	74,566,317	74,068,302	52,240,067	51,891,165	153,706,820	145,983,903	107,684,741	102,274,179				
Cost of sales	18	49,069,566	44,312,026	34,377,418	31,044,355	100,079,497	90,198,358	70,114,226	63,191,645				
Gross profit	25,496,751	29,756,276	17,862,649	20,846,810	53,627,323	55,785,545	37,570,515	39,082,534					
Selling and administrative expenses	18, 19	20,820,694	19,312,398	14,586,672	13,529,982	42,265,994	38,735,658	29,610,935	27,137,633				
Operating profit	27	4,676,057	10,443,878	3,275,977	7,316,828	11,361,329	17,049,887	7,959,580	11,944,901				
Other non-operating income	20	302,750	318,501	212,102	223,137	1,409,055	763,782	987,163	535,094				
Other non-operating expense	20	283,194	245,496	198,402	171,991	524,607	626,889	367,532	439,189				
Share of net profit of associates and joint ventures	6	159,018	198,514	111,406	139,076	277,871	413,347	194,672	289,585				
Financial income	21	4,345,852	3,616,184	3,044,640	2,533,445	8,316,736	7,071,247	5,826,583	4,954,012				
Financial expense	21	3,444,354	2,736,237	2,413,064	1,916,967	5,932,679	5,369,307	4,156,347	3,761,658				
Profit before income tax	5,756,129	11,595,344	4,032,659	8,123,528	14,907,705	19,302,067	10,444,119	13,522,745					
Income tax expense	22	639,694	1,753,999	448,160	1,228,826	1,568,392	2,706,014	1,098,792	1,895,794				
Profit for the period	5,116,435	9,841,345	3,584,499	6,894,702	13,339,313	16,596,053	9,345,327	11,626,951					
Profit attributable to:													
Owners of the parent company		4,934,034	9,642,653	3,456,712	6,755,501	12,962,441	16,263,683	9,081,296	11,394,098				
Non-controlling interests		182,401	198,692	127,787	139,201	376,872	332,370	264,031	232,853				
Earnings per share <i>(in Korean won and in US dollars)</i>	23												
- Basic		737	1,419	0.52	0.99	1,929	2,394	1.35	1.68				
- Diluted		737	1,419	0.52	0.99	1,929	2,394	1.35	1.68				

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Notes	For the three-month periods ended June 30,						For the six-month periods ended June 30,			
		2025		2024		2025		2024		2025	
		KRW	KRW	USD	USD	KRW	USD	KRW	USD	KRW	USD
Profit for the period	5,116,435	9,841,345	3,584,499	6,894,702	13,339,313	16,596,053	9,345,327	11,626,951			
Other comprehensive income (loss)											
Items that will not be reclassified subsequently to profit or loss:											
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	738,266	766,674	517,218	537,121	664,716	1,278,153	465,690	895,455		
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	18,891	(7,498)	13,235	(5,253)	44,275	(20,316)	31,018	(14,233)		
Remeasurement of net defined benefit liabilities (assets), net of tax	17	(35,870)	(28,458)	(25,130)	(19,937)	(67,650)	(110,701)	(47,395)	(77,554)		
Items that may be reclassified subsequently to profit or loss:											
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	(233,131)	79,547	(163,328)	55,729	(202,648)	132,174	(141,972)	92,598		
Foreign currency translation differences for foreign operations, net of tax	17	(9,038,545)	3,516,464	(6,332,272)	2,463,583	(7,773,341)	8,031,444	(5,445,888)	5,626,712		
Loss on valuation of cash flow hedge derivatives	17	(20,716)	(37,347)	(14,513)	(26,165)	(23,419)	(26,420)	(16,407)	(18,510)		
Other comprehensive income (loss) for the period, net of tax	(8,571,105)	4,289,382	(6,004,790)	3,005,078	(7,358,067)	9,284,334	(5,154,954)	6,504,468			
Total comprehensive income for the period	(3,454,670)	14,130,727	(2,420,291)	9,899,780	5,981,246	25,880,387	4,190,373	18,131,419			
Comprehensive income attributable to:											
Owners of the parent company	(3,571,805)	13,806,646	(2,502,354)	9,672,734	5,740,518	25,340,917	4,021,722	17,753,474			
Non-controlling interests	117,135	324,081	82,063	227,046	240,728	539,470	168,651	377,945			

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the six-month period ended June 30, 2025	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	to owners of the parent company	Non-controlling interests	Total		
Balance as of January 1, 2025		119,467	778,047	4,403,893	370,513,188	15,873,008	391,687,603	10,504,467	402,192,070		
Profit for the period	-	-	-	-	12,962,441	-	12,962,441	376,872	13,339,313		
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	80,245	587,519	667,764	(3,048)	664,716		
Share of other comprehensive loss of associates and joint ventures, net of tax	17	-	-	-	-	(157,898)	(157,898)	(475)	(158,373)		
Foreign currency translation differences for foreign operations, net of tax	17	-	-	-	-	(7,640,737)	(7,640,737)	(132,604)	(7,773,341)		
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(67,633)	(67,633)	(17)	(67,650)		
Loss on valuation of cash flow hedge derivatives	17	-	-	-	-	(23,419)	(23,419)	-	(23,419)		
Total comprehensive income for the period	-	-	-	-	13,042,686	(7,302,168)	5,740,518	240,728	5,981,246		
Dividends declared	16	-	-	-	(4,901,590)	-	(4,901,590)	(80,277)	(4,981,867)		
Capital transactions under common control	-	-	-	-	-	-	-	(1,071)	(1,071)		
Changes in consolidated entities	-	-	-	-	-	-	-	204,003	204,003		
Purchase of treasury shares					-	(4,276,964)	(4,276,964)	-	(4,276,964)		
Retirement of treasury shares	15				(3,049,040)	3,049,040	-	-	-		
Share-based compensation	17				-	452,522	452,522	-	-	452,522	
Others					-	(7,972)	(7,972)	-	-	(7,972)	
Total transactions with owners	-	-	-	-	(7,950,630)	(783,374)	(8,734,004)	122,655	(8,611,349)		
Balance as of June 30, 2025	119,467	778,047	4,403,893	375,605,244	7,787,466	388,694,117	10,867,850	399,561,967			

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – (Continued)

(In thousands of US dollars (Note 2.3))

		Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
For the six-month period ended June 30, 2025			83,697	545,088	3,085,303	259,576,100	11,120,396	274,410,584	7,359,275	281,769,859
Balance as of January 1, 2025			83,697	545,088	3,085,303	259,576,100	11,120,396	274,410,584	7,359,275	281,769,859
Profit for the period			-	-	-	9,081,296	-	9,081,296	264,031	9,345,327
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	56,218	411,607	467,825	(2,135)	465,690	
Share of other comprehensive loss of associates and joint ventures, net of tax	17	-	-	-	-	(110,621)	(110,621)	(333)	(110,954)	
Foreign currency translation differences for foreign operations, net of tax	17	-	-	-	-	(5,352,988)	(5,352,988)	(92,900)	(5,445,888)	
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(47,383)	(47,383)	(12)	(47,395)	
Loss on valuation of cash flow hedge derivatives	17	-	-	-	-	(16,407)	(16,407)	-	(16,407)	
Total comprehensive income for the period			-	-	9,137,514	(5,115,792)	4,021,722	168,651	4,190,373	
Dividends declared	16	-	-	-	(3,433,982)	-	(3,433,982)	(56,241)	(3,490,223)	
Capital transactions under common control	-	-	-	-	-	-	-	(750)	(750)	
Changes in consolidated entities	-	-	-	-	-	-	-	142,919	142,919	
Purchase of treasury shares	-	-	-	-	-	(2,996,378)	(2,996,378)	-	(2,996,378)	
Retirement of treasury shares	15	-	-	-	(2,136,113)	2,136,113	-	-	-	
Share-based compensation	17	-	-	-	-	317,030	317,030	-	317,030	
Others	-	-	-	-	-	(5,584)	(5,584)	-	(5,584)	
Total transactions with owners			-	-	(5,570,095)	(548,819)	(6,118,914)	85,928	(6,032,986)	
Balance as of June 30, 2025			83,697	545,088	3,085,303	263,143,519	5,455,785	272,313,392	7,613,854	279,927,246

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – (Continued)

(In millions of Korean won)

For the six-month period ended June 30, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	to owners of the parent company	Non-controlling interests	Total		Equity attributable
Balance as of January 1, 2024		119,467	778,047	4,403,893	346,652,238	1,280,130	353,233,775	10,444,090	363,677,865		Equity attributable
Profit for the period		-	-	-	16,263,683	-	16,263,683	332,370	16,596,053		
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	25,011	1,113,660	1,138,671	139,482	1,278,153		
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	-	-	-	-	118,196	118,196	(6,338)	111,858		
Foreign currency translation differences for foreign operations, net of tax	17	-	-	-	-	7,958,021	7,958,021	73,423	8,031,444		
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(111,234)	(111,234)	533	(110,701)		
Loss on valuation of cash flow hedge derivatives	17	-	-	-	-	(26,420)	(26,420)	-	(26,420)		
Total comprehensive income for the period		-	-	16,288,694	9,052,223	25,340,917	539,470	25,880,387			
Dividends declared		-	-	(4,905,130)	-	(4,905,130)	(1,083,758)	(5,988,888)			
Capital transactions under common control		-	-	-	-	-	-	(4,489)	(4,489)		
Others		-	-	-	-	-	-	(38,204)	(38,204)		
Total transactions with owners		-	-	(4,905,130)	-	(4,905,130)	(1,126,451)	(6,031,581)			
Balance as of June 30, 2024		119,467	778,047	4,403,893	358,035,802	10,332,353	373,669,562	9,857,109	383,526,671		

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – (Continued)

(In thousands of US dollars (Note 2.3))

								Equity attributable to owners of the parent company	Non- controlling interests	Total
For the six-month period ended June 30, 2024		Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity			
Balance as of January 1, 2024			83,697	545,088	3,085,303	242,859,468	896,840	247,470,396	7,316,976	254,787,372
Profit for the period			-	-	-	11,394,098	-	11,394,098	232,853	11,626,951
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	17,522	780,214	797,736	97,719	895,455	
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	17	-	-	-	-	82,806	82,806	(4,441)	78,365	
Foreign currency translation differences for foreign operations, net of tax	17	-	-	-	-	5,575,273	5,575,273	51,439	5,626,712	
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(77,929)	(77,929)	375	(77,554)	
Loss on valuation of cash flow hedge derivatives	17	-	-	-	-	(18,510)	(18,510)	-	(18,510)	
Total comprehensive income for the period			-	-	-	11,411,620	6,341,854	17,753,474	377,945	18,131,419
Dividends declared			-	-	-	(3,436,462)	-	(3,436,462)	(759,265)	(4,195,727)
Capital transactions under common control			-	-	-	-	-	(3,145)	(3,145)	
Others			-	-	-	-	-	-	(26,765)	(26,765)
Total transactions with owners			-	-	-	(3,436,462)	-	(3,436,462)	(789,175)	(4,225,637)
Balance as of June 30, 2024			83,697	545,088	3,085,303	250,834,626	7,238,694	261,787,408	6,905,746	268,693,154

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Notes	For the six-month periods ended June 30,			
		2025 KRW	2024 KRW	2025 USD	2024 USD
Operating activities					
Profit for the period		13,339,313	16,596,053	9,345,327	11,626,951
Adjustments	24	25,028,728	18,787,796	17,534,759	13,162,454
Changes in assets and liabilities arising from operating activities	24	(3,282,196)	(4,247,682)	(2,299,458)	(2,975,864)
Cash generated from operations		35,085,845	31,136,167	24,580,628	21,813,541
Interest received		2,577,375	1,884,668	1,805,671	1,320,371
Interest paid		(273,038)	(321,567)	(191,286)	(225,285)
Dividends received		194,783	199,143	136,462	139,517
Income tax paid		(3,643,963)	(4,136,695)	(2,552,907)	(2,898,108)
Net cash provided by operating activities		33,941,002	28,761,716	23,778,568	20,150,036
Investing activities					
Net decrease (increase) in short-term financial instruments		3,212,673	(26,295,541)	2,250,752	(18,422,270)
Net decrease in short-term financial assets at amortized cost		-	620,858	-	434,964
Net decrease (increase) in short-term financial assets at fair value through profit or loss		9,302	(2,629)	6,517	(1,842)
Disposal of long-term financial instruments		676,413	4,100,008	473,885	2,872,405
Acquisition of long-term financial instruments		(601,024)	(129,053)	(421,069)	(90,413)
Disposal of financial assets at fair value through other comprehensive income		401,353	176,068	281,182	123,351
Acquisition of financial assets at fair value through other comprehensive income		(53,796)	(131,218)	(37,689)	(91,929)
Disposal of financial assets at fair value through profit or loss		56,281	185,029	39,430	129,629
Acquisition of financial assets at fair value through profit or loss		(88,579)	(30,459)	(62,057)	(21,339)
Disposal of investment in associates and joint ventures		3,143	18,965	2,202	13,287
Acquisition of investment in associates and joint ventures		(322,146)	(9,342)	(225,691)	(6,545)
Disposal of property, plant and equipment		102,496	46,452	106,106	32,544
Acquisition of property, plant and equipment		(25,163,382)	(25,362,271)	(17,629,096)	(17,768,435)
Disposal of intangible assets		10,954	15,869	7,674	11,118
Acquisition of intangible assets		(2,039,179)	(1,382,199)	(1,428,619)	(968,348)
Net cash outflow from business combination		(214,033)	-	(149,948)	-
Cash inflow from disposal of held-for-sale assets		-	101,563	-	71,154
Cash outflow from other investing activities		(163,979)	(53,085)	(114,881)	(37,192)
Net cash used in investing activities		(24,173,503)	(48,130,985)	(16,935,601)	(33,719,861)

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – (Continued)

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

Notes	For the six-month periods ended June 30,			
	2025 KRW	2024 KRW	2025 USD	2024 USD
Financing activities				
Net increase (decrease) in short-term borrowings	(5,936,276)	3,499,218	(4,158,868)	2,451,501
Increase in long-term borrowings	2,003,746	336,764	1,403,795	235,932
Repayment of debentures and long-term borrowings	(1,555,626)	(693,360)	(1,089,849)	(485,758)
Dividends paid	(4,982,218)	(5,975,749)	(3,490,469)	(4,186,522)
Purchase of treasury shares	(4,276,964)	-	(2,996,378)	-
Transactions with non-controlling interests	(1,072)	(4,489)	(751)	(3,145)
Net cash used in financing activities	(14,748,410)	(2,837,616)	(10,332,520)	(1,987,992)
Effect of foreign exchange rate changes	(1,604,643)	2,970,397	(1,124,189)	2,081,016
Net decrease in cash and cash equivalents	(6,585,554)	(19,236,488)	(4,613,742)	(13,476,801)
Cash and cash equivalents, beginning of the period	53,705,579	69,080,893	37,625,340	48,397,059
Cash and cash equivalents, end of the period	47,120,025	49,844,405	33,011,598	34,920,258

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2025 and December 31, 2024 and
for the three month and six-month periods ended June 30, 2025 and 2024

1. General Information

1.1 Company Overview

Samsung Electronics Co., Ltd. (“SEC”) was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975. SEC and its subsidiaries (collectively referred to as the “Company”) operate four business divisions: DX, DS, SDC and Harman. DX (Device eXperience) division comprises businesses for digital televisions, refrigerators, smartphones and communication systems. DS (Device Solutions) division comprises businesses for memory, foundry, and system Large Scale Integration (LSI). SDC includes display panels products. Harman division includes connected car systems, audio and visual products, enterprise automation solutions and connected services. SEC is domiciled in the Republic of Korea and is located in Suwon, the Republic of Korea.

These consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards (“Korean IFRS”) 1110, *Consolidated Financial Statements*. SEC, as the controlling company, consolidates its 230 subsidiaries, including Samsung Display Co., Ltd. and Samsung Electronics America Inc. The Company also applies the equity method of accounting for its 34 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of June 30, 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
	Samsung Semiconductor, Inc. (SSI)	Sale of semiconductor and display panels	100.0
	Samsung Federal, Inc. (SFI)	R&D	100.0
	Samsung Austin Semiconductor LLC. (SAS)	Manufacture of semiconductors	100.0
	Samsung Oak Holdings, Inc. (SHI)	Management of overseas subsidiaries	100.0
	SEMES America, Inc.	Maintenance of semiconductor equipment	100.0
	Samsung Display America Holdings, Inc. (SDAH)	Management of overseas subsidiaries	100.0
	eMagin Corporation	Development and manufacture of display panels	100.0
	Samsung Electronics Canada, Inc. (SECA)	Sale of electronic devices	100.0
	AdGear Technologies Inc.	Digital advertising platforms	100.0
	Sonio Corporation	Sale of medical software	100.0

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Region	Subsidiaries	Business	Percentage of ownership (%)^(*)
	AKG Acoustics GmbH	Manufacture and sale of audio products	100.0
	Apostera UA, LLC	Connected Service Provider	100.0
	Harman Audio Iberia Espana Sociedad Limitada	Sale of audio products	100.0
	Harman Becker Automotive Systems GmbH	Manufacture and sale of audio products and R&D	100.0
	Harman Becker Automotive Systems Italy S.R.L.	Sale of audio products	100.0
	Harman Becker Automotive Systems Manufacturing Kft	Manufacture of audio products and R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Connected Services AB.	Connected service provider	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Connected Services UK Ltd.	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
Europe/CIS	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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Region	Subsidiaries	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
	Harman Connected Services Corp. India Pvt. Ltd.	Connected service provider	100.0
	Harman International (India) Private Limited	Sale of audio products and R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International (Thailand) Co., Ltd.	Manufacture and sale of audio products	100.0
	Harman International Japan Co., Ltd.	Sale of audio products and R&D	100.0
China	Harman Singapore Pte. Ltd.	Sale of audio products	100.0
	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 Connected Services Solutions (Chengdu) Co., Ltd.	Connected service provider	100.0
	Harman Holding Limited	Sale of audio products	100.0
	Harman International (China) Holdings Co., Ltd.	Sale of audio products and R&D	100.0
	Harman Technology (Shenzhen) Co., Ltd.	Sale of audio products and R&D	100.0

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Region	Subsidiaries	Business	Percentage of ownership (%)^(*)
Domestic	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of display panel components	50.0
	STECO Co., Ltd.	Manufacture of semiconductor components	70.0
	SEMES Co., Ltd.	Manufacture and sale of semiconductor/FPD	91.5
	Samsung Electronics Service Co., Ltd.	Repair services for electronic devices	99.3
	Samsung Electronics Service Customer Satisfaction Co., Ltd.	Call center for repair services for electronic devices	100.0
	Samsung Electronics Sales Co., Ltd.	Sale of electronic devices	100.0
	Samsung Electronics Logitech Co., Ltd.	General logistics agency	100.0
	Samsung Medison Co., Ltd.	Manufacture and sale of medical equipment	68.5
	Stella Forest of Hope	Manufacture 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
	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 #37	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #67	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #74	Venture capital investments in technology business	99.0
	Growth Type Private Equity Trust Specialized in Semiconductors	Investment in semiconductor industry	66.7
	System LSI Mutual Benefit Private Equity Trust	Investment in semiconductor industry	62.5
	Semiconductor Ecosystem Private Equity Trust	Investment in semiconductor industry	66.7

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

1.3 Summary of Financial Data of Major Consolidated Subsidiaries

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

(1) 2025

<i>(In millions of Korean won)</i>	June 30, 2025					
	As of June 30, 2025		For the three-month period ended		For the six-month period ended	
Major subsidiaries ^{(*)1}	Assets	Liabilities	Sales	Profit (loss)	Sales	Profit (loss)
Samsung Display Co., Ltd.	67,868,668	6,299,195	5,323,197	546,603	10,320,810	2,318,492
Samsung Electronics America, Inc. (SEA)	48,920,915	18,347,810	9,611,647	420,094	20,356,976	939,817
Samsung Asia Pte. Ltd. (SAPL)	33,103,853	335,444	-	321,609	-	4,578,978
Samsung Austin Semiconductor LLC. (SAS)	25,866,054	14,908,432	1,036,534	173,165	2,296,810	423,893
Harman and its subsidiaries ^{(*)2}	20,254,620	5,863,384	3,817,380	390,442	7,224,583	612,298
Samsung Semiconductor, Inc. (SSI)	18,447,205	10,664,203	11,547,062	68,577	22,720,460	173,497
Samsung (China) Semiconductor Co., Ltd. (SCS)	17,199,885	1,226,311	2,170,216	256,131	4,414,573	533,555
Samsung (CHINA) Investment Co., Ltd. (SCIC)	12,717,934	11,922,587	597,691	(78,957)	1,377,529	(15,787)
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	11,399,016	3,470,746	8,924,131	814,902	19,677,005	1,200,458
Samsung India Electronics Private Ltd. (SIEL)	9,981,766	3,387,125	4,217,969	127,992	9,571,257	786,625
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,627,620	3,636,130	-	28,291	-	115,430
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,377,320	2,875,446	5,412,783	500,376	11,754,909	813,312
Samsung Display Vietnam Co., Ltd. (SDV)	6,727,234	2,034,441	4,238,531	281,710	7,929,550	402,229
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	5,268,351	5,075,561	6,853,426	101,399	12,345,716	193,871
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,771,638	1,529,855	1,622,571	(66,785)	3,686,545	(81,340)
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,671,883	686,693	1,978,938	110,148	4,010,194	257,116
Samsung Electronics (UK) Ltd. (SEUK)	3,102,229	2,059,955	1,428,765	(13,771)	3,231,793	129,202
Samsung International, Inc. (SII)	2,401,230	576,877	1,703,726	56,493	3,488,930	123,498
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,399,132	1,066,566	1,127,512	33,951	2,308,935	143,041
SEMES Co., Ltd.	2,359,593	623,536	564,717	37,755	1,099,738	77,615
Thai Samsung Electronics Co., Ltd. (TSE)	2,128,488	618,563	1,282,170	50,216	2,742,769	157,611
Samsung Electronics Europe Logistics B.V. (SELS)	2,070,996	1,595,557	3,955,649	111,215	8,682,210	240,933
Samsung Electronics Benelux B.V. (SEBN)	2,040,265	813,438	693,800	(45,433)	1,598,881	7,846
Samsung Electronics GmbH (SEG)	1,927,390	1,851,383	1,436,685	(49,256)	3,295,579	1,789
Samsung Electronics Taiwan Co., Ltd. (SET)	1,624,768	1,345,570	1,588,456	(8,557)	3,289,910	18,283

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) 2024

<i>(In millions of Korean won)</i>	June 30, 2024					
	As of December 31, 2024		For the three-month period ended		For the six-month period ended	
	Major subsidiaries ^{(*)1}	Assets	Liabilities	Sales	Profit (loss)	Sales
Samsung Display Co., Ltd.	67,541,382	8,305,660	6,659,416	1,247,039	11,076,185	3,235,781
Samsung Electronics America, Inc. (SEA)	50,777,503	18,653,435	9,258,155	13,281	20,060,311	333,976
Samsung Asia Pte. Ltd. (SAPL)	31,226,978	353,722	-	347,682	-	4,615,718
Samsung Austin Semiconductor LLC. (SAS)	27,546,958	16,107,374	1,126,761	118,704	2,174,154	256,455
Samsung Semiconductor, Inc. (SSI)	21,719,875	13,462,128	10,840,038	129,864	17,726,774	201,202
Harman and its subsidiaries ^{(*)2}	20,934,732	6,714,174	3,610,314	222,058	6,798,739	403,492
Samsung (China) Semiconductor Co., Ltd. (SCS)	18,796,411	900,205	2,958,754	366,322	6,021,423	644,438
Samsung (CHINA) Investment Co., Ltd. (SCIC)	16,111,528	15,246,946	615,345	(45,111)	1,439,698	11,616
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	13,497,264	3,802,597	7,453,338	563,088	18,488,988	1,518,320
Samsung India Electronics Private Ltd. (SIEL)	9,561,708	3,226,735	4,428,545	274,906	8,902,510	760,005
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,093,393	3,452,430	-	46,942	-	121,277
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,819,080	2,167,121	5,267,889	522,739	10,950,270	927,552
Samsung Display Vietnam Co., Ltd. (SDV)	7,724,664	1,955,376	5,529,521	211,865	9,109,742	379,724
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	6,467,878	5,635,634	8,632,773	119,339	15,877,961	232,228
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,863,158	807,341	1,782,722	59,062	3,468,330	114,139
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,679,383	1,486,272	2,053,934	61,806	4,181,008	213,082
Samsung Electronics (UK) Ltd. (SEUK)	3,267,763	2,042,914	1,392,604	(29,123)	3,055,309	15,459
Thai Samsung Electronics Co., Ltd. (TSE)	2,637,138	502,266	1,107,584	1,442	2,353,788	31,929
Samsung International, Inc. (SII)	2,484,711	646,678	1,981,732	216,043	3,639,536	360,842
Samsung Electronics Taiwan Co., Ltd. (SET)	2,411,145	1,642,510	1,400,362	7,395	2,893,505	59,848
SEMES Co., Ltd.	2,365,712	705,818	669,179	40,077	1,245,234	77,044
Samsung Electronics GmbH (SEG)	2,118,638	2,049,463	1,507,625	(83,026)	3,311,558	(58,863)
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,017,910	845,480	1,090,802	(14,602)	2,184,702	26,176
Samsung Electronics Europe Logistics B.V. (SELS)	1,928,760	1,710,124	4,241,830	272,349	8,552,516	738,262
Samsung Electronics Benelux B.V. (SEBN)	1,894,968	726,412	662,554	(38,487)	1,510,062	31,517

^{(*)1} Summary of financial information is based on separate financial statements of each subsidiary.

^{(*)2} Consolidated financial data of an intermediate company that includes Harman International Industries, Inc. and its subsidiaries.

1.4 Changes in Consolidation Scope

Changes in consolidation scope during the six-month period ended June 30, 2025 are as follows:

Change	Region	Subsidiary	Description
Newly included	Domestic	Rainbow Robotics Co., Ltd.	Acquisition
		Samsung Venture Capital Union #74	Establishment
	America	RAINBOW ROBOTICS USA Co., Ltd.	Acquisition
Excluded	Europe/CIS	Studer Professional Audio GmbH	Liquidation

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2. Material Accounting Policies

2.1 Basis of Presentation

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

The interim consolidated financial statements for the six-month period ended June 30, 2025 have been prepared in accordance with Korean IFRS 1034, *Interim Financial Reporting*. These interim consolidated financial statements have been prepared in accordance with the Korean IFRS which is effective as of June 30, 2025.

(A) New and amended standards adopted by the Company

The Company applied the following amended standards for the first time for the annual reporting period commencing January 1, 2025:

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

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

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

The amended accounting standards issued that are not yet effective for the annual reporting period commencing January 1, 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 amendments are as follows and impact on financial statements is under review by the Company.

- Permission to regard a financial liability as extinguished via an electronic payment system prior to the actual due date of settlement, when specified criteria are met.
- Guidelines to assess whether financial assets are merely composed of principal and interest are clarified and added.
- Disclosure of impact of contract terms that modify time and amount of contractual cash flows and the extent to which company is exposed are disclosed per each category of financial instruments
- Additional disclosure of financial assets measured at fair value through other comprehensive income

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

2.2 Accounting Policies

Material accounting policies and method of computation used in the preparation of the interim consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2024, except for the changes due to the application of amendments of standards described in Note 2.1 and as described below.

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year considering global minimum top-up tax. The estimated average annual effective income tax rate is applied to the pre-tax income of the interim period.

2.3 Convenience Translation into United States Dollar Amounts

The US dollar amounts provided in the consolidated financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollars at the rate of ₩ 1,427.4 to \$1, the average exchange rate for the six-month period ended June 30, 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 at any other rate.

2.4 Material Accounting Estimates and Assumptions

In preparing the interim consolidated financial statements, the management of the Company makes judgements, estimates and assumptions on matters which affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, seldom equal the related actual results.

Material accounting estimates and assumptions made in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2024, except for the estimates used to determine the income tax expense.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

3. Financial Instruments by Category

Categorizations of financial assets and liabilities as of June 30, 2025 and December 31, 2024 are as follows:

(1) As of June 30, 2025

<i>(In millions of Korean won)</i>	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets ^(*)	Total
Financial assets					
Cash and cash equivalents	47,120,025	-	-	-	47,120,025
Short-term financial instruments	53,580,554	-	-	-	53,580,554
Short-term financial assets at fair value through profit or loss	-	-	27,575	-	27,575
Trade receivables	43,550,509	-	-	-	43,550,509
Financial assets at fair value through other comprehensive income	-	11,030,251	-	-	11,030,251
Financial assets at fair value through profit or loss	-	-	1,233,859	-	1,233,859
Other	13,470,540	-	121,989	41,606	13,634,135
Total	157,721,628	11,030,251	1,383,423	41,606	170,176,908

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

<i>(In millions of Korean won)</i>	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities ^(*)	Total
Financial liabilities				
Trade payables	12,675,844	-	-	12,675,844
Short-term borrowings	187,167	-	7,003,101	7,190,268
Other payables	13,536,907	-	-	13,536,907
Current portion of long-term liabilities	117,515	-	1,086,186	1,203,701
Debentures	13,470	-	-	13,470
Long-term borrowings	2,006,014	-	3,616,220	5,622,234
Long-term other payables	4,460,378	-	-	4,460,378
Other	13,226,615	84,709	93,458	13,404,782
Total	46,223,910	84,709	11,798,965	58,107,584

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) As of December 31, 2024

(In millions of Korean won)	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets ^(*)	Total
Financial assets				
Cash and cash equivalents	53,705,579	-	-	53,705,579
Short-term financial instruments	58,909,334	-	-	58,909,334
Short-term financial assets at fair value through profit or loss	-	-	36,877	36,877
Trade receivables	43,623,073	-	-	43,623,073
Financial assets at fair value through other comprehensive income	-	10,580,932	-	10,580,932
Financial assets at fair value through profit or loss	-	-	1,175,749	1,175,749
Other	14,378,224	-	476,394	44,262
Total	170,616,210	10,580,932	1,689,020	44,262
				182,930,424

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

(In millions of Korean won)	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities ^(*)	Total
Financial liabilities				
Trade payables	12,370,177	-	-	12,370,177
Short-term borrowings	338,058	-	12,834,446	13,172,504
Other payables	17,390,861	-	-	17,390,861
Current portion of long-term liabilities	1,106,764	-	1,100,526	2,207,290
Debentures	14,530	-	-	14,530
Long-term borrowings	6,537	-	3,929,323	3,935,860
Long-term other payables	4,779,141	-	-	4,779,141
Others	13,698,485	36,795	57,764	13,793,044
Total	49,704,553	36,795	17,922,059	67,663,407

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

4. Financial Assets at Fair Value

(A) Details of financial assets at fair value as of June 30, 2025 and December 31, 2024 are as follows:

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

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Non-current		
Equity instruments	11,030,251	10,580,932

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

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Current		
Debt instruments	27,575	36,877
Non-current		
Equity instruments	581,191	544,374
Debt instruments	652,668	631,375
Subtotal	1,233,859	1,175,749
Total	1,261,434	1,212,626

(B) Details of listed equity securities of financial assets at fair value as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won, number of shares and percentage)</i>	Number of shares owned	Percentage of ownership^(*) (%)	Acquisition cost	June 30, 2025	December 31, 2024
				Carrying amount (Market value)	Carrying amount (Market value)
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	2,246,297	1,514,508
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	103,644	73,974
iMarketKorea Inc.	647,320	1.9	324	5,353	5,179
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	19,245	8,972
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	97,915	82,737
Wacom Co., Ltd.	8,398,400	6.2	23,933	54,097	57,021
Corning Incorporated	71,000,000	8.3	3,532,814	5,064,648	5,169,226
Other			558,095	935,508	861,115
Total			5,124,530	8,526,707	7,772,732

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

5. Inventories

Inventories as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2025			December 31, 2024		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	14,484,654	(1,598,558)	12,886,096	15,061,526	(1,219,250)	13,842,276
Work in process	26,007,161	(3,669,093)	22,338,068	24,808,183	(2,467,701)	22,340,482
Raw materials and supplies	16,419,545	(1,185,753)	15,233,792	15,442,327	(1,296,048)	14,146,279
Materials in transit	579,457	-	579,457	1,425,828	-	1,425,828
Total	57,490,817	(6,453,404)	51,037,413	56,737,864	(4,982,999)	51,754,865

6. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	12,592,117	11,767,444
Acquisition	385,764	9,342
Disposal	(3,143)	(18,995)
Share of profit	277,871	413,347
Other ^(*)	(408,715)	5,592
Balance as of June 30	12,843,894	12,176,730

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

(B) Major investments in associates and joint ventures as of June 30, 2025 are as follows:

(1) Investments in associates

Investee	Nature of relationship	Percentage of ownership(%) ^{(*)1}	Principal business location	Fiscal period-end
Samsung Electro-Mechanics Co., Ltd.	Manufacture and supply electronic components including passive components, circuit boards, and modules	23.7	Korea	December
Samsung SDS Co., Ltd.	Provide Information Technology(IT) services including computer programming, system integration and management and logistical services	22.6	Korea	December
Samsung Biologics Co., Ltd.	Investment in new business	31.2	Korea	December
Samsung SDI Co., Ltd. ^{(*)2)(*)3}	Manufacture and supply electronic components 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 total ordinary shares issued by each entity.

^{(*)2} The Company's ownership of ordinary shares outstanding is 20.3%.

^{(*)3} 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, by acquiring 2,201,295 shares out of 11,821,000 newly issued common shares.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(C) Investments in joint ventures

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

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

(D) Details of investments in significant associates and joint ventures as of June 30, 2025 and December 31, 2024 are as follows:

(1) Investments in associates

<i>(In millions of Korean won)</i>		June 30, 2025	
Investee	Acquisition cost	Net asset value of equity shares^(*)	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	2,058,265	2,072,183
Samsung SDS Co., Ltd.	147,963	2,113,258	2,126,318
Samsung Biologics Co., Ltd.	1,424,358	3,621,868	3,626,429
Samsung SDI Co., Ltd. ^(*)	1,614,403	4,131,249	3,078,536
Cheil Worldwide, Inc.	506,162	398,145	698,554
Other	626,562	876,541	1,008,573
Total	4,678,685	13,199,326	12,610,593

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

^(*) The increased acquisition cost of ₩371,798 million for newly-issued shares consists of cash consideration of ₩308,181 million and the fair value of the preemptive right of ₩63,617 million.

<i>(In millions of Korean won)</i>		December 31, 2024	
Investee	Acquisition cost	Net asset value of equity shares^(*)	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	2,058,412	2,067,669
Samsung SDS Co., Ltd.	147,963	2,108,195	2,120,417
Samsung Biologics Co., Ltd.	1,424,358	3,403,947	3,406,062
Samsung SDI Co., Ltd.	1,242,605	3,979,333	2,923,991
Cheil Worldwide, Inc.	506,162	418,029	718,561
Other	674,721	844,623	1,131,648
Total	4,355,046	12,812,539	12,368,348

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) Investments in joint ventures

<i>(In millions of Korean won)</i>		June 30, 2025	
Investee	Acquisition cost	Net asset value of equity shares (*)	Carrying amount
Samsung Corning Advanced Glass LLC	215,000	145,746	145,726
Other	259,994	79,380	87,575
Total	474,994	225,126	233,301

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

<i>(In millions of Korean won)</i>		December 31, 2024	
Investee	Acquisition cost	Net asset value of equity shares (*)	Carrying amount
Samsung Corning Advanced Glass LLC	215,000	143,198	143,178
Other	259,994	74,075	80,591
Total	474,994	217,273	223,769

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

(E) Details of the changes in the book value of investments in associates and joint ventures using the equity method are as follows:

(1) For the six-month period ended June 30, 2025

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of profit	Share of other comprehensive income (loss)	Other^(*)	Balance as of June 30
Samsung Electro-Mechanics Co., Ltd.	2,067,669	66,362	(30,000)	(31,848)	2,072,183
Samsung SDS Co., Ltd.	2,120,417	87,148	(30,578)	(50,669)	2,126,318
Samsung Biologics Co., Ltd.	3,406,062	220,951	(584)	-	3,626,429
Samsung SDI Co., Ltd.	2,923,991	(126,206)	(77,585)	358,336	3,078,536
Cheil Worldwide, Inc.	718,561	22,696	(6,986)	(35,717)	698,554
Samsung Corning Advanced Glass LLC	143,178	2,548	-	-	145,726
Other	1,212,239	4,372	(12,640)	(107,823)	1,096,148
Total	12,592,117	277,871	(158,373)	132,279	12,843,894

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) For the six-month period ended June 30, 2024

<i>(In millions of Korean won)</i>	Balance as of January 1	Share of Profit (loss)	Share of other comprehensive income (loss)	Other^(*)	Balance as of June 30
Samsung Electro-Mechanics Co., Ltd.	1,841,393	85,364	38,584	(20,347)	1,944,994
Samsung SDS Co., Ltd.	1,966,206	88,396	23,436	(47,175)	2,030,863
Samsung Biologics Co., Ltd.	3,073,595	155,807	(806)	-	3,228,596
Samsung SDI Co., Ltd.	2,912,564	50,694	39,648	(13,463)	2,989,443
Cheil Worldwide, Inc.	669,363	30,809	12,167	(32,232)	680,107
Samsung Corning Advanced Glass LLC	138,938	(533)	-	-	138,405
Other	1,165,385	2,810	(1,171)	(2,702)	1,164,322
Total	11,767,444	413,347	111,858	(115,919)	12,176,730

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

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

(1) Summary of financial information of major associates and dividends received from associates as of June 30, 2025 and December 31, 2024, and for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
1. Condensed financial information					
Condensed statements of financial position :					
Current assets	6,480,856	8,923,491	5,708,916	10,498,363	2,480,195
Non-current assets	6,719,693	3,991,409	12,064,728	30,938,540	669,216
Current liabilities	3,484,089	2,322,594	3,643,961	9,602,134	1,366,838
Non-current liabilities	701,040	898,289	2,526,889	9,156,173	379,316
Non-controlling interests	226,885	338,485	-	1,923,763	14,611
Condensed statements of comprehensive income:					
Revenue	5,523,278	7,001,748	2,588,178	6,356,224	2,158,251
Profit from continuing operations, net of tax ^(*)	263,910	382,098	699,940	(387,456)	79,157
Loss from discontinued operations, net of tax ^(*)	(456)	-	-	14,392	-
Other comprehensive income ^(*)	(127,952)	(136,391)	(1,822)	(217,678)	(23,934)
Total comprehensive income^(*)	135,502	245,707	698,118	(590,742)	55,223
2. Dividends from associates					
Dividends	31,848	50,669	-	13,463	35,717

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	2024				
	Samsung Electro- Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
<i>(In millions of Korean won)</i>					
1. Condensed financial information					
Condensed statements of financial position:					
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
Non-controlling interests	226,693	372,330	-	1,800,842	18,806
Condensed statements of comprehensive income:					
Revenue	5,204,421	6,616,222	2,103,808	9,581,028	2,107,457
Profit from continuing operations, net of tax ^(*)	357,063	387,513	497,354	547,602	107,420
Loss from discontinued operations, net of tax ^(*)	(1,521)	-	-	-	-
Other comprehensive income (loss) ^(*)	164,890	103,755	478	416,030	42,394
Total comprehensive income ^(*)	520,432	491,268	497,832	963,632	149,814
2. Dividends from associates					
Dividends	20,347	47,175	-	13,463	32,232

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (2) Summary of financial information of major joint ventures and dividends received from joint ventures as of June 30, 2025 and December 31, 2024, and for the six-month periods ended June 30, 2025 and 2024 are as follows:

	Samsung Corning Advanced Glass, LLC	
<i>(In millions of Korean won)</i>	2025	2024
Condensed financial information		
Condensed statements of financial position:		
Current assets	121,098	120,786
Non-current assets	205,336	199,017
Current liabilities	34,384	33,294
Non-current liabilities	558	113
Condensed statements of comprehensive income:		
Revenue	91,248	72,395
Profit (Loss) from continuing operations, net of tax	5,096	(1,063)
Total comprehensive Income(loss)	5,096	(1,063)
Dividends from joint ventures		
Dividends	-	-

- (3) Profit (loss) attributable to owners of the parent company from associates and joint ventures which are not individually material for the six-month periods ended June 30, 2025 and 2024 are as follows:

	2025	2024		
<i>(In millions of Korean won)</i>	Associates	Joint ventures	Associates	Joint ventures
Profit from continuing operations	3,127	1,245	1,445	1,365
Other comprehensive income (loss)	(15,702)	3,062	267	(1,438)
Total comprehensive income (loss)	(12,575)	4,307	1,712	(73)

- (G) Details of marketable investments in associates as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025		December 31, 2024	
	Number of shares	held	Market value	Market value
<i>(In millions of Korean won and number of shares)</i>				
Samsung Electro-Mechanics Co., Ltd.	17,693,084	2,383,258	2,190,404	
Samsung SDS Co., Ltd.	17,472,110	2,963,270	2,232,936	
Samsung Biologics Co., Ltd.	22,217,309	22,039,571	21,084,226	
Samsung SDI Co., Ltd.	15,663,968	2,706,734	3,332,012	
Cheil Worldwide, Inc.	29,038,075	582,213	492,195	

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(H) Other matters

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

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

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

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	205,945,209	187,256,262
Acquisition and capital expenditures	23,826,078	23,941,766
Acquisition from business combination	20,727	-
Depreciation	(21,287,296)	(18,607,158)
Disposals/scrap/impairment	(310,449)	(196,972)
Other ^(*)	(3,168,631)	2,055,928
Balance as of June 30	205,025,638	194,449,826

^(*) Other includes effects of changes in foreign currency exchange rates, government grant offset and other.

(B) Details of depreciation of property, plant and equipment for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	18,673,813	16,505,434
Selling and administrative expenses and other	2,613,483	2,101,724
Total	21,287,296	18,607,158

(C) Right-of-use assets as of June 30, 2025 amount to ₩5,329,977 million (December 31, 2024: ₩5,660,885 million).

During the six-month periods ended June 30, 2025 and 2024, newly recognized right-of-use assets amount to ₩729,678 million and ₩533,366 million, respectively, with relevant depreciation of ₩627,889 million and ₩597,325 million, respectively.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

8. Intangible Assets

(A) Changes in intangible assets for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	23,738,566	22,741,862
External acquisitions	1,828,601	1,669,514
Acquisition from business combination	2,263,546	-
Amortization	(1,588,216)	(1,465,554)
Disposals/scrap/impairment	(14,277)	(35,351)
Other ^(*)	(230,474)	712,809
Balance as of June 30	25,997,746	23,623,280

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

(B) Details of amortization of intangible assets for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	1,075,514	994,161
Selling and administrative expenses and other	512,702	471,393
Total	1,588,216	1,465,554

9. Borrowings

Details of the carrying amounts of borrowings as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	Financial institutions	Interest rates (%) as of June 30, 2025		
		June 30, 2025	December 31, 2024	
Short-term borrowings				
Collateralized borrowings ^{(*)1}	Woori Bank and others	1.6~16.7	7,003,101	12,834,446
Non-collateralized borrowings	Citibank and others	0.0~47.0	187,167	338,058
Total		7,190,268	13,172,504	
Current portion of long-term borrowings				
Bank borrowings	BNP and others	3.9~47.9	110,810	510,756
Lease liabilities ^{(*)2}	CSSD and others	5.0	1,086,186	1,100,526
Total		1,196,996	1,611,282	
Long-term borrowings				
Korea Development Bank				
Bank borrowings	and others	0.0~7.4	2,006,014	6,537
Lease liabilities ^{(*)2}	CSSD and others	5.0	3,616,220	3,929,323
Total		5,622,234	3,935,860	

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

^{(*)2} Interest expenses arising from the lease liabilities for the six-month periods ended June 30, 2025 and 2024 amount to ₩121,179 million and ₩108,570 million, respectively, which are determined using the weighted average incremental borrowing rate.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

10. Debentures

Details of the carrying amounts of debentures as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rates (%)	June 30, 2025	December 31, 2024
			as of June 30, 2025		
US dollar denominated straight bonds ^{(*)1}	1997.10.2	2027.10.1	7.7	20,346 (US \$ 15 million)	22,050 (US \$ 15 million)
US dollar denominated debentures ^{(*)2}	2015.5.11	2025.5.15	4.2	- 588,000 (US \$ 400 million)	-
Less: Discounts				(171)	(255)
Add: Premium				-	743
Less: Current portion				(6,705)	(596,008)
Total				13,470	14,530

^{(*)1} 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.

^{(*)2} US dollar denominated debentures with a 10-year maturity, issued by Harman International Industries, Inc. were fully repaid on the maturity during the six-month period ended June 30, 2025.

11. Net Defined Benefit Liabilities (Assets)

(A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Present value of funded defined benefit obligations	17,411,262	16,965,629
Present value of unfunded defined benefit obligations	427,704	379,155
Subtotal	17,838,966	17,344,784
Fair value of plan assets	(19,715,505)	(19,912,945)
Total	(1,876,539)	(2,568,161)

(B) The components of defined benefit costs recognized in profit or loss for the six-month periods ended June 30, 2025 and 2024 relating to defined benefit plans are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Current service cost	757,128	699,746
Net interest income	(66,070)	(129,384)
Past service cost	(128)	(273)
Other	3,778	11,864
Total	694,708	581,953

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (C) The expenses related to defined benefit plans recognized in the statements of profit or loss for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Cost of sales	291,334	232,457
Selling and administrative expenses and other	403,374	349,496
Total	694,708	581,953

12. Provisions

Changes in the provisions for the six-month period ended June 30, 2025 are as follows:

<i>(In millions of Korean won)</i>	Warranty (A)	Royalty (B)	Long-term incentives (C)	Other (D, E)	Total
Balance as of January 1	2,734,501	2,793,901	813,011	4,995,100	11,336,513
Charged to (reversed in) profit or loss	781,793	(68,129)	156,686	158,299	1,028,649
Payment	(929,485)	(364,075)	(80,202)	(312,702)	(1,686,464)
Other ^(*)	(19,682)	(224,704)	(2,093)	(72,280)	(318,759)
Balance as of June 30	2,567,127	2,136,993	887,402	4,768,417	10,359,939

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

- (A) The Company accrues warranty provisions for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.
- (B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiations.
- (C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost.
- (D) The Company records provisions for future expenses expected to be incurred for products that have been discontinued from manufacturing and sales.
- (E) The Company makes provisions for the emission in excess of the emission rights held by the Company for the applicable years. Details of emission rights and liabilities as of June 30, 2025 are as follows:
- (1) The amount of emission rights allocated free of charge in the current commitment period and the estimated amount of emission as of June 30, 2025 are as follows:

<i>(In ten thousand metric tons)</i>	June 30, 2025
Emission rights allocated free of charge	1,629
Estimated volume of emission	1,966

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(2) Changes in the emission rights for the six-month periods ended June 30, 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 June 30	3,137	3,137

(3) Changes in the emission liabilities for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Balance as of January 1	174	137
Charged to profit or loss	87	70
Utilization	-	-
Balance as of June 30	261	207

13. Commitments and Contingencies

(A) Litigation

As of June 30, 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.

(B) Business Combination

As of June 30, 2025, the Company's acquisition is ongoing for the consumer audio division of Masimo Corporation (agreed on May 6, 2025) and Fläkt Group (agreed on May 14, 2025), a HVAC equipment manufacturer. The relevant procedures are expected to be completed before December 31, 2025.

(C) Other commitments

As of June 30, 2025, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩13,804,491 million.

14. Contract Liabilities

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

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Contract liabilities ^(*)	13,423,306	13,523,368

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

15. Share Capital

As of June 30, 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 June 30, 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	(68,593,875)	(9,499,024)
Treasury shares granted	5,256,775	-
As of June 30, 2025	5,876,745,450	809,337,676

The Company retired 50,144,628 ordinary shares and 6,912,036 preference shares during the six-month period ended June 30, 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 5,256,775 treasury shares to its employees during the six-month period ended June 30, 2025, with a total acquisition cost of ₩297,803 million, pursuant to the board of directors' resolution on May 23, 2025.

16. Retained Earnings

(A) Retained earnings as of June 30, 2025 and December 31, 2024 consist of the following:

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Discretionary reserve and other	238,196,493	224,424,501
Unappropriated retained earnings	137,408,751	146,088,687
Total	375,605,244	370,513,188

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Details of interim dividends are as follows:

Interim dividends (Record date: March 31 and June 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
		Preference shares	812,249,664
	Dividend rate (based on par value)	Ordinary/Preference	365%
		Ordinary shares	2,150,813
	Dividend amount	Preference shares	296,471
		Total	2,447,284
2 nd Quarter	Number of shares eligible for dividends	Ordinary shares	5,876,745,450
		Preference shares	809,337,676
	Dividend rate (based on par value)	Ordinary/Preference	367%
		Ordinary shares	2,156,766
	Dividend amount	Preference shares	297,027
		Total	2,453,793
			2,452,154

17. Other Components of Equity

(A) Other components of equity as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Gain on valuation of financial assets at fair value through other comprehensive income	2,742,834	2,155,315
Share of other comprehensive income of associates and joint ventures	266,677	424,575
Gain on overseas business translation	10,974,223	18,614,960
Remeasurement of net defined benefit liabilities (assets)	(3,664,576)	(3,596,943)
Treasury shares	(2,741,896)	(1,811,775)
Share-based compensation	154,719	-
Other	55,485	86,876
Total	7,787,466	15,873,008

(B) Treasury shares as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won and number of shares)</i>	2025	2024
Number of treasury shares purchased	Ordinary shares	42,892,472
	Preference shares	6,636,988
Acquisition cost	Ordinary shares	2,429,915
	Preference shares	311,981

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(C) Equity-settled performance incentive

The Company agreed to grant restricted stock awards (RSA) to executives as part of their performance incentives, which will be settled in January 2026. Accordingly, ₩63,912 million of performance incentives (1,176,383 ordinary shares), which is set to be equity-settled, was reclassified from accrued expense 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 3,841,035 ordinary shares to be granted, amounting to ₩207,414 million as of the grant date, as wages and salaries and other components of equity. Grant of shares was completed during the six-month period ended June 30, 2025.

18. Expenses by Nature

Expenses by nature for the three and six-month periods ended June 30, 2025 and 2024 consist of the following:

(In millions of Korean won)	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Changes in finished goods, work in process, and other	2,089,415	958,594	(595,106)	(994,371)
Raw materials used, merchandise purchased, and other	23,386,804	51,740,270	22,856,760	47,155,223
Wages and salaries	8,524,179	17,430,489	8,153,699	16,228,699
Post-employment benefit	415,126	837,895	367,126	714,936
Depreciation	10,557,081	21,287,296	9,375,848	18,607,158
Amortization	799,641	1,588,216	746,072	1,465,554
Welfare	2,049,198	3,887,690	1,676,331	3,400,809
Utilities	2,193,810	4,422,012	1,970,174	3,993,356
Outsourcing	2,283,058	4,397,663	1,996,545	3,767,051
Advertising	1,255,764	2,798,180	1,323,745	2,758,671
Sales promotion	1,915,725	4,059,321	1,779,434	3,616,828
Other	14,420,459	28,937,865	13,973,796	28,220,102
Total^(*)	69,890,260	142,345,491	63,624,424	128,934,016

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

19. Selling and Administrative Expenses

Selling and administrative expenses for the three and six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Selling and administrative expenses				
Wages and salaries	2,214,747	4,467,951	2,182,296	4,361,506
Post-employment benefit	100,137	202,344	113,674	191,265
Commissions	2,592,539	4,999,465	2,197,695	4,281,199
Depreciation	427,435	862,702	418,377	831,374
Amortization	201,413	386,693	176,923	351,970
Advertising	1,255,764	2,798,180	1,323,745	2,758,671
Sales promotion	1,915,725	4,059,321	1,779,434	3,616,828
Transportation	584,633	1,225,376	647,009	1,361,544
Service	713,459	1,711,852	782,082	2,023,641
Other	1,795,552	3,500,079	1,642,050	3,088,507
Subtotal	11,801,404	24,213,963	11,263,285	22,866,505
Research and development expenses				
Research and development	9,019,290	18,052,031	8,049,113	15,869,153
Total	20,820,694	42,265,994	19,312,398	38,735,658

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

20. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the three and six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Other non-operating income				
Dividend income	31,754	66,871	33,059	72,516
Rental income	37,767	75,945	38,805	77,719
Gain on disposal of property, plant and equipment	46,070	52,889	19,022	28,357
Other	187,159	1,213,350	227,615	585,190
Total	302,750	1,409,055	318,501	763,782

<i>(In millions of Korean won)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Other non-operating expenses				
Loss on disposal of property, plant and equipment	10,446	21,194	5,189	31,237
Donations	39,961	83,931	27,908	105,384
Other	232,787	419,482	212,399	490,268
Total	283,194	524,607	245,496	626,889

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

21. Financial Income and Expenses

Details of financial income and expenses for the three and six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Financial income				
Interest income:	1,051,195	2,290,544	1,178,096	2,350,281
Financial assets measured at amortized cost	1,051,140	2,290,434	1,178,045	2,350,197
Financial assets measured at fair value through profit or loss	55	110	51	84
Foreign exchange differences	3,019,621	4,920,059	2,198,384	4,319,313
Gain from derivatives	275,036	1,106,133	239,704	401,653
Total	4,345,852	8,316,736	3,616,184	7,071,247

<i>(In millions of Korean won)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Financial expenses				
Interest expenses:	148,530	324,617	194,748	437,520
Financial liabilities measured at amortized cost	11,407	35,296	27,081	94,008
Other financial liabilities	137,123	289,321	167,667	343,512
Foreign exchange differences	2,974,597	5,008,037	2,312,487	4,552,548
Loss from derivatives	321,227	600,025	229,002	379,239
Total	3,444,354	5,932,679	2,736,237	5,369,307

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

22. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year considering global minimum top-up tax. The average annual tax rate expected as of June 30, 2025 to be effective for the year ended December 31, 2025 is 10.5%.

23. Earnings per Share

Earnings per share for the three and six-month periods ended June 30, 2025 and 2024 are calculated as follows:

(A) Ordinary shares

(1) Basic earnings per share

	2025	2024		
	3 Months	6 Months	3 Months	6 Months
<i>(In millions of Korean won and thousands of number of shares)</i>				
Profit for the period attributable to owners of the parent company	4,934,034	12,962,441	9,642,653	16,263,683
Profit for the period attributable to ordinary shares	4,336,895	11,392,986	8,474,510	14,293,446
Weighted-average number of ordinary shares outstanding	5,881,154	5,903,847	5,969,783	5,969,783
Basic earnings per ordinary share (in Korean won)	737	1,929	1,419	2,394

(2) Diluted earnings per share

	2025	2024		
	3 Months	6 Months	3 Months	6 Months
<i>(In millions of Korean won and thousands of number of shares)</i>				
Profit for the period attributable to owners of the parent company	4,934,034	12,962,441	9,642,653	16,263,683
Profit for the period attributable to ordinary shares	4,337,005	11,393,233	8,474,510	14,293,446
Weighted-average number of diluted ordinary shares outstanding(*)	5,882,330	5,904,831	5,969,783	5,969,783
Diluted earnings per ordinary share (in Korean won)	737	1,929	1,419	2,394

(*) The weighted average diluted potential common shares included are related to stock-based compensation and the number of shares is 984,000 shares and nil for the three and six-month periods ended June 30, 2025 and 2024, respectively.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Preference shares

(1) Basic earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Profit for the period attributable to owners of the parent company	4,934,034	12,962,441	9,642,653	16,263,683
Profit for the period attributable to preference shares	597,139	1,569,455	1,168,143	1,970,237
Weighted-average number of preference shares outstanding	809,995	813,434	822,887	822,887
Basic earnings per preference share (in Korean won)	737	1,929	1,419	2,394

(2) Diluted earnings per share

<i>(In millions of Korean won and thousands of number of shares)</i>	2025		2024	
	3 Months	6 Months	3 Months	6 Months
Profit for the period attributable to owners of the parent company	4,934,034	12,962,441	9,642,653	16,263,683
Profit for the period attributable to preference shares	597,029	1,569,208	1,168,143	1,970,237
Weighted-average number of diluted preference shares outstanding	809,995	813,434	822,887	822,887
Diluted earnings per preference share (in Korean won)	737	1,929	1,419	2,394

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

24. Statements of Cash Flows

(A) The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the six-month periods ended June 30, 2025 and 2024 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	2025	2024
Adjustments:		
Income tax expense	1,568,392	2,706,014
Financial income	(4,329,620)	(3,582,400)
Financial expenses	2,001,349	2,161,371
Post-employment benefits	837,895	714,936
Depreciation	21,287,296	18,607,158
Amortization	1,588,216	1,465,554
(Reversal of) bad debt expense	20,166	(20,386)
Dividend income	(66,871)	(72,516)
Share of profit of associates and joint ventures	(277,871)	(413,347)
Gain on disposal of property, plant and equipment	(52,889)	(28,357)
Loss on disposal of property, plant and equipment	21,194	31,237
(Reversal of) Loss on valuation of inventories and others	2,577,490	(2,777,967)
Other	(146,019)	(3,501)
Total	25,028,728	18,787,796

- 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	(1,223,216)	(4,814,802)
Decrease in non-trade receivables	1,157,850	269,310
Decrease (increase) in prepaid expenses	91,440	(4,706)
Decrease (increase) in inventories	(3,045,758)	68,248
Increase (decrease) in trade payables	1,302,934	(196,504)
Increase in other payables	(678,841)	176,912
Decrease in advances received	(175,534)	(117,196)
Increase (decrease) in withholdings	(98,017)	16,828
Increase (decrease) in accrued expenses	(642,746)	261,533
Increase (decrease) in provisions	(657,815)	1,186,654
Payment of post-employment benefits	(777,888)	(567,124)
Other	1,465,395	(526,835)
Total	(3,282,196)	(4,247,682)

(B) For the six-month periods ended June 30, 2025 and 2024, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩650,367 million and ₩588,341 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩121,179 million and ₩108,570 million, respectively.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

25. Financial Risk Management

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

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

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

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

(A) Market risk

(1) Foreign exchange risk

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

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

(2) Interest rate risk

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

(3) Price risk

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

As of June 30, 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 ₩ 83,939 million and ₩ 66,935 million, respectively, and changes in profit before tax of ₩ 1,328 million and ₩ 1,351 million, respectively.

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Credit risk

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

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

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

(C) Liquidity risk

Liquidity risk is the risk that a company will have difficulty in meeting all its financial obligations. The Company's main sources of liquidity are cash generated from operations and funds raised from the capital markets and financial institutions, while its main liquidity needs are for investments in production, research and development, working capital and dividends. Due to the nature of the Company's business, which involves large investments, maintaining adequate levels of liquidity is critical. The Company maintains and manages adequate liquidity through forecasting periodic cash flows, estimating required cash levels, and monitoring inflows and outflows of cash.

The Company has established Cash Pooling by region to respond effectively to liquidity risks, even when individual companies within a region are underfunded. Cash Pooling is a system that shares funds between underfunded and overfunded companies, minimizing the liquidity risk of individual companies, easing the burden of fund management, and reducing financial costs.

In addition, the Company has secured credit lines for its overseas subsidiaries by means of payment guarantees from the head office in the event of large liquidity needs, and, at the end of the period, the Company had investment grade ratings of Aa2 from Moody's and AA- from S&P, enabling it to raise funds on the capital market in a timely manner.

(D) Capital risk management

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

The debt ratios as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2025	December 31, 2024
Total liabilities	105,313,218	112,339,878
Total equity	399,561,967	402,192,070
Debt ratio	26.4%	27.9%

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

26. Fair Value Measurement

(A) Carrying amounts and fair values of financial instruments by category as of June 30, 2025 and December 31, 2024 are as follows:

(In millions of Korean won)	June 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	47,120,025	(*1)	53,705,579	(*1)
Short-term financial instruments	53,580,554	(*1)	58,909,334	(*1)
Short-term financial assets at fair value through profit or loss	27,575	27,575	36,877	36,877
Trade receivables	43,550,509	(*1)	43,623,073	(*1)
Financial assets at fair value through other comprehensive income	11,030,251	11,030,251	10,580,932	10,580,932
Financial assets at fair value through profit or loss	1,233,859	1,233,859	1,175,749	1,175,749
Other ^{(*)2}	13,634,135	163,595	14,898,880	520,656
Total financial assets	170,176,908		182,930,424	
Financial liabilities				
Trade payables	12,675,844	(*1)	12,370,177	(*1)
Short-term borrowings	7,190,268	(*1)	13,172,504	(*1)
Other payables	13,536,907	(*1)	17,390,861	(*1)
Current portion of long-term liabilities	1,203,701	7,257	2,207,290	594,010
- Long-term borrowings	1,196,996	(*1)(*3)	1,611,282	(*1)(*3)
- Debentures	6,705	7,257	596,008	594,010
Debentures	13,470	15,509	14,530	16,427
Long-term borrowings	5,622,234	(*1)(*3)	3,935,860	(*1)(*3)
Long-term other payables	4,460,378	(*1)	4,779,141	(*1)
Other ^{(*)2}	13,404,782	178,167	13,793,044	94,559
Total financial liabilities	58,107,584		67,663,407	

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

(*)2 Assets measured at cost, amounting to ₩13,470,540 million and ₩14,378,224 million as of June 30, 2025 and December 31, 2024, respectively, and liabilities measured at cost, amounting to ₩13,226,615 million and ₩13,698,485 million as of June 30, 2025 and December 31, 2024 respectively, are excluded as the carrying amounts are reasonable estimates of fair value.

(*)3 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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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Fair value hierarchy classifications of the financial instruments that are measured or disclosed at fair value as of June 30, 2025 and December 31, 2024 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2025			
	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term financial assets at fair value through profit or loss	-	27,575	-	27,575
Financial assets at fair value through other comprehensive income	8,393,906	-	2,636,345	11,030,251
Financial assets at fair value through profit or loss	132,801	-	1,101,058	1,233,859
Other	-	106,476	57,119	163,595
2) Liabilities				
Current portion of debentures	-	7,257	-	7,257
Debentures	-	15,509	-	15,509
Other	-	178,167	-	178,167

<i>(In millions of Korean won)</i>	December 31, 2024			
	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term financial assets at fair value through profit or loss	-	36,877	-	36,877
Financial assets at fair value through other comprehensive income	7,686,545	-	2,894,387	10,580,932
Financial assets at fair value through profit or loss	86,187	-	1,089,562	1,175,749
Other	-	98,159	422,497	520,656
2) Liabilities				
Current portion of debentures	-	594,010	-	594,010
Debentures	-	16,427	-	16,427
Other	-	94,559	-	94,559

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

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

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

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

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

Specific valuation techniques used to value financial instruments include:

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

Other techniques, such as discounted cash flow analysis, 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 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 June 30, 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	37,144	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	15.0%
MiCo Ceramics Co., Ltd.	55,178	Discounted cash flow and etc.	Permanent growth rate	0.0%
			Weighted average cost of capital	10.1%
TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)	1,368,696	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.0%
China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT)	386,573	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.0%
Others				
Put option on equity instruments	57,119	Binomial model	Risk-free rate	3.7%~4.2%, 2.9%
			Price volatility	33.5%, 37.9%

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(D) Changes in Level 3 instruments for the six-month periods ended June 30, 2025 and 2024 are as follows:

<i>(In millions of Korean won)</i>	2025	2024
Financial assets		
Balance as of January 1	4,406,446	3,730,134
Acquisitions	140,995	160,771
Disposals	(196,165)	(13,928)
Amount recognized in profit or loss	579,752	(5,233)
Amount recognized in other comprehensive income (loss)	(105,962)	104,246
Other	(1,030,544)	133,237
Balance as of June 30	3,794,522	4,109,227

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

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

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

<i>(In millions of Korean won)</i>	Favorable changes		Unfavorable changes		
	Classification	Profit or loss	Equity	Profit or loss	Equity
Financial assets at fair value through other comprehensive income ^(*1)		-	261,098	-	(167,650)
Others ^(*2)		7,511	-	(7,648)	-

(*1) For equity securities, changes in fair value are calculated by increasing or decreasing perpetual growth rate and weighted average cost of capital (-1%~1%), which are significant unobservable inputs.

(*2) Changes in fair value were calculated based on changes in price volatility (-5%~5%), which is a significant unobservable input.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

27. Segment Information

(A) Operating segment information

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

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

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

(1) For the three-month period ended June 30, 2025

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	43,570,160	27,875,087	6,379,981	3,829,993	(7,088,904)	74,566,317
Depreciation	659,976	9,159,340	607,389	87,059	-	10,557,081
Amortization	421,683	208,952	58,173	48,803	-	799,641
Operating profit	3,325,705	350,173	473,290	483,810	-	4,676,057

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

Revenue by major product for the three-month period ended June 30, 2025 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	7,011,061	28,450,849	21,178,497	6,379,981	74,566,317

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

(2) For the six-month period ended June 30, 2025

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	95,287,371	53,006,093	12,246,903	7,249,366	(14,082,913)	153,706,820
Depreciation	1,320,057	18,479,258	1,218,450	173,726	-	21,287,296
Amortization	838,840	412,125	116,165	101,391	-	1,588,216
Operating profit	8,047,605	1,455,676	935,517	790,668	-	11,361,329

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Revenue by major product for the six-month period ended June 30, 2025 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	14,767,406	64,638,470	40,247,535	12,246,903	153,706,820

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

(3) For the three-month period ended June 30, 2024

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	42,070,812	28,556,551	7,646,160	3,619,094	(7,824,315)	74,068,302
Depreciation	642,611	7,997,543	600,870	88,150	-	9,375,848
Amortization	406,325	172,900	58,090	55,240	-	746,072
Operating profit	2,722,479	6,450,960	1,010,107	320,086	-	10,443,878

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

Revenue by major product for the three-month period ended June 30, 2024 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	7,543,535	26,641,045	21,737,835	7,646,160	74,068,302

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

(4) For the six-month period ended June 30, 2024

<i>(In millions of Korean won)</i>	DX	DS	SDC	Harman	Intercompany reconciliations	Total^(*)
Revenue	89,363,554	51,693,841	13,032,578	6,819,344	(14,925,414)	145,983,903
Depreciation	1,282,358	15,846,606	1,208,284	173,547	-	18,607,158
Amortization	808,861	325,346	114,475	108,492	-	1,465,554
Operating profit	6,797,370	8,364,975	1,350,791	560,925	-	17,049,887

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

Revenue by major product for the six-month period ended June 30, 2024 are as follows:

<i>(In millions of Korean won)</i>	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total^(*)
Revenue	14,777,506	59,432,418	39,232,102	13,032,578	145,983,903

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the three and six-month periods ended June 30, 2025 and 2024 are as follows:

(1) As of and for the three-month period ended June 30, 2025

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	10,801,120	29,219,438	11,968,957	12,374,282	10,202,520	-	74,566,317
Non-current assets ^(*)	178,521,233	27,505,474	7,010,222	9,216,944	9,251,428	(481,917)	231,023,384

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

(2) As of and for the six-month period ended June 30, 2025

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	22,031,332	59,438,979	26,007,751	27,025,356	19,203,402	-	153,706,820
Non-current assets ^(*)	178,521,233	27,505,474	7,010,222	9,216,944	9,251,428	(481,917)	231,023,384

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

(3) As of and for the three-month period ended June 30, 2024

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	9,716,061	28,106,541	11,950,985	11,964,076	12,330,639	-	74,068,302
Non-current assets ^(*)	168,415,310	24,771,439	6,530,006	9,323,143	11,223,820	(2,190,612)	218,073,106

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

(4) As of and for the six-month period ended June 30, 2024

<i>(In millions of Korean won)</i>	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Total
Revenue	19,129,508	53,495,384	25,170,012	24,643,389	23,545,610	-	145,983,903
Non-current assets ^(*)	168,415,310	24,771,439	6,530,006	9,323,143	11,223,820	(2,190,612)	218,073,106

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

28. Related Party Transactions

(A) Transactions with related parties

Transactions with related parties for the six-month periods ended June 30, 2025 and 2024 are as follows:

		2025		
<i>(In millions of Korean won)</i>	Name of company^{(*)1}	Sales	Disposal of non-current assets	Purchase of non-current assets
Associates and joint ventures	Samsung SDS Co., Ltd.	76,392	61	1,079,791
	Samsung Electro-Mechanics Co., Ltd.	44,375	-	573,104
	Samsung SDI Co., Ltd.	53,932	-	336,074
	Cheil Worldwide Inc.	37,211	-	454,703
	Other	703,487	794	6,394,865
Total		915,397	855	8,838,537
Total		915,397	855	8,838,537
Other related parties	Samsung C&T Co., Ltd.	4,854	20	95,571
	Other	331,908	-	766,573
	Total	336,762	20	862,144
Other ^{(*)2}	Samsung E&A Co., Ltd.	1,496	-	7,875
	S-1 Corporation	10,259	-	266,351
	Other	115,319	-	190,598
	Total	127,074	-	464,824
Total		127,074	-	464,824
Total		127,074	-	464,824

(*)1 The amounts represent transactions with individual entities that are related parties of the Company.

(*)2 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.

		2024		
<i>(In millions of Korean won)</i>	Name of company^{(*)1}	Sales	Disposal of non-current assets	Purchase of non-current assets
Associates and joint ventures	Samsung SDS Co., Ltd.	71,213	-	1,003,700
	Samsung Electro-Mechanics Co., Ltd.	34,642	-	646,831
	Samsung SDI Co., Ltd.	60,213	-	324,582
	Cheil Worldwide Inc.	33,769	-	475,811
	Other	556,539	122	5,977,736
Total		756,376	122	8,428,660
Total		756,376	122	8,428,660
Other related parties	Samsung C&T Co., Ltd.	15,182	-	120,875
	Other	345,332	-	728,388
	Total	360,514	-	849,263
Other ^{(*)2}	Samsung E&A Co., Ltd.	375	-	29,732
	S-1 Corporation	3,800	-	264,196
	Other	117,724	-	151,299
	Total	121,899	-	445,227
Total		121,899	-	445,227
Total		121,899	-	445,227

(*)1 The amounts represent transactions with individual entities that are related parties of the Company.

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

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(B) Balances of receivables and payables

Balances of receivables and payables arising from sales and purchases of goods and services as of June 30, 2025 and December 31, 2024 are as follows:

			June 30, 2025	
<i>(In millions of Korean won)</i>		Name of company^{(*)1}	Receivables	Payables^{(*)2}
Associates and joint ventures	Samsung SDS Co., Ltd.	17,444	568,497	
	Samsung Electro-Mechanics Co., Ltd.	1,423	134,780	
	Samsung SDI Co., Ltd.	115,787	80,102	
	Cheil Worldwide Inc.	40	302,769	
	<u>Other</u>	309,382	1,177,950	
Total		444,076	2,264,098	
Other related parties	Samsung C&T Co., Ltd.	203,802	840,321	
	<u>Other</u>	24,579	310,416	
	Total	228,381	1,150,737	
Other ^{(*)3}	Samsung E&A Co., Ltd.	721	718,075	
	S-1 Corporation	2,184	57,947	
	<u>Other</u>	12,805	203,672	
Total		15,710	979,694	

^{(*)1} Receivables and payables with individual entities that are related parties of the Company.

^{(*)2} Payables and others include lease liabilities.

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

			December 31, 2024	
<i>(In millions of Korean won)</i>		Name of company^{(*)1}	Receivables	Payables^{(*)2}
Associates and joint ventures	Samsung SDS Co., Ltd.	23,493	617,140	
	Samsung Electro-Mechanics Co., Ltd.	5,704	113,971	
	Samsung SDI Co., Ltd.	123,940	50,278	
	Cheil Worldwide Inc.	206	436,315	
	<u>Other</u>	311,560	1,380,625	
Total		464,903	2,598,329	
Other related parties	Samsung C&T Co., Ltd.	205,420	1,868,959	
	<u>Other</u>	19,784	743,167	
	Total	225,204	2,612,126	
Other ^{(*)3}	Samsung E&A Co., Ltd.	513	1,919,798	
	S-1 Corporation	2,660	66,988	
	<u>Other</u>	16,848	626,382	
Total		20,021	2,613,168	

^{(*)1} Receivables and payables with individual entities that are related parties of the Company.

^{(*)2} Payables and others include lease liabilities.

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

- (C) For the six-month periods ended June 30, 2025 and 2024, the Company invested ₩322,146 million and ₩9,342 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ₩3,143 million and ₩18,965 million from its investments in associates and joint ventures during the six-month periods ended June 30, 2025 and 2024, respectively.
- (D) For the six-month periods ended June 30, 2025 and 2024, the Company declared dividends of ₩802,044 million and ₩813,272 million, respectively, to related parties|. In addition, for the six-month periods ended June 30, 2025 and 2024, the Company declared dividends of ₩64,377 million and ₩64,116 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 June 30, 2025, there is no dividends payable outstanding to the entities that belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act.
- (E) For the six-month periods ended June 30, 2025 and 2024, the Company entered into lease agreements with its related parties amounting to ₩27,610 million and ₩23,691 million, respectively, and the lease payments made to the related parties are ₩19,473 million and ₩15,334 million, respectively.
- (F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the six-month periods ended June 30, 2025 and 2024 consists of:

<i>(In millions of Korean won)</i>	2025	2024
Short-term employee benefits	3,883	4,832
Post-employment benefits	273	336
Other long-term employee benefits	3,065	4,424

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

29. Business Combination

(A) General information

The Company decided to exercise call options to acquire 3.94 million shares (20.3%) of Rainbow Robotics Co., Ltd. from its largest shareholder through the board of directors' resolution on December 31, 2024. The equity acquisition procedure was completed on March 12, 2025.

The Company has reclassified Rainbow Robotics Co., Ltd. from investment in associates using equity method to consolidated subsidiary as it retains the right to appoint the entire board of directors of Rainbow Robotics Co., Ltd.

The Company will prepare for development of cutting-edge future robots by combining the Company's technology in AI and software with Rainbow Robotics Co., Ltd.'s robot technology.

(B) Consideration transferred

Fair values of the consideration transferred by each category on the acquisition date are as follows:

<i>(In millions of Korean Won)</i>	
Cash	267,463
Derivatives (Call options of 3.94 million shares)	974,287
Previously-held equity (2.85 million shares)	900,480
Total	2,142,230

The remeasurement to fair value of the Company's previously held 2.85 million shares and the difference arising from the fair value measurement of 3.94 million call option shares as of the acquisition date, amounting to ₩847,696 million and ₩600,606 million, were recognized in the statement of profit or loss as other income and finance income, respectively.

(C) Identifiable assets acquired and liabilities assumed

Identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

<i>(In millions of Korean Won)</i>	
Cash and cash equivalents	53,429
Short-term financial instruments	18,789
Trade receivable and other receivables	7,161
Inventory	9,342
Short-term financial assets at fair value through profit or loss	18,833
Property, plant and equipment	20,727
Intangible assets	231,164
Others	7,117
Total assets	366,562
Current liabilities	3,422
Non-current liabilities	49,289
Total Liabilities	52,711
Fair value of net identifiable assets	313,851

Samsung Electronics Co., Ltd. and its subsidiaries

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(D) Goodwill

Goodwill arising from the business combination has been determined as follows:

<i>(In millions of Korean Won)</i>	
Total consideration transferred	2,142,230
Fair value of net identifiable assets	(313,851)
Non-controlling interests	204,003
Goodwill	2,032,382

30. Subsequent events

- (A) The Company entered into an agreement on July 7, 2025 to acquire Xealth, a U.S.-based digital health care provider, and the acquisition is expected to be completed within 2025.
- (B) Pursuant to the board of directors' resolution on July 8, 2025, the Company is in the process of repurchasing treasury shares, with the estimated total payment of ₩3,911,908 million.