

SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES

Interim Consolidated Financial Statements

**September 30, 2023 and 2022**

(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 (collectively, "the Company"), expressed in Korean won, which comprise the interim consolidated statement of financial position as of September 30, 2023, the interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods ended September 30, 2023, and the interim consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2023, and notes, comprising material accounting policy information and other explanatory information.

### **Management's Responsibility for the Interim Consolidated Financial Statements**

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

### **Auditors' Responsibility**

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

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

### **Conclusion**

Based on our review, 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**

The interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods ended September 30, 2022, and the interim consolidated statements of changes in equity and cash flows for the nine-month period ended September 30, 2022, presented for comparative purposes, were reviewed by other auditors whose report thereon dated November 11, 2022, expressed that nothing came to their attention that caused them to believe that the accompanying interim consolidated financial information as of September 30, 2022 was not prepared, in all material respects, in accordance with Korean International Financial Reporting Standard No. 1034, *Interim Financial Reporting*.

The consolidated statement of financial position of the Company as of December 31, 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, were audited by other auditors, whose report thereon dated February 15, 2023, expressed an unqualified opinion. The accompanying interim consolidated statement of financial position of the Company as of December 31, 2022, presented for comparative purposes, is not different from that audited by other auditors 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 September 30, 2023 and December 31, 2022 and for the three-month and nine-month periods ended September 30, 2023 and 2022 have been translated into United States dollars solely for the convenience of the reader. We have reviewed the translation, and nothing came to our attention that cause 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 Samjony Accounting Corp.*

Seoul, Korea  
November 14, 2023

This report is effective as of November 14, 2023, 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, in thousands of US dollars (Note 2.3))*

	Notes	September 30, 2023 KRW	December 31, 2022 KRW	September 30, 2023 USD	December 31, 2022 USD
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3, 25	75,144,284	49,680,710	57,762,053	38,188,664
Short-term financial instruments	3, 25	17,927,266	65,102,886	13,780,365	50,043,412
Short-term financial assets at amortized cost	3, 25	-	414,610	-	318,703
Short-term financial assets at fair value through profit or loss	3, 4, 25	31,340	29,080	24,090	22,353
Trade receivables	3, 25	43,405,955	35,721,563	33,365,373	27,458,520
Non-trade receivables	3, 25	6,369,452	6,149,209	4,896,083	4,726,786
Prepaid expenses		3,147,532	2,867,823	2,419,451	2,204,444
Inventories	5	55,255,957	52,187,866	42,474,256	40,115,870
Other current assets	3, 25	5,156,814	6,316,834	3,963,950	4,855,636
		<b>206,438,600</b>	<b>218,470,581</b>	<b>158,685,621</b>	<b>167,934,388</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income	3, 4, 25	8,847,905	11,397,012	6,801,225	8,760,677
Financial assets at fair value through profit or loss	3, 4, 25	1,513,696	1,405,468	1,163,551	1,080,358
Investments in associates and joint ventures	6	11,633,753	10,893,869	8,942,656	8,373,920
Property, plant and equipment	7	180,805,963	168,045,388	138,982,277	129,173,453
Intangible assets	8	23,137,000	20,217,754	17,784,994	15,541,022
Net defined benefit assets	11	4,842,172	5,851,972	3,722,090	4,498,305
Deferred income tax assets		6,535,442	5,101,318	5,023,676	3,921,291
Other non-current assets	3, 25	10,711,916	7,041,145	8,234,056	5,412,401
		<b>248,027,847</b>	<b>229,953,926</b>	<b>190,654,525</b>	<b>176,761,427</b>
<b>Total assets</b>		<b>454,466,447</b>	<b>448,424,507</b>	<b>349,340,146</b>	<b>344,695,815</b>

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**

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

		September 30,	December 31,	September 30,	December 31,
	Notes	2023	2022	2023	2022
		KRW	KRW	USD	USD
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Trade payables	3, 25	13,157,077	10,644,686	10,113,607	8,182,378
Short-term borrowings	3, 9, 25	4,342,183	5,147,315	3,337,758	3,956,648
Other payables	3, 25	14,095,875	17,592,366	10,835,244	13,522,934
Advances received	14	1,416,806	1,314,934	1,089,073	1,010,766
Withholdings	3, 25	835,013	1,298,244	641,859	997,937
Accrued expenses	3, 14, 25	25,941,605	29,211,487	19,940,843	22,454,342
Current income tax liabilities		3,411,695	4,250,397	2,622,508	3,267,203
Current portion of long-term liabilities	3, 9, 10, 25	1,275,269	1,089,162	980,276	837,219
Provisions	12	7,067,326	5,844,907	5,432,526	4,492,874
Other current liabilities	3, 14, 25	2,082,331	1,951,354	1,600,650	1,499,971
		<b>73,625,180</b>	<b>78,344,852</b>	<b>56,594,344</b>	<b>60,222,272</b>
<b>Non-current liabilities</b>					
Debentures	3, 10, 25	567,683	536,093	436,368	412,085
Long-term borrowings	3, 9, 25	3,864,903	3,560,672	2,970,881	2,737,024
Long-term other payables	3, 25	5,469,799	2,753,305	4,204,536	2,116,416
Net defined benefit liabilities	11	439,238	268,370	337,634	206,291
Deferred income tax liabilities		1,070,601	5,111,332	822,952	3,928,989
Long-term provisions	12	2,681,437	1,928,518	2,061,172	1,482,417
Other non-current liabilities	3, 14, 25	2,854,963	1,171,761	2,194,558	900,712
		<b>16,948,624</b>	<b>15,330,051</b>	<b>13,028,101</b>	<b>11,783,934</b>
<b>Total liabilities</b>		<b>90,573,804</b>	<b>93,674,903</b>	<b>69,622,445</b>	<b>72,006,206</b>

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**

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

		September 30,	December 31,	September 30,	December 31,
	Notes	2023	2022	2023	2022
		KRW	KRW	USD	USD
<b>Equity attributable to owners of the parent company</b>					
Preference shares	15	119,467	119,467	91,832	91,832
Ordinary shares	15	778,047	778,047	598,071	598,071
Share premium		4,403,893	4,403,893	3,385,193	3,385,193
Retained earnings	16	342,125,419	337,946,407	262,985,627	259,773,296
Other components of equity	17	6,253,360	1,938,328	4,806,845	1,489,958
		<b>353,680,186</b>	<b>345,186,142</b>	<b>271,867,568</b>	<b>265,338,350</b>
Non-controlling interests		10,212,457	9,563,462	7,850,133	7,351,259
<b>Total equity</b>		<b>363,892,643</b>	<b>354,749,604</b>	<b>279,717,701</b>	<b>272,689,609</b>
<b>Total liabilities and equity</b>		<b>454,466,447</b>	<b>448,424,507</b>	<b>349,340,146</b>	<b>344,695,815</b>

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

Samsung Electronics Co., Ltd. and its subsidiaries

**INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

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

	Notes	For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
		2023	2022	2023	2022	2023	2022	2023	2022
		KRW	KRW	USD	USD	KRW	KRW	USD	USD
<b>Revenue</b>	26	67,404,652	76,781,680	51,812,738	59,020,690	191,155,556	231,766,785	146,937,822	178,154,940
<b>Cost of sales</b>	18	46,618,726	48,072,237	35,834,972	36,952,260	134,273,009	141,414,042	103,213,236	108,702,419
<b>Gross profit</b>		<b>20,785,926</b>	<b>28,709,443</b>	<b>15,977,766</b>	<b>22,068,430</b>	<b>56,882,547</b>	<b>90,352,743</b>	<b>43,724,586</b>	<b>69,452,521</b>
Selling and administrative expenses	18, 19	18,352,392	17,857,398	14,107,152	13,726,659	53,140,288	51,282,244	40,847,979	39,419,734
<b>Operating profit</b>	26	<b>2,433,534</b>	<b>10,852,045</b>	<b>1,870,614</b>	<b>8,341,771</b>	<b>3,742,259</b>	<b>39,070,499</b>	<b>2,876,607</b>	<b>30,032,787</b>
Other non-operating income	20	244,352	316,184	187,829	243,045	949,823	1,480,348	730,112	1,137,917
Other non-operating expense	20	206,403	283,534	158,658	217,947	579,442	1,337,037	445,407	1,027,756
Share of net profit of associates and joint ventures	6	262,677	312,846	201,915	240,479	676,459	804,552	519,982	618,445
Financial income	21	4,112,158	6,758,972	3,160,942	5,195,500	12,797,135	15,633,046	9,836,926	12,016,840
Financial expense	21	2,903,717	6,101,555	2,232,035	4,690,156	10,104,258	14,265,852	7,766,960	10,965,904
<b>Profit before income tax</b>		<b>3,942,601</b>	<b>11,854,958</b>	<b>3,030,607</b>	<b>9,112,692</b>	<b>7,481,976</b>	<b>41,385,556</b>	<b>5,751,260</b>	<b>31,812,329</b>
Income tax expense (benefit)	22	(1,901,570)	2,465,760	(1,461,702)	1,895,385	(1,660,366)	9,572,925	(1,276,293)	7,358,534
<b>Profit for the period</b>		<b>5,844,171</b>	<b>9,389,198</b>	<b>4,492,309</b>	<b>7,217,307</b>	<b>9,142,342</b>	<b>31,812,631</b>	<b>7,027,553</b>	<b>24,453,795</b>
<b>Profit attributable to:</b>									
Owners of the parent company		5,501,304	9,143,900	4,228,753	7,028,751	8,449,574	31,227,509	6,495,035	24,004,022
Non-controlling interests		342,867	245,298	263,556	188,556	692,768	585,122	532,518	449,773
Earnings per share (in Korean Won, in US dollars)	23								
- Basic		810	1,346	0.62	1.03	1,244	4,597	0.96	3.53
- Diluted		810	1,346	0.62	1.03	1,244	4,597	0.96	3.53

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



Samsung Electronics Co., Ltd. and its subsidiaries

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

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

	Notes	For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
		2023	2022	2023	2022	2023	2022	2023	2022
		KRW	KRW	USD	USD	KRW	KRW	USD	USD
<b>Profit for the period</b>		<b>5,844,171</b>	<b>9,389,198</b>	<b>4,492,309</b>	<b>7,217,307</b>	<b>9,142,342</b>	<b>31,812,631</b>	<b>7,027,553</b>	<b>24,453,795</b>
<b>Other comprehensive income</b>									
<b>Items that will not be reclassified subsequently to profit or loss:</b>									
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	(326,750)	(359,582)	(251,167)	(276,404)	1,144,740	(2,159,526)	879,941	(1,659,988)
Share of other comprehensive gain (loss) of associates and joint ventures, net of tax	17	3,617	(25,788)	2,780	(19,823)	26,314	(37,663)	20,227	(28,952)
Remeasurement of net defined benefit liabilities (assets), net of tax	17	(39,469)	(34,172)	(30,339)	(26,267)	(390,020)	(131,541)	(299,802)	(101,113)
<b>Items that may be reclassified subsequently to profit or loss:</b>									
Share of other comprehensive income of associates and joint ventures, net of tax	17	34,057	173,955	26,179	133,716	119,485	208,801	91,846	160,502
Foreign currency translation difference for foreign operations, net of tax	17	1,914,792	10,316,906	1,471,866	7,930,419	6,568,676	17,673,153	5,049,223	13,585,033
Gain (loss) on valuation of cash flow hedge derivatives	17	(13,386)	(7,023)	(10,290)	(5,399)	(578)	886	(444)	681
<b>Other comprehensive income for the period, net of tax</b>		<b>1,572,861</b>	<b>10,064,296</b>	<b>1,209,029</b>	<b>7,736,242</b>	<b>7,468,617</b>	<b>15,554,110</b>	<b>5,740,991</b>	<b>11,956,163</b>
<b>Total comprehensive income for the period</b>		<b>7,417,032</b>	<b>19,453,494</b>	<b>5,701,338</b>	<b>14,953,549</b>	<b>16,610,959</b>	<b>47,366,741</b>	<b>12,768,544</b>	<b>36,409,958</b>
<b>Comprehensive income attributable to:</b>									
Owners of the parent company		7,089,926	19,091,717	5,449,898	14,675,458	15,851,327	46,589,763	12,184,629	35,812,709
Non-controlling interests		327,106	361,777	251,440	278,091	759,632	776,978	583,915	597,249

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the nine-month period ended September 30, 2022	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
<b>Balance as of January 1, 2022</b>		<b>119,467</b>	<b>778,047</b>	<b>4,403,893</b>	<b>293,064,763</b>	<b>(2,128,473)</b>	<b>296,237,697</b>	<b>8,662,234</b>	<b>304,899,931</b>
Profit for the period		-	-	-	31,227,509	-	31,227,509	585,122	31,812,631
Loss on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	(44,716)	(2,093,934)	(2,138,650)	(20,876)	(2,159,526)
Share of other comprehensive income of associates and joint ventures, net of tax	17	-	-	-	-	170,037	170,037	1,101	171,138
Foreign currency translation difference for foreign operations, net of tax	17	-	-	-	-	17,461,541	17,461,541	211,612	17,673,153
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(131,560)	(131,560)	19	(131,541)
Gain on valuation of cash flow hedge derivatives	17	-	-	-	-	886	886	-	886
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>31,182,793</b>	<b>15,406,970</b>	<b>46,589,763</b>	<b>776,978</b>	<b>47,366,741</b>
Dividends declared		-	-	-	(7,357,284)	-	(7,357,284)	(2,200)	(7,359,484)
Capital transactions under common control		-	-	-	-	-	-	(973)	(973)
Changes in consolidated entities		-	-	-	-	-	-	150	150
Other		-	-	-	-	-	-	524	524
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,357,284)</b>	<b>-</b>	<b>(7,357,284)</b>	<b>(2,499)</b>	<b>(7,359,783)</b>
<b>Balance as of September 30, 2022</b>		<b>119,467</b>	<b>778,047</b>	<b>4,403,893</b>	<b>316,890,272</b>	<b>13,278,497</b>	<b>335,470,176</b>	<b>9,436,713</b>	<b>344,906,889</b>

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.3))

For the nine-month period ended September 30, 2022	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
<b>Balance as of January 1, 2022</b>		91,832	598,071	3,385,193	225,273,588	(1,636,119)	227,712,565	6,658,503	234,371,068
Profit for the period		-	-	-	24,004,022	-	24,004,022	449,773	24,453,795
Loss on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	(34,372)	(1,609,569)	(1,643,941)	(16,047)	(1,659,988)
Share of other comprehensive income of associates and joint ventures, net of tax	17	-	-	-	-	130,704	130,704	846	131,550
Foreign currency translation difference for foreign operations, net of tax	17	-	-	-	-	13,422,371	13,422,371	162,662	13,585,033
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(101,128)	(101,128)	15	(101,113)
Gain on valuation of cash flow hedge derivatives	17	-	-	-	-	681	681	-	681
<b>Total comprehensive income for the period</b>		-	-	-	23,969,650	11,843,059	35,812,709	597,249	36,409,958
Dividends declared		-	-	-	(5,655,411)	-	(5,655,411)	(1,691)	(5,657,102)
Capital transactions under common control		-	-	-	-	-	-	(748)	(748)
Changes in consolidated entities		-	-	-	-	-	-	115	115
Others		-	-	-	-	-	-	403	403
<b>Total transactions with owners</b>		-	-	-	(5,655,411)	-	(5,655,411)	(1,921)	(5,657,332)
<b>Balance as of September 30, 2022</b>		91,832	598,071	3,385,193	243,587,827	10,206,940	257,869,863	7,253,831	265,123,694

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

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the nine-month period ended September 30, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
<b>Balance as of January 1, 2023</b>		119,467	778,047	4,403,893	337,946,407	1,938,328	345,186,142	9,563,462	354,749,604
Profit for the period		-	-	-	8,449,574	-	8,449,574	692,768	9,142,342
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	3,086,721	(1,952,180)	1,134,541	10,199	1,144,740
Share of other comprehensive income of associates and joint ventures, net of tax	17	-	-	-	-	143,912	143,912	1,887	145,799
Foreign currency translation difference for foreign operations, net of tax	17	-	-	-	-	6,513,750	6,513,750	54,926	6,568,676
Remeasurement of net defined benefit assets, net of tax	17	-	-	-	-	(389,872)	(389,872)	(148)	(390,020)
Loss on valuation of cash flow hedge derivatives	17	-	-	-	-	(578)	(578)	-	(578)
<b>Total comprehensive income for the period</b>		-	-	-	11,536,295	4,315,032	15,851,327	759,632	16,610,959
Dividends declared		-	-	-	(7,357,283)	-	(7,357,283)	(101,939)	(7,459,222)
Capital transactions under common control		-	-	-	-	-	-	(9,439)	(9,439)
Changes in consolidated entities		-	-	-	-	-	-	250	250
Others		-	-	-	-	-	-	491	491
<b>Total transactions with owners</b>		-	-	-	(7,357,283)	-	(7,357,283)	(110,637)	(7,467,920)
<b>Balance as of September 30, 2023</b>		119,467	778,047	4,403,893	342,125,419	6,253,360	353,680,186	10,212,457	363,892,643

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

Samsung Electronics Co., Ltd. and its subsidiaries

**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In thousands of US dollars (Note 2.3))

For the nine-month period ended September 30, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
<b>Balance as of January 1, 2023</b>		<b>91,832</b>	<b>598,071</b>	<b>3,385,193</b>	<b>259,773,296</b>	<b>1,489,958</b>	<b>265,338,350</b>	<b>7,351,259</b>	<b>272,689,609</b>
Profit for the period		-	-	-	6,495,035	-	6,495,035	532,518	7,027,553
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	17	-	-	-	2,372,707	(1,500,606)	872,101	7,840	879,941
Share of other comprehensive income of associates and joint ventures, net of tax	17	-	-	-	-	110,623	110,623	1,450	112,073
Foreign currency translation difference for foreign operations, net of tax	17	-	-	-	-	5,007,002	5,007,002	42,221	5,049,223
Remeasurement of net defined benefit liabilities (assets), net of tax	17	-	-	-	-	(299,688)	(299,688)	(114)	(299,802)
Loss on valuation of cash flow hedge derivatives	17	-	-	-	-	(444)	(444)	-	(444)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>8,867,742</b>	<b>3,316,887</b>	<b>12,184,629</b>	<b>583,915</b>	<b>12,768,544</b>
Dividends declared		-	-	-	(5,655,411)	-	(5,655,411)	(78,359)	(5,733,770)
Capital transactions under common control		-	-	-	-	-	-	(7,256)	(7,256)
Changes in consolidated entities		-	-	-	-	-	-	192	192
Others		-	-	-	-	-	-	382	382
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,655,411)</b>	<b>-</b>	<b>(5,655,411)</b>	<b>(85,041)</b>	<b>(5,740,452)</b>
<b>Balance as of September 30, 2023</b>		<b>91,832</b>	<b>598,071</b>	<b>3,385,193</b>	<b>262,985,627</b>	<b>4,806,845</b>	<b>271,867,568</b>	<b>7,850,133</b>	<b>279,717,701</b>

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, in thousands of US dollars (Note 2.3))

	Notes	For the nine-month period ended September 30,			
		2023	2022	2023	2022
		KRW	KRW	USD	USD
<b>Operating activities</b>					
Profit for the period		9,142,342	31,812,631	7,027,553	24,453,795
Adjustments	24	30,111,057	41,634,955	23,145,825	32,004,038
Changes in assets and liabilities arising from operating activities	24	(12,933,333)	(21,839,075)	(9,941,619)	(16,787,303)
<b>Cash generated from operations</b>		<b>26,320,066</b>	<b>51,608,511</b>	<b>20,231,759</b>	<b>39,670,530</b>
Interest received		3,771,363	1,229,543	2,898,979	945,127
Interest paid		(686,134)	(481,029)	(527,419)	(369,758)
Dividends received		61,552	489,967	47,314	376,629
Income tax paid		(5,274,649)	(9,278,546)	(4,054,528)	(7,132,252)
<b>Net cash from operating activities</b>		<b>24,192,198</b>	<b>43,568,446</b>	<b>18,596,105</b>	<b>33,490,276</b>
<b>Investing activities</b>					
Net decrease in short-term financial instruments		43,136,356	2,828,417	33,158,137	2,174,153
Net decrease in short-term financial assets at amortized cost		416,095	2,875,410	319,845	2,210,276
Net increase in short-term financial assets at fair value through profit or loss		(1,509)	(12,622)	(1,160)	(9,702)
Disposal of long-term financial instruments		4,564,561	6,896,413	3,508,696	5,301,148
Acquisition of long-term financial instruments		(534)	(4,394,020)	(410)	(3,377,604)
Disposal of financial assets at fair value through other comprehensive income		5,105,980	484,237	3,924,875	372,224
Acquisition of financial assets at fair value through other comprehensive income		(106,890)	(35,877)	(82,164)	(27,578)
Disposal of financial assets at fair value through profit or loss		44,404	162,816	34,133	125,154
Acquisition of financial assets at fair value through profit or loss		(101,842)	(107,186)	(78,284)	(82,392)
Disposal of investments in associates and joint ventures		24,517	13,233	18,846	10,172
Acquisition of investments in associates and joint ventures		(71,875)	(903,758)	(55,249)	(694,702)
Disposal of property, plant and equipment		68,377	190,522	52,560	146,451
Acquisition of property, plant and equipment		(42,398,379)	(32,471,328)	(32,590,868)	(24,960,123)
Disposal of intangible assets		11,253	23,462	8,650	18,035
Acquisition of intangible assets		(2,248,152)	(3,189,459)	(1,728,114)	(2,451,680)
Cash outflow from business combinations		-	(31,383)	-	(24,124)
Cash outflow from other investing activities		(843,076)	(281,704)	(648,057)	(216,541)
<b>Net cash from (used in) investing activities</b>		<b>7,599,286</b>	<b>(27,952,827)</b>	<b>5,841,436</b>	<b>(21,486,833)</b>

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**

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

	Notes	<b>For the nine-month period ended September 30,</b>			
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		KRW	KRW	USD	USD
<b>Financing activities</b>					
Net decrease in short-term borrowings		(702,893)	(6,233,550)	(540,301)	(4,791,617)
Increase in long-term borrowings		234,455	143,471	180,221	110,284
Repayment of debentures and long-term borrowings		(871,679)	(1,234,569)	(670,044)	(948,991)
Dividends paid		(7,369,130)	(7,359,304)	(5,664,517)	(5,656,964)
Net decrease in non-controlling interests		(9,190)	(803)	(7,064)	(618)
<b>Net cash used in financing activities</b>		<b>(8,718,437)</b>	<b>(14,684,755)</b>	<b>(6,701,705)</b>	<b>(11,287,906)</b>
Effect of foreign exchange rate changes		2,390,527	4,553,142	1,837,553	3,499,921
<b>Net increase in cash and cash equivalents</b>		<b>25,463,574</b>	<b>5,484,006</b>	<b>19,573,389</b>	<b>4,215,458</b>
<b>Cash and cash equivalents</b>					
Beginning of the period		49,680,710	39,031,415	38,188,664	30,002,743
<b>End of the period</b>		<b>75,144,284</b>	<b>44,515,421</b>	<b>57,762,053</b>	<b>34,218,201</b>

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

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2023 and December 31, 2022, and  
for the nine-month periods ended September 30, 2023 and 2022

#### 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 233 subsidiaries, including Samsung Display Co., Ltd. and Samsung Electronics America, Inc. The Company also applies the equity method of accounting for its 38 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

##### 1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of September 30, 2023 are as follows:

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

<sup>(\*)</sup> 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**

<b>Region</b>	<b>Subsidiaries</b>	<b>Industry</b>	<b>Percentage of ownership (%)<sup>(*)</sup></b>
	Samsung Electronica 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, S.A. de C.V. (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
America	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products, 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, R&D	100.0
	Harman Financial Group LLC	Management company	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, R&D	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**

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

<sup>(\*)</sup> 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**

<b>Region</b>	<b>Subsidiaries</b>	<b>Industry</b>	<b>Percentage of ownership (%)<sup>(*)</sup></b>
	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, 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, R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Connected Services AB.	Connected service provider	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Connected Services UK Ltd.	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
	Harman Deutschland GmbH	Sale of audio products	100.0
Europe/CIS	Harman Finance International GP S.a.r.l	Management of overseas subsidiaries	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, R&D	100.0
	Harman International Romania SRL	R&D	100.0
	Harman Finance International, SCA	Financing company	100.0
	Harman Management GmbH	Management of overseas subsidiaries	100.0
	Harman Professional Kft	Manufacture of audio products, R&D	100.0
	Harman Professional Denmark ApS	Sale of audio products, R&D	100.0
	Red Bend Software S.A.S	Software design	100.0
	Studer Professional Audio GmbH	Sale of audio products, R&D	100.0
	Harman Connected Services OOO	Connected service provider	100.0
	Harman RUS CIS LLC	Sale of audio products	100.0

<sup>(\*)</sup> 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**

<b>Region</b>	<b>Subsidiaries</b>	<b>Industry</b>	<b>Percentage of ownership (%)<sup>(*)</sup></b>
	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
Middle East & Africa	Samsung Electronics Saudi Arabia Ltd. (SESAR)	Sale of electronic devices	100.0
	Samsung Semiconductor Israel R&D Center, Ltd. (SIRC)	R&D	100.0
	Corephotonics Ltd.	R&D	100.0
	Samsung Electronics South Africa(Pty) Ltd. (SSA)	Sale of electronic devices	100.0
	Samsung Electronics South Africa Production (Pty) Ltd. (SSAP)	Manufacture of TV and monitors	100.0
	Samsung Electronics West Africa Ltd. (SEWA)	Marketing	100.0
	Samsung Electronics East Africa Ltd. (SEEA)	Marketing	100.0
	Global Symphony Technology Group Private Ltd.	Management of overseas subsidiaries	100.0
	Harman Connected Services Morocco	Connected service provider	100.0
	Harman Industries Holdings Mauritius Ltd.	Management of overseas subsidiaries	100.0
	Red Bend Ltd.	Manufacture of audio products	100.0
	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
	DOWOINSYS VINA COMPANY LIMITED	Manufacture of display components	100.0
Asia (Excluding China)	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

<sup>(\*)</sup> 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**

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

<sup>(\*)</sup> 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**

<b>Region</b>	<b>Subsidiaries</b>	<b>Industry</b>	<b>Percentage of ownership (%)<sup>(*)</sup></b>
	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of display 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
	Dowoinsys Co., Ltd.	Manufacture of display components	69.0
	Gf-System Co., Ltd.	Manufacture of display components	100.0
	Harman International Korea	Software development and supply	100.0
	Samsung Venture Capital Union #21	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #26	Technology business, Venture capital investments	99.0
Domestic	Samsung Venture Capital Union #28	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #29	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #32	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #33	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #37	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #40	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #42	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #43	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #45	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #48	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #52	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #55	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #56	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #57	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #62	Technology business, Venture capital investments	99.0
	Growth type private equity trust specialized in semiconductors	Investment on semiconductor industry	66.7
	System LSI Mutual benefit private equity trust	Investment on semiconductor industry	62.5
	Semiconductor Ecosystem private equity trust	Investment on semiconductor industry	66.7

<sup>(\*)</sup> 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**

**1.3 Summary of Financial Data of Major Consolidated Subsidiaries**

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

(1) 2023

<i>(In millions of Korean won)</i>	September 30, 2023					
	As of September 30, 2023		For the three-month period ended		For the nine-month period ended	
<b>Major subsidiaries<sup>(*1)</sup></b>	<b>Assets</b>	<b>Liabilities</b>	<b>Sales</b>	<b>Profit (loss)</b>	<b>Sales</b>	<b>Profit (loss)</b>
Samsung Display Co., Ltd.	65,661,187	9,078,807	7,427,496	4,090,757	18,462,908	6,495,536
Samsung Electronics America, Inc. (SEA)	40,047,703	12,794,965	10,216,410	(273,767)	30,193,962	21,005
Samsung Asia Pte. Ltd. (SAPL)	20,083,586	250,086	-	4,109,008	-	11,075,857
Harman and its subsidiaries <sup>(*2)</sup>	18,348,777	6,442,861	3,791,817	320,808	10,443,291	606,707
Samsung (China) Semiconductor Co., Ltd. (SCS)	15,912,171	833,393	1,890,492	205,634	6,901,659	736,368
Samsung Austin Semiconductor LLC. (SAS)	14,362,003	5,098,373	1,080,710	8,389	3,172,155	260,833
Samsung Electronics Vietnam THANGUYEN Co., Ltd. (SEVT)	14,025,240	2,952,097	8,761,281	1,180,774	24,108,238	2,347,215
Samsung Semiconductor, Inc. (SSI)	12,274,733	5,324,411	6,241,452	99,630	16,318,423	282,091
Samsung (CHINA) Investment Co., Ltd. (SCIC)	10,352,788	8,941,898	922,821	(28,228)	2,497,085	149,741
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,174,678	4,266,691	-	32,306	-	64,391
Samsung Display Vietnam Co., Ltd. (SDV)	8,794,437	2,790,114	6,689,888	514,812	16,903,470	1,085,346
Samsung India Electronics Private Ltd. (SIEL)	8,521,472	4,163,287	4,460,246	399,072	11,773,610	967,435
Samsung Electronics Vietnam Co., Ltd. (SEV)	8,412,284	1,876,079	6,016,323	711,676	16,050,234	1,621,889
Samsung Electronica da Amazonia Ltda. (SEDA)	5,424,419	1,523,607	1,864,916	58,195	5,519,363	222,840
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,198,197	843,240	1,642,747	67,493	4,738,599	419,734
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	3,622,874	2,971,623	3,470,620	57,582	10,059,823	172,515
Samsung International, Inc. (SII)	3,327,515	1,022,173	2,060,157	102,369	5,728,487	871,140
Thai Samsung Electronics Co., Ltd. (TSE)	3,002,988	575,616	1,100,817	36,409	3,503,091	222,348
Samsung Electronics (UK) Ltd. (SEUK)	2,818,629	2,016,484	1,480,770	(15,082)	4,331,645	57,282
Samsung Electronics Europe Logistics B.V. (SELS)	2,773,063	2,206,048	3,884,218	150,578	11,929,548	377,341
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,474,051	1,410,031	959,167	6,318	2,711,330	89,370
Samsung Display Dongguan Co., Ltd. (SDD)	2,222,430	1,794,745	426,892	24,497	1,184,659	87,002
Samsung Electronics Taiwan Co., Ltd. (SET)	2,039,762	1,431,768	1,054,741	8,202	2,934,200	9,655
SEMES Co., Ltd.	2,002,407	500,223	413,797	(42,157)	1,823,533	40,800
Samsung Electronics GmbH (SEG)	1,960,970	1,923,049	1,528,115	(84,348)	4,577,315	(29,366)

<sup>(\*1)</sup> Summary of financial information is based on separate financial statements of each subsidiary.

<sup>(\*2)</sup> Consolidated financial data of an intermediate company, Harman International Industries, Inc., and its subsidiaries.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(2) 2022

<i>(In millions of Korean won)</i>	September 30, 2022					
	As of December 31, 2022		For the three-month period ended		For the nine-month period ended	
	Assets	Liabilities	Sales	Profit (loss)	Sales	Profit (loss)
<b>Major subsidiaries<sup>(*)</sup></b>						
Samsung Display Co., Ltd.	57,302,567	7,282,718	8,213,859	1,398,412	22,160,710	3,216,249
Samsung Electronics America, Inc. (SEA)	37,883,156	12,258,315	12,359,183	45,974	36,033,127	317,060
Samsung Asia Pte. Ltd. (SAPL)	26,894,611	2,678,285	-	2,758,915	-	5,275,829
Harman and its subsidiaries <sup>(*)</sup>	17,102,324	6,380,456	3,624,938	254,602	9,273,731	380,630
Samsung (China) Semiconductor Co., Ltd. (SCS)	17,095,000	2,970,835	2,434,290	198,987	7,303,614	520,629
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	15,718,299	2,358,140	8,892,158	601,054	29,444,969	2,535,630
Samsung (CHINA) Investment Co., Ltd. (SCIC)	13,830,988	9,764,636	704,105	(63,639)	2,066,037	(31)
Samsung Semiconductor, Inc. (SSI)	12,199,102	5,930,369	10,682,867	(34,109)	34,335,965	41,636
Samsung Electronics Vietnam Co., Ltd. (SEV)	10,931,037	1,408,387	7,071,355	513,103	18,811,037	1,441,477
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	10,841,515	6,272,800	-	13,474	-	41,956
Samsung Austin Semiconductor LLC. (SAS)	9,301,017	828,494	957,429	110,611	2,582,724	96,022
Samsung Display Vietnam Co., Ltd. (SDV)	7,471,680	1,608,448	7,681,966	502,426	18,496,759	690,117
Samsung India Electronics Private Ltd. (SIEL)	6,772,537	3,571,863	4,840,661	120,690	12,529,590	437,873
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	5,067,891	2,858,382	4,001,284	116,542	17,056,067	254,800
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,600,508	1,342,517	1,788,054	91,800	5,678,854	160,490
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	3,732,057	980,448	1,399,640	61,987	4,954,535	389,295
Thai Samsung Electronics Co., Ltd. (TSE)	3,263,473	486,820	1,053,853	(18,265)	3,765,015	(12,579)
Samsung Electronics (UK) Ltd. (SEUK)	2,819,792	1,708,064	1,457,404	95,167	4,338,915	90,062
Samsung Electronics Benelux B.V. (SEBN)	2,377,730	597,044	660,674	16,534	2,081,001	9,873
Samsung Electronics Hungarian Private Co. Ltd. (SEH)	2,374,317	452,628	805,902	54,909	3,011,803	178,411
Samsung Electronics Europe Logistics B.V. (SELS)	2,194,975	2,021,491	3,115,212	(516,899)	11,377,395	(216,672)
Samsung Display Dongguan Co., Ltd. (SDD)	2,135,132	265,835	353,178	3,011	1,948,930	86,559
SEMES Co., Ltd.	2,065,558	602,323	587,109	18,931	2,053,426	147,832
Samsung Electronics GmbH (SEG)	1,968,273	1,907,132	1,578,812	69,421	4,765,111	(63,753)
Samsung Electronics Mexico S.A. De C.V. (SEM)	1,816,895	996,002	804,084	11,334	2,360,402	63,903

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

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



**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**1.4 Changes in Consolidation Scope**

Changes in consolidation scope during the nine-month period ended September 30, 2023 are as follows:

Change	Region	Subsidiary	Description
Included	Domestic	Samsung Venture Capital Union #62	Establishment
		Semiconductor Ecosystem private equity trust	Establishment
	America	Samsung Federal, Inc. (SFI)	Establishment
		Emerald Intermediate, Inc.	Establishment
		Emerald Merger Sub, Inc.	Establishment
Excluded	America	Dacor Holdings, Inc.	Merger
		Dacor, Inc.	Merger
	Europe / CIS	Red Bend Software Ltd.	Liquidation
		Harman Automotive UK Limited	Liquidation

**2. Material Accounting Policies**

**2.1 Basis of Presentation**

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

The interim consolidated financial statements for the nine-month period ended September 30, 2023 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 September 30, 2023.

(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, 2023:

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

The amendments require companies to define and disclose their 'material' accounting policy information instead of its 'significant' accounting policies. The amendments explain how an entity can identify material accounting policy information. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

Amendments to Korean IFRS 1008, *Accounting Policies, Changes in Accounting Estimates and Errors*

The amendments clarify the definition of a change in accounting estimates and specify how to distinguish it from a change in accounting policies. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

Amendments to Korean IFRS 1012, *Income Taxes*

The amendments add to the initial recognition exemption that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The amended accounting standard issued that is not yet effective for the annual reporting period commencing January 1, 2023 and has not been early adopted by the Company is as follows:

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

The amendments to Korean-IFRS 1001 clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also introduce a definition of settlement to make clear that settlement includes the transfer to the counterparty of the entity's own equity instruments, however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted.

#### **2.2 Accounting Policies**

Accounting policies and method of computation used in the preparation of the interim consolidated financial statements are consistent with those of the annual financial statements for the year ended December 31, 2022, 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. 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 ₩ 1,300.9 to \$1, the average exchange rate for the nine-month period ended September 30, 2023. 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, 2022, 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**

**3. Financial Instruments by Category**

(A) Categorizations of financial assets and liabilities as of September 30, 2023 and December 31, 2022 are as follows:

(1) As of September 30, 2023

<i>(In millions of Korean won)</i>	<b>Financial assets measured at amortized cost</b>	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>Financial assets measured at fair value through profit or loss</b>	<b>Other financial assets<sup>(*)</sup></b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	75,144,284	-	-	-	75,144,284
Short-term financial instruments	17,927,266	-	-	-	17,927,266
Short-term financial assets at amortized cost	-	-	-	-	-
Short-term financial assets at fair value through profit or loss	-	-	31,340	-	31,340
Trade receivables	43,405,955	-	-	-	43,405,955
Financial assets at fair value through other comprehensive income	-	8,847,905	-	-	8,847,905
Financial assets at fair value through profit or loss	-	-	1,513,696	-	1,513,696
Other	10,681,724	-	706,440	64,449	11,452,613
<b>Total</b>	<b>147,159,229</b>	<b>8,847,905</b>	<b>2,251,476</b>	<b>64,449</b>	<b>158,323,059</b>

<sup>(\*)</sup> Other financial assets include derivatives designated as hedging instruments which are not subject to categorizations.

<i>(In millions of Korean won)</i>	<b>Financial liabilities measured at amortized cost</b>	<b>Financial liabilities measured at fair value through profit or loss</b>	<b>Other financial liabilities<sup>(*)</sup></b>	<b>Total</b>
<b>Financial liabilities</b>				
Trade payables	13,157,077	-	-	13,157,077
Short-term borrowings	361,873	-	3,980,310	4,342,183
Other payables	12,338,596	-	-	12,338,596
Current portion of long-term liabilities	281,801	-	993,468	1,275,269
Debentures	567,683	-	-	567,683
Long-term borrowings	34,396	-	3,830,507	3,864,903
Long-term other payables	4,994,752	-	-	4,994,752
Other	11,038,163	273,209	23,454	11,334,826
<b>Total</b>	<b>42,774,341</b>	<b>273,209</b>	<b>8,827,739</b>	<b>51,875,289</b>

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(2) As of December 31, 2022

<i>(In millions of Korean won)</i>	<b>Financial assets measured at amortized cost</b>	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>Financial assets measured at fair value through profit or loss</b>	<b>Other financial assets<sup>(*)</sup></b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	49,680,710	-	-	-	49,680,710
Short-term financial instruments	65,102,886	-	-	-	65,102,886
Short-term financial assets at amortized cost	414,610	-	-	-	414,610
Short-term financial assets at fair value through profit or loss	-	-	29,080	-	29,080
Trade receivables	35,721,563	-	-	-	35,721,563
Financial assets at fair value through other comprehensive income	-	11,397,012	-	-	11,397,012
Financial assets at fair value through profit or loss	-	-	1,405,468	-	1,405,468
Other	9,945,209	-	334,263	61,404	10,340,876
<b>Total</b>	160,864,978	11,397,012	1,768,811	61,404	174,092,205

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

<i>(In millions of Korean won)</i>	<b>Financial liabilities measured at amortized cost</b>	<b>Financial liabilities measured at fair value through profit or loss</b>	<b>Other financial liabilities<sup>(*)</sup></b>	<b>Total</b>
<b>Financial liabilities</b>				
Trade payables	10,644,686	-	-	10,644,686
Short-term borrowings	1,577,958	-	3,569,357	5,147,315
Other payables	16,328,237	-	-	16,328,237
Current portion of long-term liabilities	215,143	-	874,019	1,089,162
Debentures	536,093	-	-	536,093
Long-term borrowings	33,846	-	3,526,826	3,560,672
Long-term other payables	2,289,236	-	-	2,289,236
Others	12,047,761	334,415	27,353	12,409,529
<b>Total</b>	43,672,960	334,415	7,997,555	52,004,930

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**4. Financial Assets at Fair Value**

(A) Details of financial assets at fair value as of September 30, 2023 and December 31, 2022 are as follows:

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Non-current		
Equity instruments	8,847,905	11,397,012

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Current		
Debt instruments	31,340	29,080
Non-current		
Equity instruments	849,931	773,063
Debt instruments	663,765	632,405
Subtotal	1,513,696	1,405,468
<b>Total</b>	<b>1,545,036</b>	<b>1,434,548</b>

(B) Details of listed equity securities of financial assets at fair value as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>			<b>December 31, 2022</b>	
	<b>Number of shares owned</b>	<b>Percentage of ownership<sup>(*)</sup> (%)</b>	<b>Acquisition cost</b>	<b>Carrying amount (Market value)</b>	<b>Carrying amount (Market value)</b>
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	1,050,774	684,879
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	169,800	166,592
iMarketKorea Inc.	647,320	1.9	324	5,735	6,538
SFA Engineering Corporation	2,100,000	5.8	22,050	66,570	132,642
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	11,224	11,945
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	118,460	91,621
ASML Holding N.V	1,580,407	0.4	91,097	1,256,240	4,287,121
Wacom Co., Ltd.	8,398,400	5.3	62,013	44,933	46,750
Corning Incorporated	80,000,000	9.4	3,980,636	3,278,084	3,238,205
Other			607,643	932,724	855,452
<b>Total</b>			<b>5,773,127</b>	<b>6,934,544</b>	<b>9,521,745</b>

(\*) 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**

**5. Inventories**

Inventories as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023			December 31, 2022		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Finished goods	19,115,243	(2,108,729)	17,006,514	17,526,178	(1,493,952)	16,032,226
Work in process	27,165,172	(4,278,935)	22,886,237	21,612,965	(1,535,446)	20,077,519
Raw materials and supplies	15,044,237	(1,102,676)	13,941,561	16,268,974	(1,289,694)	14,979,280
Materials in transit	1,421,645	-	1,421,645	1,098,841	-	1,098,841
<b>Total</b>	<b>62,746,297</b>	<b>(7,490,340)</b>	<b>55,255,957</b>	<b>56,506,958</b>	<b>(4,319,092)</b>	<b>52,187,866</b>

**6. Investments in Associates and Joint Ventures**

(A) Changes in investments in associates and joint ventures for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Balance as of January 1	10,893,869	8,932,251
Acquisition	71,875	1,002,798
Disposal	(24,517)	(13,213)
Share of profit	676,459	804,552
Other <sup>(*)</sup>	16,067	126,386
<b>Balance as of September 30</b>	<b>11,633,753</b>	<b>10,852,774</b>

<sup>(\*)</sup> Other consists of dividends, impairment, and reclassification.

(B) Major investments in associates and joint ventures as of September 30, 2023 are as follows:

(1) Investments in associates

Investee	Nature of relationship	Percentage of ownership(%) <sup>(*)</sup>	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 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. <sup>(*)</sup>	Manufacture and supply electronics parts including secondary cell batteries	19.6	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

<sup>(\*)</sup> Ownership represents the Company's ownership of the total ordinary shares issued by each entity.

<sup>(\*)</sup> The Company's ownership of ordinary shares outstanding is 20.6%.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(2) Investments in joint ventures

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

<sup>(\*)</sup> Ownership represents the Company's ownership of the total ordinary shares issued by each entity.

(C) Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022 are as follows:

(1) Investments in associates

*(In millions of Korean won)*

<b>September 30, 2023</b>			
Investee	Acquisition cost	Net asset value of equity shares <sup>(*)</sup>	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	1,846,072	1,846,626
Samsung SDS Co., Ltd.	147,963	1,947,423	1,960,455
Samsung Biologics Co., Ltd.	1,424,358	2,979,837	2,984,395
Samsung SDI Co., Ltd.	1,242,605	3,678,186	2,912,438
Cheil Worldwide, Inc.	506,162	369,807	670,307
Other	692,613	815,164	1,053,298
<b>Total</b>	<b>4,372,938</b>	<b>11,636,489</b>	<b>11,427,519</b>

<sup>(\*)</sup> The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

*(In millions of Korean won)*

<b>December 31, 2022</b>			
Investee	Acquisition cost	Net asset value of equity shares <sup>(*)</sup>	Carrying amount
Samsung Electro-Mechanics Co., Ltd.	359,237	1,765,507	1,764,249
Samsung SDS Co., Ltd.	147,963	1,857,481	1,870,338
Samsung Biologics Co., Ltd.	1,424,358	2,804,547	2,808,673
Samsung SDI Co., Ltd.	1,242,605	3,318,875	2,691,223
Cheil Worldwide, Inc.	506,162	347,510	649,161
Other	645,255	718,801	907,333
<b>Total</b>	<b>4,325,580</b>	<b>10,812,721</b>	<b>10,690,977</b>

<sup>(\*)</sup> 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**

(2) Investments in joint ventures

<i>(In millions of Korean won)</i>		<b>September 30, 2023</b>	
<b>Investee</b>	<b>Acquisition cost</b>	<b>Net asset value of equity shares <sup>(*)</sup></b>	<b>Carrying amount</b>
Samsung Corning Advanced Glass LLC	215,000	135,823	135,841
Other	259,994	71,522	70,393
<b>Total</b>	<b>474,994</b>	<b>207,345</b>	<b>206,234</b>

(\*) 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>		<b>December 31, 2022</b>	
<b>Investee</b>	<b>Acquisition cost</b>	<b>Net asset value of equity shares <sup>(*)</sup></b>	<b>Carrying amount</b>
Samsung Corning Advanced Glass LLC	215,000	137,727	137,745
Other	259,994	67,632	65,147
<b>Total</b>	<b>474,994</b>	<b>205,359</b>	<b>202,892</b>

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

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

(1) For the nine-month period ended September 30, 2023

<i>(In millions of Korean won)</i>	<b>Balance as of January 1</b>	<b>Share of profit (loss)</b>	<b>Share of other comprehensive income (loss)</b>	<b>Other<sup>(*)</sup></b>	<b>Balance as of September 30</b>
Samsung Electro-Mechanics Co., Ltd.	1,764,249	93,372	26,161	(37,156)	1,846,626
Samsung SDS Co., Ltd.	1,870,338	124,751	21,276	(55,910)	1,960,455
Samsung Biologics Co., Ltd.	2,808,673	177,431	(1,709)	-	2,984,395
Samsung SDI Co., Ltd.	2,691,223	179,930	55,152	(13,867)	2,912,438
Cheil Worldwide, Inc.	649,161	48,624	5,916	(33,394)	670,307
Samsung Corning Advanced Glass LLC	137,745	(1,904)	-	-	135,841
Other	972,480	54,255	39,003	57,953	1,123,691
<b>Total</b>	<b>10,893,869</b>	<b>676,459</b>	<b>145,799</b>	<b>(82,374)</b>	<b>11,633,753</b>

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



**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(2) For the nine-month period ended September 30, 2022

<i>(In millions of Korean won)</i>	<b>Balance as of January 1</b>	<b>Share of profit</b>	<b>Share of other comprehensive income (loss)</b>	<b>Other<sup>(*)</sup></b>	<b>Balance as of September 30</b>
Samsung Electro-Mechanics Co., Ltd.	1,556,386	209,207	56,776	(37,156)	1,785,213
Samsung SDS Co., Ltd.	1,652,155	187,413	61,890	(41,933)	1,859,525
Samsung Biologics Co., Ltd.	1,577,664	135,156	(1,585)	981,164	2,692,399
Samsung SDI Co., Ltd.	2,529,650	162,798	46,076	(13,462)	2,725,062
Cheil Worldwide, Inc.	621,292	48,433	19,964	(28,747)	660,942
Samsung Corning Advanced Glass LLC	135,580	3,707	-	-	139,287
Other	859,524	57,838	(11,983)	84,967	990,346
<b>Total</b>	<b>8,932,251</b>	<b>804,552</b>	<b>171,138</b>	<b>944,833</b>	<b>10,852,774</b>

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

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

(1) Summary of financial information of major associates and dividends received from associates as of September 30, 2023 and December 31, 2022, and for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>				
	<b>Samsung Electro- Mechanics Co., Ltd.</b>	<b>Samsung SDS Co., Ltd.</b>	<b>Samsung Biologics Co., Ltd.</b>	<b>Samsung SDI Co., Ltd.</b>	<b>Cheil Worldwide, Inc.</b>
<b>1. Condensed financial information</b>					
<b>Condensed statements of financial position :</b>					
Current assets	5,133,897	8,083,685	5,426,433	9,879,255	2,242,564
Non-current assets	6,362,165	4,034,830	10,461,238	23,667,504	550,944
Current liabilities	2,809,948	2,212,675	4,107,626	9,091,773	1,295,483
Non-current liabilities	622,810	972,685	2,234,024	5,230,970	196,353
Non-controlling interests	180,810	311,785	-	953,501	11,839
<b>Condensed statements of comprehensive income:</b>					
Revenue	6,603,526	9,899,748	2,621,080	17,143,535	2,991,311
Profit from continuing operations, net of tax <sup>(*)</sup>	402,432	551,507	567,008	1,512,989	169,611
Other comprehensive income (loss) <sup>(*)</sup>	127,738	94,190	(5,462)	340,547	24,651
Total comprehensive income <sup>(*)</sup>	530,170	645,697	561,546	1,853,536	194,262
<b>2. Dividends from associates</b>					
Dividends	37,155	55,911	-	13,867	33,394

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

	2022				
<i>(In millions of Korean won)</i>	<b>Samsung Electro- Mechanics Co., Ltd.</b>	<b>Samsung SDS Co., Ltd.</b>	<b>Samsung Biologics Co., Ltd.</b>	<b>Samsung SDI Co., Ltd.</b>	<b>Cheil Worldwide, Inc.</b>
<b>1. Condensed financial information</b>					
<b>Condensed statements of financial position:</b>					
Current assets	4,888,319	8,005,764	6,457,657	9,651,702	2,193,979
Non-current assets	6,108,852	3,946,660	10,124,394	20,605,823	557,466
Current liabilities	2,525,123	2,493,323	4,181,542	8,006,939	1,335,643
Non-current liabilities	778,563	992,132	3,416,034	5,033,084	194,373
Non-controlling interests	154,991	243,777	-	731,779	9,388
<b>Condensed statements of comprehensive income:</b>					
Revenue	7,472,847	12,984,754	2,035,768	14,158,161	3,049,036
Profit from continuing operations, net of tax <sup>(*)</sup>	872,836	855,889	428,147	1,350,834	168,926
Other comprehensive income <sup>(*)</sup>	250,317	273,990	3,028	352,074	69,117
<b>Total comprehensive income<sup>(*)</sup></b>	<b>1,123,153</b>	<b>1,129,879</b>	<b>431,175</b>	<b>1,702,908</b>	<b>238,043</b>
<b>2. Dividends from associates</b>					
Dividends	37,155	41,933	-	13,463	28,748

<sup>(\*)</sup> Profit attributable to owners of the investee.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

- (2) Summary of financial information of major joint ventures and dividends received from joint ventures as of September 30, 2023 and December 31, 2022, and for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>Samsung Corning Advanced Glass, LLC</b>	
	<b>2023</b>	<b>2022</b>
<b>Condensed financial information</b>		
<b>Condensed statements of financial position:</b>		
Current assets	111,979	170,103
Non-current assets	185,884	125,507
Current liabilities	24,303	19,794
Non-current liabilities	1,915	363
<b>Condensed statements of comprehensive income:</b>		
Revenue	80,203	103,470
Profit (loss) from continuing operations, net of tax	(3,808)	7,414
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(3,808)</b>	<b>7,414</b>
<b>Dividends from joint ventures</b>		
Dividends	-	-

- (3) Profit (loss) attributable to owners of the parent company from associates and joint ventures which are not individually material for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>		<b>2022</b>	
	<b>Associates</b>	<b>Joint ventures</b>	<b>Associates</b>	<b>Joint ventures</b>
Profit from continuing operations	52,375	1,880	56,407	1,431
Other comprehensive income (loss)	39,244	(241)	(13,944)	1,961
<b>Total comprehensive income</b>	<b>91,619</b>	<b>1,639</b>	<b>42,463</b>	<b>3,392</b>

- (F) Details of marketable investments in associates as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won and number of shares)</i>	<b>September 30, 2023</b>		<b>December 31, 2022</b>
	<b>Number of shares held</b>	<b>Market value</b>	<b>Market value</b>
Samsung Electro-Mechanics Co., Ltd.	17,693,084	2,431,030	2,308,947
Samsung SDS Co., Ltd.	17,472,110	2,362,229	2,149,070
Samsung Biologics Co., Ltd.	22,217,309	15,129,987	18,240,411
Samsung SDI Co., Ltd.	13,462,673	6,892,889	7,956,440
Cheil Worldwide, Inc.	29,038,075	582,213	669,328

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### (G) Other matters

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

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

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

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**7. Property, Plant and Equipment**

(A) Changes in property, plant and equipment for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Balance as of January 1	168,045,388	149,928,539
Acquisition and capital expenditures	38,286,686	34,101,431
Depreciation	(26,469,065)	(27,108,961)
Disposals/scrap/impairment	(265,236)	(214,398)
Other <sup>(*)</sup>	1,208,190	3,636,957
<b>Balance as of September 30</b>	<b>180,805,963</b>	<b>160,343,568</b>

<sup>(\*)</sup> Other includes effects of changes in foreign currency exchange rates and effects of the offset of government grants.

(B) Details of depreciation of property, plant and equipment for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Cost of sales	23,577,699	24,386,804
Selling and administrative expenses and other	2,891,366	2,722,157
<b>Total</b>	<b>26,469,065</b>	<b>27,108,961</b>

(C) Right-of-use assets as of September 30, 2023 amount to ₩ 5,578,386 million (December 31, 2022: ₩ 4,917,609 million). During the nine-month periods ended September 30, 2023 and 2022, newly recognized right-of-use assets amount to ₩ 1,586,885 million and ₩ 1,138,231 million, respectively, with relevant depreciation of ₩ 902,719 million and ₩ 841,746 million, respectively.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**8. Intangible Assets**

(A) Changes in intangible assets for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Balance as of January 1	20,217,754	20,236,244
External acquisitions	4,695,885	2,278,401
Amortization	(2,363,112)	(2,349,640)
Disposals/scrap/impairment	(37,095)	(43,768)
Other <sup>(*)</sup>	623,568	1,363,620
<b>Balance as of September 30</b>	<b>23,137,000</b>	<b>21,484,857</b>

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

(B) Details of amortization of intangible assets for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Cost of sales	1,661,406	1,642,460
Selling and administrative expenses and other	701,706	707,180
<b>Total</b>	<b>2,363,112</b>	<b>2,349,640</b>

**9. Borrowings**

Details of the carrying amounts of borrowings as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>Financial institutions</b>	<b>Interest rates (%)</b>		
		<b>as of September 30,</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
		<b>2023</b>		
<b>Short-term borrowings</b>				
Collateralized borrowings <sup>(*)</sup>	Woori Bank and others	0.1~17.0	3,980,310	3,569,357
Non-collateralized borrowings	Citibank and others	0.1~62.2	361,873	1,577,958
<b>Total</b>			<b>4,342,183</b>	<b>5,147,315</b>
<b>Current portion of long-term borrowings</b>				
Bank borrowings	BNP and others	36.1~61.5	281,801	208,915
Lease liabilities <sup>(*)</sup>	CSSD and others	4.2	993,468	874,019
<b>Total</b>			<b>1,275,269</b>	<b>1,082,934</b>
<b>Long-term borrowings</b>				
Bank borrowings	Industrial Bank of Korea and others	2.2~7.1	34,396	33,846
Lease liabilities <sup>(*)</sup>	CSSD and others	4.2	3,830,507	3,526,826
<b>Total</b>			<b>3,864,903</b>	<b>3,560,672</b>

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

(\*) Interest expenses arising from the lease liabilities for the nine-month periods ended September 30, 2023 and 2022 amounted to ₩ 144,529 million and ₩ 95,694 million, respectively, which were determined using the weighted average incremental borrowing rate. The right-of-use assets are pledged as collateral to the lessor in the event of default.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**10. Debentures**

Details of the carrying amounts of debentures as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	Issue date	Due date	Interest rates (%)		December 31,	
			as of September 30, 2023	September 30, 2023	2022	2022
US dollar denominated straight bonds <sup>(*)</sup>	Oct. 2, 1997	Oct. 1, 2027	7.7	26,896 (US \$ 20 million)	31,683 (US \$ 25 million)	
US dollar denominated debentures <sup>(*)</sup>	May 11, 2015	May 15, 2025	4.2	537,920 (US \$ 400 million)	506,920 (US \$ 400 million)	
Less: Discounts				(427)	(543)	
Add: Premium				3,294	4,261	
Less: Current portion				-	(6,228)	
<b>Total</b>				<b>567,683</b>	<b>536,093</b>	

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

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

**11. Net Defined Benefit Liabilities (Assets)**

(A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023	December 31, 2022
Present value of funded defined benefit obligations	14,455,898	13,639,460
Present value of unfunded defined benefit obligations	280,533	370,848
<b>Subtotal</b>	<b>14,736,431</b>	<b>14,010,308</b>
Fair value of plan assets	(19,139,365)	(19,593,910)
<b>Net defined benefit assets</b>	<b>(4,402,934)</b>	<b>(5,583,602)</b>

(B) The components of defined benefit costs recognized in profit or loss for the nine-month periods ended September 30, 2023 and 2022 relating to defined benefit plans are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Current service cost	961,884	1,030,430
Net interest income	(263,823)	(73,583)
Past service cost	(609)	(116)
Other	14,414	2,580
<b>Total</b>	<b>711,866</b>	<b>959,311</b>

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

- (C) The expenses related to defined benefit plans recognized in the statements of profit or loss for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Cost of sales	281,444	409,956
Selling and administrative expenses and other	430,422	549,355
<b>Total</b>	<b>711,866</b>	<b>959,311</b>

**12. Provisions**

Changes in the provisions for the nine-month period ended September 30, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>Warranty (A)</b>	<b>Royalty expenses (B)</b>	<b>Long-term incentives (C)</b>	<b>Other (D, E)</b>	<b>Total</b>
Balance as of January 1	2,309,726	1,546,606	783,263	3,133,830	7,773,425
Charged to profit or loss	1,828,541	442,433	389,970	2,253,061	4,914,005
Payment	(1,684,846)	(277,454)	(259,241)	(913,653)	(3,135,194)
Other <sup>(*)</sup>	72,026	73,257	9,453	41,791	196,527
<b>Balance as of September 30</b>	<b>2,525,447</b>	<b>1,784,842</b>	<b>923,445</b>	<b>4,515,029</b>	<b>9,748,763</b>

<sup>(\*)</sup> 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 estimated losses from contracts associated with discontinued products.
- (E) The Company makes provisions for the emission in excess of the emission rights held by the Company. Details of emission rights and liabilities as of September 30, 2023 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 September 30, 2023 are as follows:

<i>(In ten thousand metric tons)</i>	<b>September 30, 2023</b>
Emission rights allocated free of charge	1,761
Estimated volume of emission	1,861

- (2) Changes in the emission rights for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Balance as of January 1	19,567	46,074
Increase	1,272	1,871
Utilization	(17,702)	(28,379)
<b>Balance as of September 30</b>	<b>3,137</b>	<b>19,566</b>



**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(3) Changes in emissions liabilities for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Balance as of January 1	32,838	45,049
Charged to profit or loss	(15,212)	16,246
Utilization	(17,491)	(28,378)
<b>Balance as of September 30</b>	<b>135</b>	<b>32,917</b>

**13. Commitments and Contingencies**

(A) Litigation

As of September 30, 2023, the Company is involved in various claims, disputes, and investigations conducted by regulatory bodies that arose during the normal course of business with numerous entities. Although the outflow of resources and timing of these matters are uncertain, the Company believes the outcome will not have a material impact on the financial position of the Company.

(B) Other Commitments

As of September 30, 2023, unfulfilled agreements relating to the acquisition of property, plant and equipment and intangible assets amount to ₩ 12,074,732 million.

**14. Contract Liabilities**

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Contract liabilities <sup>(*)</sup>	13,344,308	13,255,682

<sup>(\*)</sup> Contract liabilities are included in advances received, accrued expenses, other current liabilities and others.

**15. Share Capital**

As of September 30, 2023, the Company's total number of authorized shares is 25,000,000,000 shares (par value of ₩ 100 per share). As of September 30, 2022, the number of ordinary shares and preference shares outstanding is 5,969,782,550 and 822,886,700, respectively. No changes were made to the number of shares outstanding during the nine-month periods ended September 30, 2023 and 2022. Due to the retirement of shares, the total par value of the shares issued is ₩ 679,267 million (ordinary shares of ₩ 596,978 million and preference shares of ₩ 82,289 million), which does not agree with paid-in capital of ₩ 897,514 million.

**16. Retained Earnings**

(A) Retained earnings as of September 30, 2023 and December 31, 2022 consist of the following:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Discretionary reserve and other	208,026,544	192,294,496
Unappropriated retained earnings	134,098,875	145,651,911
<b>Total</b>	<b>342,125,419</b>	<b>337,946,407</b>

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(B) Details of interim dividends are as follows (Record date: March 31, June 30 and September 30, 2023 and 2022):

<i>(In millions of Korean won and number of shares)</i>		<b>2023</b>	<b>2022</b>	
1 <sup>st</sup> Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	<b>Total</b>		2,452,154	2,452,154
2 <sup>nd</sup> Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
	<b>Total</b>		2,452,154	2,452,154
3 <sup>rd</sup> Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference share	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference share	297,062	297,062
	<b>Total</b>		2,452,154	2,452,154

**17. Other Components of Equity**

Other components of equity as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Gain on valuation of financial assets at fair value through other comprehensive income	796,929	2,749,109
Share of other comprehensive income of associates and joint ventures	258,899	114,987
Foreign currency translation difference for foreign operations	7,552,947	1,039,197
Remeasurement of net defined benefit liabilities (assets)	(2,441,482)	(2,051,610)
Other	86,067	86,645
<b>Total</b>	6,253,360	1,938,328

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**18. Expenses by Nature**

Expenses by nature for the three and nine-month periods ended September 30, 2023 and 2022 consist of the following:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>		<b>September 30, 2022</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
Changes in finished goods, work in process, and other	(630,592)	(3,783,006)	(3,967,208)	(10,966,180)
Raw materials used, merchandise purchased, and other	26,445,655	74,832,914	30,179,496	87,110,903
Wages and salaries	6,920,360	22,911,999	7,609,761	22,870,748
Post-employment benefit	276,350	827,860	347,817	1,040,241
Depreciation	8,900,426	26,469,065	9,031,116	27,108,961
Amortization	786,661	2,363,112	806,611	2,349,640
Welfare	1,538,580	4,820,029	1,493,425	4,634,290
Utilities	1,930,649	5,563,137	1,585,043	4,367,069
Outsourcing	1,760,398	5,171,254	1,588,523	4,723,531
Advertising	1,684,283	3,903,065	1,779,403	4,644,584
Sales promotion	1,831,205	5,072,992	2,012,484	5,372,838
Other	13,527,143	39,260,876	13,463,164	39,439,661
<b>Total<sup>(*)</sup></b>	<b>64,971,118</b>	<b>187,413,297</b>	<b>65,929,635</b>	<b>192,696,286</b>

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

**19. Selling and Administrative Expenses**

Selling and administrative expenses for the three and nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>		<b>September 30, 2022</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
<b>Selling and administrative expenses</b>				
Wages and salaries	2,041,225	6,215,701	1,979,566	5,859,384
Post-employment benefit	67,982	208,139	76,880	226,880
Commissions	2,090,579	6,265,157	1,575,095	5,112,393
Depreciation	414,681	1,237,680	404,849	1,166,292
Amortization	173,252	514,838	164,713	496,410
Advertising	1,684,283	3,903,065	1,779,403	4,644,584
Sales promotion	1,831,205	5,072,992	2,012,484	5,372,838
Transportation	397,097	1,231,700	869,016	2,710,734
Service	1,129,564	3,239,695	1,149,249	2,879,811
Other	1,509,981	4,461,489	1,576,562	4,366,231
Subtotal	11,339,849	32,350,456	11,587,817	32,835,557
<b>Research and development expenses</b>				
Research and development	7,012,543	20,789,832	6,269,581	18,446,687
<b>Total</b>	<b>18,352,392</b>	<b>53,140,288</b>	<b>17,857,398</b>	<b>51,282,244</b>

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**20. Other Non-Operating Income and Expenses**

Details of other non-operating income and expenses for the three and nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023		September 30, 2022	
	3 Months	9 Months	3 Months	9 Months
<b>Other non-operating income</b>				
Dividend income	34,490	131,278	42,619	373,528
Rental income	37,383	112,288	35,511	105,009
Gain on disposal of property, plant and equipment	28,003	83,050	21,740	135,940
Other	144,476	623,207	216,314	865,871
<b>Total</b>	<b>244,352</b>	<b>949,823</b>	<b>316,184</b>	<b>1,480,348</b>

<i>(In millions of Korean won)</i>	September 30, 2023		September 30, 2022	
	3 Months	9 Months	3 Months	9 Months
<b>Other non-operating expenses</b>				
Loss on disposal of property, plant and equipment	50,034	70,037	10,691	34,798
Donations	76,808	179,601	47,506	222,932
Other	79,561	329,804	225,337	1,079,307
<b>Total</b>	<b>206,403</b>	<b>579,442</b>	<b>283,534</b>	<b>1,337,037</b>

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**21. Financial Income and Expenses**

Details of financial income and expenses for the three and nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>		<b>September 30, 2022</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
<b>Financial income</b>				
Interest income:	1,145,777	3,358,496	799,442	1,655,668
Financial assets measured at amortized cost	1,145,726	3,358,318	799,381	1,655,478
Financial assets measured at fair value through profit or loss	51	178	61	190
Foreign exchange differences	2,540,874	8,419,489	5,556,898	12,656,305
Gains from derivatives	425,507	1,019,150	402,632	1,321,073
<b>Total</b>	<b>4,112,158</b>	<b>12,797,135</b>	<b>6,758,972</b>	<b>15,633,046</b>

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>		<b>September 30, 2022</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
<b>Financial expenses</b>				
Interest expenses:	279,290	857,860	216,463	488,758
Financial liabilities measured at amortized cost	159,815	487,721	101,726	208,293
Other financial liabilities	119,475	370,139	114,737	280,465
Foreign exchange differences	2,455,110	8,387,347	5,474,346	12,610,603
Losses from derivatives	169,317	859,051	410,746	1,166,491
<b>Total</b>	<b>2,903,717</b>	<b>10,104,258</b>	<b>6,101,555</b>	<b>14,265,852</b>

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**

**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. The average annual tax rate expected as of September 30, 2023 to be effective for the year ended December 31, 2023 is (-)22.2%.

**23. Earnings per Share**

(A) Basic earnings per share

Basic earnings per share for the three and nine-month periods ended September 30, 2023 and 2022 are calculated as follows:

(1) Ordinary shares

<i>(In millions of Korean won, thousands of number of shares)</i>	<b>September 30, 2023</b>		<b>September 30, 2022</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
Profit for the period attributable to owners of the parent company	5,501,304	8,449,574	9,143,900	31,227,509
Profit for the period available for ordinary shares	4,834,858	7,425,965	8,036,177	27,444,504
Weighted-average number of ordinary shares outstanding	5,969,783	5,969,783	5,969,783	5,969,783
<b>Basic earnings per ordinary share (in Korean won)</b>	<b>810</b>	<b>1,244</b>	<b>1,346</b>	<b>4,597</b>

(2) Preference shares

<i>(In millions of Korean won, thousands of number of shares)</i>	<b>September 30, 2023</b>		<b>September 30, 2022</b>	
	<b>3 Months</b>	<b>9 Months</b>	<b>3 Months</b>	<b>9 Months</b>
Profit for the period attributable to owners of the parent company	5,501,304	8,449,574	9,143,900	31,227,509
Profit for the period available for preference shares	666,446	1,023,609	1,107,723	3,783,005
Weighted-average number of preference shares outstanding	822,887	822,887	822,887	822,887
<b>Basic earnings per preference share (in Korean won)</b>	<b>810</b>	<b>1,244</b>	<b>1,346</b>	<b>4,597</b>

(B) Diluted earnings per share

The Company does not have dilutive potential ordinary shares, and basic earnings per share and diluted earnings per share are the same for the three and nine-month periods ended September 30, 2023 and 2022.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**24. Statements of Cash Flows**

The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the nine-month periods ended September 30, 2023 and 2022 are as follows:

- Adjustments

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Adjustments:		
Income tax expense (income)	(1,660,366)	9,572,925
Financial income	(5,173,514)	(5,720,068)
Financial expenses	3,067,746	5,011,592
Post-employment benefits	827,860	1,040,241
Depreciation	26,469,065	27,108,961
Amortization	2,363,112	2,349,640
Bad debt expense	91,444	39,755
Dividend income	(131,278)	(373,528)
Share of profit of associates and joint ventures	(676,459)	(804,552)
Gain on disposal of property, plant and equipment	(83,050)	(135,940)
Loss on disposal of property, plant and equipment	70,037	34,798
Loss on valuation of inventories	4,919,360	3,336,120
Other	27,100	175,011
<b>Total</b>	<b>30,111,057</b>	<b>41,634,955</b>

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(5,734,362)	1,957,951
Decrease (increase) in other receivables	990,596	(846,896)
Increase in prepaid expenses	(377,419)	(484,023)
Increase in inventories	(6,286,040)	(14,612,657)
Increase (decrease) in trade payables	1,380,348	(4,079,647)
Increase (decrease) in other payables	637,296	(1,966,307)
Increase (decrease) in advances received	58,239	(63,920)
Decrease in withholdings	(540,655)	(435,965)
Increase (decrease) in accrued expenses	(4,137,776)	287,421
Increase in provisions	1,778,811	69,566
Payment of post-employment benefits	(536,633)	(458,197)
Other	(165,738)	(1,206,401)
<b>Total</b>	<b>(12,933,333)</b>	<b>(21,839,075)</b>

For the nine-month periods ended September 30, 2023 and 2022, cash outflows from principal portion of lease liabilities (financial activities) amount to ₩ 814,987 million and ₩ 739,313 million, respectively, and cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩ 144,529 million and ₩ 95,694 million, respectively.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 25. Financial Risk Management

The Company manages its financial risks with a focus on minimizing the market risk, the credit risk, and the 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.

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 globally 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 maintaining 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. 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 statements of financial position due to changes in the market interest rates, and the risk of changes in the future cash flows of interest income and expenses arising from investing and financing activities. The Company's exposure to interest rate risk arises primarily from interest-bearing deposits and floating interest rate debt obligations, and the Company manages its exposure to interest rate risk to minimize uncertainty and cost of financing resulting from changes in interest rates.

##### (3) Price risk

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

As of September 30, 2023 and 2022, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩ 65,826 million and ₩ 88,571 million, respectively, and changes in profit before tax of ₩ 3,519 million and ₩ 3,170 million, respectively.



## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### (B) Credit risk

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

Credit risk can arise from transactions with financial institutions including transactions in financial instruments such as cash and cash equivalents, deposits, and derivative instruments. To minimize such risk, the Company has a policy of transacting 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 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

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 efficiently 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 the event of large liquidity needs, the Company secures credit lines that can be used by its overseas subsidiaries, by means of payment guarantees.

#### (D) Capital risk management

The objective 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. Debt ratio is calculated by dividing total liabilities by total equity in the financial statements.

The Company has maintained an AA- credit rating from S&P and Aa2 from Moody's as of September 30, 2023.

The debt ratio as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Total liabilities	90,573,804	93,674,903
Total equity	363,892,643	354,749,604
<b>Debt ratio</b>	24.9%	26.4%

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(E) Fair value measurement

- (1) Carrying amounts and fair values of financial instruments by category as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	75,144,284	(*)	49,680,710	(*)
Short-term financial instruments	17,927,266	(*)	65,102,886	(*)
Short-term financial assets at amortized cost	-	(*)	414,610	(*)
Short-term financial assets at fair value through profit or loss	31,340	31,340	29,080	29,080
Trade receivables	43,405,955	(*)	35,721,563	(*)
Financial assets at fair value through other comprehensive income	8,847,905	8,847,905	11,397,012	11,397,012
Financial assets at fair value through profit or loss	1,513,696	1,513,696	1,405,468	1,405,468
Other <sup>(*)2</sup>	11,452,613	770,889	10,340,876	395,667
<b>Total financial assets</b>	<b>158,323,059</b>		<b>174,092,205</b>	
<b>Financial liabilities</b>				
Trade payables	13,157,077	(*)	10,644,686	(*)
Short-term borrowings	4,342,183	(*)	5,147,315	(*)
Other payables	12,338,596	(*)	16,328,237	(*)
Current portion of long-term liabilities	1,275,269	-	1,089,162	6,580
- Long-term borrowings	1,275,269	(*) <sup>(*)3</sup>	1,082,934	(*) <sup>(*)3</sup>
- Debentures	-	-	6,228	6,580
Debentures	567,683	554,372	536,093	521,129
Long-term borrowings	3,864,903	(*) <sup>(*)3</sup>	3,560,672	(*) <sup>(*)3</sup>
Long-term other payables	4,994,752	(*)	2,289,236	(*)
Other <sup>(*)2</sup>	11,334,826	296,663	12,409,529	361,768
<b>Total financial liabilities</b>	<b>51,875,289</b>		<b>52,004,930</b>	

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

<sup>(\*)2</sup> Assets measured at the cost of ₩ 10,681,724 million (December 31, 2022: ₩ 9,945,209 million) and liabilities measured at the cost of ₩ 11,038,163 million (December 31, 2022: ₩ 12,047,761 million) are excluded as the carrying amount is a reasonable estimation of fair value.

<sup>(\*)3</sup> 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*.

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

- (2) Fair value hierarchy classifications of the financial instruments that are measured or disclosed at fair value as of September 30, 2023 and December 31, 2022 are as follows:

<b>September 30, 2023</b>				
<i>(In millions of Korean won)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>1) Assets</b>				
Short-term financial assets at fair value through profit or loss	-	31,340	-	31,340
Financial assets at fair value through other comprehensive income	6,582,634	-	2,265,271	8,847,905
Financial assets at fair value through profit or loss	351,910	-	1,161,786	1,513,696
Other	-	372,718	398,171	770,889
<b>2) Liabilities</b>				
Current portion of debentures	-	-	-	-
Debentures	-	554,372	-	554,372
Other	-	295,143	1,520	296,663

<b>December 31, 2022</b>				
<i>(In millions of Korean won)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
<b>1) Assets</b>				
Short-term financial assets at fair value through profit or loss	-	29,080	-	29,080
Financial assets at fair value through other comprehensive income	9,207,295	-	2,189,717	11,397,012
Financial assets at fair value through profit or loss	314,449	-	1,091,019	1,405,468
Other	-	373,176	22,491	395,667
<b>2) Liabilities</b>				
Current portion of debentures	-	6,580	-	6,580
Debentures	-	521,129	-	521,129
Other	-	354,364	7,404	361,768

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.

## Samsung Electronics Co., Ltd. and its subsidiaries

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 is 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, are used to determine fair value for the remaining financial instruments. For trade and other receivables that are classified as current assets, the book value approximates a reasonable estimate of fair value.

#### (3) Valuation technique and inputs

The Company utilizes a present value technique to discount future cash flows using respective 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 September 30, 2023.

*(In millions of Korean won and percentage)*

Classification	Fair value	Valuation technique	Level 3 inputs	Input range (weighted average)
<b>Financial assets at fair value through other comprehensive income</b>				
Samsung Venture Investment	31,245	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	18.5%
MiCo Ceramics Co., Ltd.	32,191	Discounted cash flow and others	Permanent growth rate	0.0%
			Weighted average cost of capital	15.5%
TCL China Star Optoelectronics Technology Co., Ltd. (CSOT)	1,297,590	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.4%
China Star Optoelectronics Semiconductor Display Technology Ltd. (CSOSDT)	215,156	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.4%
<b>Others</b>				
Call option on equity instruments	376,755	Binomial model	Risk-free discount rate	3.9%
			Price volatility	69.4%
Put option on equity instruments	21,416	Binomial model	Risk-free discount rate	4.7%~5.5%, 2.3%
			Price volatility	22.8%, 27.5%

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(4) Changes in Level 3 instruments for the nine-month periods ended September 30, 2023 and 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>Financial assets</b>		
Balance as of January 1	3,303,227	3,430,214
Acquisitions	170,913	155,514
Disposals	(80,013)	(167,601)
Amount recognized in profit for the period	367,233	77,092
Amount recognized in other comprehensive income	41,452	89,067
Others	22,416	63,853
Balance as of September 30	3,825,228	3,648,139

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>Financial liabilities</b>		
Balance as of January 1	7,404	5,438
Others	(5,884)	-
Balance as of September 30	1,520	5,438

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

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

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

<i>(In millions of Korean won)</i>	<b>Favorable changes</b>		<b>Unfavorable changes</b>	
	<b>Profit or loss</b>	<b>Equity</b>	<b>Profit or loss</b>	<b>Equity</b>
Financial assets at fair value through other comprehensive income <sup>(*)</sup>	-	132,922	-	(92,531)
Others <sup>(*)</sup>	101,924	-	(93,761)	-

(\*) For equity securities, changes in fair value are calculated with the correlation between the growth rate (-1.0%~1.0%) and the discount rate, which are significant unobservable inputs.

(\*) Changes in fair value were calculated based on the correlation between underlying asset price (20%) and price volatility (5% or 10%), which are significant unobservable inputs.

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**26. Segment Information**

(A) Operating segment information

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

Sales 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 September 30, 2023

<i>(In millions of Korean won)</i>	<b>DX</b>	<b>DS</b>	<b>SDC</b>	<b>Harman</b>	<b>Intercompany reconciliations</b>	<b>Total<sup>(*)</sup></b>
Revenue	44,015,400	16,438,381	8,218,580	3,802,481	(5,070,190)	67,404,652
Depreciation	630,205	7,348,081	789,196	84,909	-	8,900,426
Amortization	434,536	186,394	55,773	52,523	-	786,661
Operating profit	3,728,081	(3,753,932)	1,935,165	450,247	-	2,433,534

<sup>(\*)</sup> Other operating segments are not separately disclosed.

Revenue by major product for the three-month period ended September 30, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>TV, monitor, and other</b>	<b>Smartphone and other</b>	<b>Memory</b>	<b>Display panels</b>	<b>Total<sup>(*)</sup></b>
Revenue	7,318,422	29,248,961	10,530,033	8,218,580	67,404,652

<sup>(\*)</sup> Other operating segments are not separately disclosed.

(2) For the nine-month period ended September 30, 2023

<i>(In millions of Korean won)</i>	<b>DX</b>	<b>DS</b>	<b>SDC</b>	<b>Harman</b>	<b>Intercompany reconciliations</b>	<b>Total<sup>(*)</sup></b>
Revenue	130,444,087	44,902,120	21,315,797	10,464,123	(15,970,571)	191,155,556
Depreciation	1,886,122	21,759,591	2,426,796	247,977	-	26,469,065
Amortization	1,285,032	585,578	166,420	152,204	-	2,363,112
Operating profit	11,766,221	(12,697,630)	3,554,250	830,577	-	3,742,259

<sup>(\*)</sup> Other operating segments are not separately disclosed.

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Revenue by major product for the nine-month period ended September 30, 2023 are as follows:

<i>(In millions of Korean won)</i>	<b>TV, monitor, and other</b>	<b>Smartphone and other</b>	<b>Memory</b>	<b>Display panels</b>	<b>Total<sup>(*)</sup></b>
Revenue	21,999,115	84,602,205	28,414,389	21,315,797	191,155,556

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

(3) For the three-month period ended September 30, 2022

<i>(In millions of Korean won)</i>	<b>DX</b>	<b>DS</b>	<b>SDC</b>	<b>Harman</b>	<b>Intercompany reconciliations</b>	<b>Total<sup>(*)</sup></b>
Revenue	47,257,269	23,023,397	9,394,448	3,625,723	(6,519,157)	76,781,680
Depreciation	651,419	7,152,030	1,129,338	86,312	-	9,031,116
Amortization	440,257	199,632	59,732	51,549	-	806,611
Operating profit	3,531,451	5,115,245	1,977,787	311,750	-	10,852,045

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

Revenue by major product for the three-month period ended September 30, 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>TV, monitor, and other</b>	<b>Smartphone and other</b>	<b>Memory</b>	<b>Display panels</b>	<b>Total<sup>(*)</sup></b>
Revenue	7,864,136	30,915,091	15,231,542	9,394,448	76,781,680

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

(4) For the nine-month period ended September 30, 2022

<i>(In millions of Korean won)</i>	<b>DX</b>	<b>DS</b>	<b>SDC</b>	<b>Harman</b>	<b>Intercompany reconciliations</b>	<b>Total<sup>(*)</sup></b>
Revenue	139,781,307	78,388,379	25,075,619	9,274,903	(20,753,423)	231,766,785
Depreciation	1,866,576	21,087,859	3,813,352	245,005	-	27,108,961
Amortization	1,237,032	611,814	178,913	159,226	-	2,349,640
Operating profit	11,108,609	23,546,429	4,128,294	514,952	-	39,070,499

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

Revenue by major product for the nine-month period ended September 30, 2022 are as follows:

<i>(In millions of Korean won)</i>	<b>TV, monitor, and other</b>	<b>Smartphone and other</b>	<b>Memory</b>	<b>Display panels</b>	<b>Total<sup>(*)</sup></b>
Revenue	24,119,971	90,143,332	56,398,363	25,075,619	231,766,785

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

**Samsung Electronics Co., Ltd. and its subsidiaries**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the nine-month periods ended September 30, 2023 and 2022 are as follows:

(1) As of and for the three-month period ended September 30, 2023

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Segment revenue	12,422,555	24,194,051	11,730,385	11,797,052	7,260,609	-	67,404,652
Non-current assets <sup>(*)</sup>	158,137,126	17,953,693	6,136,716	9,276,504	13,306,785	(867,861)	203,942,963

<sup>(\*)</sup> Financial instruments, deferred tax assets, and investments in associates and joint ventures are excluded from non-current assets.

(2) As of and for the nine-month period ended September 30, 2023

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Segment revenue	33,992,795	68,278,463	35,377,963	34,344,380	19,161,955	-	191,155,556
Non-current assets <sup>(*)</sup>	158,137,126	17,953,693	6,136,716	9,276,504	13,306,785	(867,861)	203,942,963

<sup>(\*)</sup> 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 September 30, 2022

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Segment revenue	13,591,271	30,407,379	12,449,033	12,929,465	7,404,532	-	76,781,680
Non-current assets <sup>(*)</sup>	135,273,659	13,671,615	6,109,337	10,228,393	17,468,718	(923,297)	181,828,425

<sup>(\*)</sup> Financial instruments, deferred tax assets, and investments in associates and joint ventures are excluded from non-current assets.

(4) As of and for the nine-month period ended September 30, 2022

<i>(In millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Europe</b>	<b>Asia and Africa</b>	<b>China</b>	<b>Intercompany elimination</b>	<b>Total</b>
Segment revenue	36,927,076	91,981,151	36,793,435	37,842,883	28,222,240	-	231,766,785
Non-current assets <sup>(*)</sup>	135,273,659	13,671,615	6,109,337	10,228,393	17,468,718	(923,297)	181,828,425

<sup>(\*)</sup> 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**

**27. Related Party Transactions**

(A) Sale and purchase transactions

Sale and purchase transactions with related parties for the nine-month periods ended September 30, 2023 and 2022 are as follows:

		<b>2023</b>			
<i>(In millions of Korean won)</i>	<b>Name of company<sup>(*)</sup></b>	<b>Sales</b>	<b>Disposal of non-current assets</b>	<b>Purchases</b>	<b>Purchase of non-current assets</b>
Associates and joint ventures	Samsung SDS Co., Ltd	120,809	-	1,481,041	219,924
	Samsung Electro-Mechanics Co., Ltd	61,381	-	860,130	60
	Samsung SDI Co., Ltd	90,332	-	555,308	21,037
	Cheil Worldwide Inc	37,183	-	638,490	1,162
	Other	697,346	-	9,302,277	119,468
	<b>Total</b>	1,007,051	-	12,837,246	361,651
Other related parties	Samsung C&T Co., Ltd	41,776	70	196,312	3,907,737
	Other	378,253	-	1,324,851	2,952,677
	<b>Total</b>	420,029	70	1,521,163	6,860,414
Other <sup>(*)</sup>	Samsung Engineering Co., Ltd	1,055	-	23,919	1,922,259
	S-1	7,493	-	391,091	28,792
	Other	167,119	-	887,932	302,680
	<b>Total</b>	175,667	-	1,302,942	2,253,731

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

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

		<b>2022</b>			
<i>(In millions of Korean won)</i>	<b>Name of company<sup>(*)</sup></b>	<b>Sales</b>	<b>Disposal of non-current assets</b>	<b>Purchases</b>	<b>Purchase of non-current assets</b>
Associates and joint ventures	Samsung SDS Co., Ltd	179,357	-	1,335,563	280,663
	Samsung Electro-Mechanics Co., Ltd	55,175	767	1,109,944	-
	Samsung SDI Co., Ltd	66,595	-	599,596	23,187
	Cheil Worldwide Inc	30,993	-	722,128	361
	Other	962,526	-	10,974,089	82,186
	<b>Total</b>	1,294,646	767	14,741,320	386,396
Other related parties	Samsung C&T Co., Ltd	40,325	-	304,761	4,778,370
	Other	266,133	-	1,214,781	919,010
	<b>Total</b>	306,458	-	1,519,542	5,697,380
Other <sup>(*)</sup>	Samsung Engineering Co., Ltd	1,285	-	29,111	1,802,523
	S-1	8,224	-	375,659	23,348
	Other	123,180	-	451,679	315,588
	<b>Total</b>	132,689	-	856,449	2,141,459

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

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

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(B) Balances of receivables and payables

Balances of receivables and payables arising from sales and purchases of goods and services as of September 30, 2023 and December 31, 2022 are as follows:

<i>(In millions of Korean won)</i>	Name of company <sup>(*)</sup>	September 30, 2023	
		Receivables	Payables <sup>(*)</sup>
Associates and joint ventures	Samsung SDS Co., Ltd	23,151	492,395
	Samsung Electro-Mechanics Co., Ltd	1,721	130,520
	Samsung SDI Co., Ltd	125,563	85,248
	Cheil Worldwide Inc	167	326,684
	Other	252,861	1,216,914
<b>Total</b>		403,463	2,251,761
Other related parties	Samsung C&T Co., Ltd	214,588	937,827
	Other	22,402	250,818
	<b>Total</b>		236,990
Other <sup>(*)</sup>	Samsung Engineering Co., Ltd	127	320,478
	S-1	1,144	50,650
	Other	14,885	412,073
	<b>Total</b>		16,156

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

(\*) Payables and others include lease liabilities.

(\*) 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.

<i>(In millions of Korean won)</i>	Name of company <sup>(*)</sup>	December 31, 2022	
		Receivables	Payables <sup>(*)</sup>
Associates and joint ventures	Samsung SDS Co., Ltd	49,792	512,022
	Samsung Electro-Mechanics Co., Ltd	385	133,952
	Samsung SDI Co., Ltd	121,605	92,452
	Cheil Worldwide Inc	223	453,545
	Other	371,575	1,236,016
<b>Total</b>		543,580	2,427,987
Other related parties	Samsung C&T Co., Ltd	217,818	2,783,240
	Other	20,830	250,103
	<b>Total</b>		238,648
Other <sup>(*)</sup>	Samsung Engineering Co., Ltd	331	1,251,039
	S-1	3,839	73,102
	Other	15,647	545,684
	<b>Total</b>		19,817

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

(\*) Payables and others include lease liabilities.

(\*) 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

- (C) For the nine-month periods ended September 30, 2023 and 2022, the Company invested ₩ 71,875 million and ₩ 903,758 million, respectively, in associates and joint ventures. In addition, the Company has made capital recovery of ₩ 24,517 million and ₩ 13,087 million from its investments in associates and joint ventures during the nine-month periods ended September 30, 2023 and 2022, respectively.
- (D) For the nine-month periods ended September 30, 2023 and 2022, the Company declared dividend of ₩ 1,238,585 million and ₩ 1,249,916 million, respectively, to related parties. In addition, for the nine-month periods ended September 30, 2023 and 2022, the Company declared dividends of ₩ 96,174 million and ₩ 96,174 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 September 30, 2023 and December 31, 2022, there were no dividend payable outstanding.
- (E) For the nine-month periods ended September 30, 2023 and 2022, the Company entered into lease agreements with its related parties amounting to ₩ 1,812 million and ₩ 48 million, respectively, and the lease payments made to the related parties were ₩ 18,860 million and ₩ 18,964 million, respectively.
- (F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the nine-month periods ended September 30, 2023 and 2022 consists of:

<i>(In millions of Korean won)</i>	2023	2022
Short-term employee benefits	7,737	7,236
Post-employment benefits	418	451
Other long-term employee benefits	5,876	5,434

#### 28. Subsequent Event

On October 18, 2023, Samsung Display Co., Ltd., a subsidiary of the Company, acquired 100% of shares of eMagin Corporation for a total consideration of ₩ 295,291 million to strengthen its competitiveness in Micro Display.