

SAMSUNG

2024 Annual General Meeting of Shareholders

Reference Material

SAMSUNG ELECTRONICS Co., Ltd.

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Notice of Annual General Meeting of Shareholders

You are invited to attend the Annual General Meeting of Shareholders of Samsung Electronics.

Date/time : 9:00 AM on March 20, 2024, Korea Standard Time (UTC+9)

Place : Convention Hall (3F) / Exhibition Hall (1F), [Suwon Convention Center, 140, Gwanggyojungang-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, 16514, Korea](#)

Record date : December 31, 2023 (only common shareholders of record at the close of business on the record date are entitled to vote at the Annual General Meeting of Shareholders)

Items of Business

Agenda Item 1. Approval of Audited Financial Statements (FY2023)

Financial highlights

- Audited financial statements with the independent auditor’s opinion are available on the investor relations (IR) website.

<https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

Annual dividends

- Based on the three-year shareholder return program for 2021–2023, the regular dividend for FY2023 will be KRW 9.8 trillion, or KRW 1,444 per common share and KRW 1,445 per preferred share, upon approval at the Annual General Meeting (AGM).
- Based on the annual dividend payout under the current dividend policy, the total 4Q payout is KRW 2.45 trillion—a quarterly dividend of KRW 361 per share for common share and KRW 362 per share for preferred share—and it will be paid after final approval at the AGM.

Agenda Item 2: Election of Je-Yoon Shin as Independent Director

Mr. Je-Yoon Shin is a macro-economy and finance expert who held various key positions in the Ministry of Economy and Finance. He also served as the Chairman of the Financial Services Commission, overseeing the establishment of Korea’s financial policies.

Mr. Shin’s distinguished history, which includes serving a two-year term from 2015 as President of the Financial Action Task Force on Money Laundering and chairing the 2010 G20 Finance Deputies Meeting, has earned him widespread recognition as an expert in global risk management with experience in compliance of international regulations and monitoring of money laundering/terrorist financing.

In the ever-changing global economy, risk management and strategic proposals have increased in importance. In these circumstances, we expect Mr. Shin, an expert in finance and fiscal policy, to offer professional counsel on diverse topics, such as corporate financial management and global strategies.

Finally, Mr. Shin’s extensive global engagement and networking experience will contribute significantly to enhancing communication with shareholders and internal/external stakeholders. The Board thus recommends voting for the appointment of Mr. Shin to the position of Independent Director.

Agenda Item 3: Election of Hye-Kyung Cho as Independent Director for Audit Committee Member

Dr. Hye-Kyung Cho is a top expert in robotics currently serving as a professor of Applied AI at Hansung University. She has over 30 years of work experience in robotics and related software, including in instrumentation and control engineering and IT convergence.

Dr. Cho has held various leadership positions in her field: President of Korea Robotics Society (2022); member of Mechanical Material Advisory Committee at Presidential Advisory Council on Science & Technology (2021–2022); and Vice President of the Institute of Control, Robotics and Systems (2020–2021). Moreover, she is a full member of the National Academy of Engineering of Korea, evidencing her outstanding expertise both domestically and internationally.

Dr. Cho has gained extensive audit experience through her academic work and in advisory roles, and she is effectively serving as a member of the Audit Committee at Hyundai Engineering & Construction, a public company. We expect Ms. Cho to use her independent viewpoint to provide objective advice to the Audit Committee. The Board thus recommends voting for the appointment of Ms. Cho to the position of Independent Director and for member of the Audit Committee.

Agenda Item 4: Election of Myung-Hee Yoo as Audit Committee Member

Independent Director Myung-Hee Yoo, appointed in November 2022, is an expert in international trade who has dedicated 30 years to public service in this area. In 2020, Ms. Yoo was one of the two finalists for the position of Director General of the World Trade Organization, a testimony to the recognition of her outstanding capabilities.

Ms. Yoo leverages her extensive knowledge in trade to provide insight into risk management, and, based on her experience as a government official, she brings a multifaceted point of view, contributing substantially to the Board's operation.

Ms. Yoo, a licensed New York attorney, is expected to play a pivotal role in strengthening the Company's compliance management system by enhancing compliance management and management transparency from a legal standpoint. She is also serving effectively as a member of the Audit Committee at Hyundai Construction Equipment, a public company.

We expect Ms. Yoo to provide professional, neutral perspectives and apply her vast knowledge and experience in international relations and global business to fulfill her roles and responsibilities as a member of the Audit Committee. The Board thus recommends voting for the appointment of Ms. Yoo to the Audit Committee.

Agenda Item 5. Approval of Director Remuneration limit (FY2024)

(Unit: KRW billion)

	FY2024	FY2023	
	Proposed	Approved	Actual
General compensation	33.0	33.0	16.1
Long-term incentive (LTI)	10.0	15.0	9.9
Total	43.0	48.0	26.0

The Board recommends a remuneration limit of KRW 43.0 billion for FY2024.

General compensation

- The Board recommends maintaining the same level of general compensation limit in FY2024 from FY2023 in consideration of macro uncertainties

Long-term incentive (LTI)

- For FY2024, the Board recommends an LTI limit of KRW 10.0 billion.
- Under the current scheme, Directors receive 33% of their LTI in each year of the three-year payment period.
- FY2024 is Year 2 of the new payment scheme, with LTI determined by performances over FY2020–2022. Under the new scheme, the LTI limit for FY2024 has decreased compared to FY2023 due to the following reasons:
 - The limit in Year 1 is set prior to the finalization of the LTI pool for FY2020–FY2022, so it considers the potential upper bounds of payment.

Agenda Item 6: Approval of Amendments to the Articles of Incorporation

In light of the ever-changing business environment, the Board decided to update the Articles of Incorporation to reflect recent changes in applicable laws and to clarify the overall language. Furthermore, we will also reflect updates on provisions related to Board operations.

Changes in the applicable laws and regulations

- Introduction of the electronic securities system as a result of the enactment of the Electronic Registration of Stocks and Bonds Act, which took effect in September 2019.
- Amendments to the Monopoly Regulation and Fair Trade Act, which took effect in December 2020.

Changes in Board Operations

- Add currently operating committees on the list of Board Committees: Compensation Committee, Sustainability Committee, and Related Party Transactions Committee.
- Extend the convocation notice from 24 hours to 7 days before the scheduled meeting date, enabling the Board to review the agenda more sufficiently.

* In urgent circumstances, the notification period can be shortened to a minimum of 24 hours.

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Agenda

Agenda Item 1. Approval of Audited Financial Statements (FY2023)

I. Audited Financial Statements

Overview

The Board is seeking your approval of the following financial statements for FY2023 beginning on January 1, 2023, and ending on December 31, 2023:

- Consolidated Statements of Financial Position
- Consolidated Statements of Profit or Loss
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Separate Statements of Appropriation of Retained Earnings

Audited financial statements with the independent auditor's opinion are available on the IR website.

<https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

□ Financial performance (K-IFRS, consolidated)

(Unit: KRW trillion)

	FY2023	FY2022	Change
Revenue	258.9	302.2	-14.3%
Operating profit	6.6	43.4	-84.8%
Net profit	15.5	55.7	-72.2%
EPS (KRW)	2,131	8,057	-73.6%

Assets	455.9	448.4	1.7%
Liabilities	92.2	93.7	-1.6%
Equity	363.7	354.7	2.5%
Liabilities/equity	25.4%	26.4%	-1.0%p

ROE	4.3%	16.9%	-12.6%p
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* See Section 4. Financial Statements (FY2023) for further details.

Business Performance

□ Summary of key financial metrics, by business division

(Unit: KRW trillion)

		Category	FY2023	FY2022	FY2021
DS	Revenue		66.6	98.5	95.4
	Operating profit		-14.9	23.8	29.2
	Margin		-22.3%	24.2%	30.6%
SDC	Revenue		31.0	34.4	31.7
	Operating profit		5.6	6.0	4.5
	Margin		18.0%	17.3%	14.1%
DX	Revenue		170.0	182.5	166.3
	Operating profit		14.4	12.7	17.4
	Margin		8.5%	7.0%	10.5%
Harman	Revenue		14.4	13.2	10.0
	Operating profit		1.2	0.9	0.6
	Margin		8.2%	6.7%	6.0%
Overall	Revenue		258.9	302.2	279.6
	Operating profit		6.6	43.4	51.6
	Margin		2.5%	14.4%	18.5%

Revenue and operating profit in 2023 decreased year-on-year to KRW 258.9 trillion and KRW 6.6 trillion from KRW 302.2 trillion and KRW 43.4 trillion, respectively, due to a challenging environment characterized by increased macro uncertainties, sluggish demand, and a slowdown in the Memory business.

In the Memory Business, although results decreased significantly due to the challenging market conditions, we actively addressed a demand increase for new interface products, such as DDR5 and LPDDR5x, and expanded sales of high-value-added products. Furthermore, we pre-emptively invested to strengthen our business and technology competitiveness in the medium and long term; and we developed the industry's first 12 nm-class 32Gb DDR5—the largest capacity currently available—and an LPDDR-based DRAM module, thus establishing a leading foothold in the high-density, next-generation markets. In the Foundry Business, the results were subdued due to weak demand in major applications. However, we continued to bolster technology competitiveness in advanced nodes while smoothly moving forward with capacity expansions in Pyeongtaek and Taylor facilities, aiming to ensure timely supply of future demand. Moreover, Foundry booked its highest ever order total, primarily from HPC and automotive semiconductors, boding well for growth in the medium to long term. The S.LSI Business outpaced market growth in image sensors with our differentiated high-pixel products; expanded its SoC product lineup; and continued its preparations for future technologies according to plan.

For Display, we kept our market share steady and achieved strong results by focusing on high-end segments and providing OLED products with differentiated technology and functionality; and we expanded product portfolios, including in IT and Automotive.

The Mobile Business, despite facing decreased market demand, improved its product mix and achieved revenue growth in flagship models via a focus on high-end segments. At the same time, the business continued to strengthen multi-device experiences in our ecosystem via tablets, wearables, and other devices. In the Network Business, we remained committed to entering new markets to secure additional revenue while strengthening the global business foundation by focusing on the overseas 5G business.

The TV Business, prioritizing Neo QLED, OLED, and Micro LED, spearheaded the premium market and solidified its industry-leading position by providing differentiated value, including enhanced security and content.

The Digital Appliance business concentrated on bolstering competitiveness by improving connectivity experiences based on SmartThings and expanding high-value-added business amid depressed results caused by factors such as weak demand.

Harman sustained its leading position in the digital cockpit and car audio markets by focusing on enhancing its capabilities in in-cabin experiences. The business continued to grow by increasing sales of consumer audio products—such as portables—and fortifying synergies with Samsung Electronics.

Capital Expenditures and Other Investments

□ Capex, R&D, advertising & sales promotion investments

(Unit: KRW trillion)

Category	FY2023	FY2022	FY2021
Capex (as percentage of revenue)	53.1 (20.5%)	53.1 (17.6%)	48.2 (17.2%)
R&D (as percentage of revenue)	28.3 (10.9%)	24.9 (8.2%)	22.4 (8.0%)
Advertising & sales promotion (as percentage of revenue)	12.1 (4.7%)	13.2 (4.4%)	11.7 (4.2%)
Total (as percentage of revenue)	93.6 (36.1%)	91.3 (30.2%)	82.3 (29.4%)

Annual capex in 2023 stayed steady at KRW 53.1 trillion, with KRW 48.4 trillion invested in DS and KRW 2.4 trillion in Display.

For Memory, we continued to build out infrastructure at Pyeongtaek, preparing clean rooms for mid-to long-term demand; and we increased the R&D portion of investments as a part of our commitment to extending our technology leadership. In particular, we invested mainly in expanding the production capacity of HBM, DDR5, and other advanced nodes; and, in line with our investment principles, we adjusted investments in wafer fabrication equipment to balance our needs with the recent market conditions.

In Foundry, the annual capex increased due to capacity expansions for advanced EUV nodes of 5nm and below and for infrastructure investments at the Taylor fab to address future demand.

In Display, investments focused on preparing for IT OLED products and advancing technology in flexible displays.

R&D investments increased by KRW 3.4 trillion year-on-year to KRW 28.3 trillion, reaching the highest amount to date, under our commitment to future long-term growth. As a percentage of sales, they increased significantly to 10.9%. Through this, we solidified our technology leadership among industry peers.

Advertising & promotional spending decreased to KRW 12.1 trillion year-on-year thanks to cost efficiencies, etc. As a percentage of sales, it inched up to 4.7% amid a decrease in sales.

II. Shareholder Return

FY2021–2023 Shareholder Return Program

In January 2021, we announced our shareholder return program for FY2021–2023, promising to return 50% of the term’s free cash flow (FCF) and setting a base dividend of KRW 9.8 trillion in aggregate annually. Any remaining portion of the 50% of FCF net of dividends would be returned to shareholders.

However, contrary to our expectations, the business conditions for our major businesses deteriorated rapidly, which led our profits and FCF to weaken severely. For the three-year term, total FCF was approximately KRW 18.8 trillion, and yet we returned KRW 29.4 trillion worth of capital to our shareholders, which significantly exceeds the 50% level stated in the policy. Despite the pressure on our earnings and cash holdings, we paid out KRW 9.8 trillion annually in dividends as planned, distributing the equivalent of over 150% of FCF for the three-year period (FY2021–2023).

Samsung Electronics is committed to faithfully fulfilling our promises to shareholders; and we are working hard to enhance shareholder value by continuing to invest in future growth and maintaining a sound financial position, even amid the difficult environment.

FY2024–2026 Shareholder Return Program

For our next shareholder return policy, the Board of Directors and top management comprehensively evaluated the current and projected business environment, our investment strategies and financial structure, ways to enhance shareholder value, and many other variables that could affect our business.

During this process, however, our earnings and cash holdings fell significantly due to the challenges mentioned above; and the overall business environment is still facing uncertainties.

After long deliberation, the Board approved to maintain the terms of the previous shareholder return policy: Samsung Electronics will pay an annual regular dividend of KRW 9.8 trillion as a part of total shareholder returns of 50% of the free cash flow for the period FY2024–2026. At the close of each year, we will consider executing an early return of capital beyond regular dividends if we forecast there is potential for a significant surplus.

We will consider implementing a new policy flexibly before the expiration of the proposed one in consideration of M&A activities and cash positions

Agenda Items 2–4: Elections of Independent Directors

Item 2. Election of Je-Yoon Shin as Independent Director

Item 3. Election of Hye-Kyung Cho as Independent Director for Audit Committee Member

Item 4. Election of Myung-Hee Yoo as Audit Committee Member

Overview

Our Board continually endeavors to reinforce its independence, expertise, and diversity, aiming to lead the Company to continued growth and to enhance shareholder value.

We strengthened the independence of the Board by separating the CEO and Board Chair roles in 2018. In 2020, we ensured such independence by mandating that an Independent Director henceforth serve as the Board Chair and having Independent Directors comprise all Board Committees, excluding the Management Committee. We also ensured the expertise of the Board in the Company's key businesses by appointing executives who oversee a key business to serve as Executive Director.

The Board is tasked with overseeing the Company's operations and guiding corporate management via balanced and rational perspectives. Moreover, Samsung understands the value of diversity, and our Board seeks to broaden the scope of its expertise and composition.

These efforts have enabled the Company to achieve rapid external growth and enhance shareholder value while also bolstering our compliance management system and strengthening our endeavors in ESG.

Independent Directors and Audit Committee members Sun-Uk Kim and Jeong Kim are nearing the end of their term and 6 years of service and are thus ineligible for reappointment (as determined by the Enforcement Decree of the Commercial Act), and we plan to newly appoint Mr. Je-Yoon Shin as Independent Director (Item 2) and Dr. Hye-Kyung Cho as Independent Director for Audit Committee Member (Item 3) at the AGM in March 2024. We also plan to appoint Ms. Myung-Hee Yoo, a current Independent Director, as an Audit Committee Member (Item 4).

The nominees offer a wealth of experience and will contribute significantly to Board discussions and decision making on important matters.

The Samsung Electronics Board unanimously recommends voting in favor of the nominated candidates.

Composition of the Board

Current (2023)

Position	Name	Tenure (years)
Independent Director	Han-Jo Kim*	5
	Sun-Uk Kim*	6
	Jeong Kim*	6
	Jun-Sung Kim	2
	Eun-Nyeong Heo	1
	Myung-Hee Yoo	1
Executive Director	Jong-Hee Han	4
	Kye-Hyun Kyung	2
	Tae-Moon Roh	2
	Hark-Kyu Park	2
	Jung-Bae Lee	2

Proposed (2024)

Name	Tenure (years)	Position	Age	Gender	Country of nationality
Han-Jo Kim*	6	Chairman of the Board, Former Vice Chairman, Hana Financial Group	68	M	Korea
Je-Yoon Shin	New	Former Chairman, Financial Services Commission	66	M	Korea
Hye-Kyung Cho*	New	Professor, Applied AI, Hansung University	60	F	Korea
Jun-Sung Kim	3	CIO, National University of Singapore Endowment Fund	57	M	Singapore
Eun-Nyeong Heo	2	Tenured Professor, Department of Energy Systems Engineering, Seoul National University	60	M	Korea
Myung-Hee Yoo*	2	Former Trade Minister, Ministry of Trade, Industry and Energy	57	F	Korea
Jong-Hee Han	5	Vice Chairman & CEO, Head of Device eXperience (DX)	62	M	Korea
Kye-Hyun Kyung	3	President & CEO, Head of Device Solutions (DS)	61	M	Korea
Tae-Moon Roh	3	President, Head of Mobile eXperience (MX) Business	56	M	Korea
Hark-Kyu Park	3	President & CFO	60	M	Korea
Jung-Bae Lee	3	President, Head of Memory Business	57	M	Korea

* Audit Committee member

Item 2: Election of Je-Yoon Shin as Independent Director



Je-Yoon Shin

Directorship term: newly nominated

Age: 66

Independent

Country of nationality: Republic of Korea

Rationale for Recommendation by the Board

Mr. Je-Yoon Shin is a macro-economy and finance expert who held various key positions in the Ministry of Economy and Finance. He also served as the Chairman of the Financial Services Commission, overseeing the establishment of Korea's financial policies.

Mr. Shin's distinguished history, which includes serving a two-year term from 2015 as President of the Financial Action Task Force on Money Laundering and chairing the 2010 G20 Finance Deputies Meeting, has earned him widespread recognition as an expert in global risk management with experience in compliance of international regulations and monitoring of money laundering/terrorist financing.

Furthermore, Mr. Shin's global expertise is highly regarded, having been chief negotiator in the Korea-US FTA in 2005 and instrumental in closing the Korea-US currency swap deal in 2008, which helped the nation overcome the financial crisis.

In the ever-changing global economy, risk management and strategic proposals have increased in importance. In these circumstances, we expect Mr. Shin, an expert in finance and fiscal policy, to offer professional counsel on diverse topics, such as corporate financial management and global strategies. Moreover, we believe Mr. Shin will seamlessly translate his experience as President of the Financial Action Task Force on Money Laundering to faithfully fulfill his oversight duties.

Finally, Mr. Shin's extensive global engagement and networking experience will contribute significantly to enhancing communication with shareholders and internal/external stakeholders. The Board thus recommends voting for the appointment of Mr. Shin to the position of Independent Director.

Mr. Shin's Statement of His Commitment to the Board

"Based on my 30 years of experience in macro-economy analysis and financial policy and through oversight at the Ministry of Strategy and Finance, Financial Services Commission, and other institutions, I will provide practical advice to enable the Company to respond swiftly to changes in the volatile external environment. I will actively engage in my role to ensure the Board develops strategic visions and secures competitiveness, starting from the Board level.

As an Independent Director, I will faithfully fulfill my oversight responsibilities and thus contribute to Samsung's culture of compliance and ethical management. Furthermore, I am committed to improving shareholder value and promoting the balanced enhancement of the various rights and interests of our stakeholders by actively communicating with global investors and stakeholders alike, ensuring their opinions are heard and reflected in the Board's operations."

Work Experience

- 2017–present: Senior Advisor*, Bae, Kim & Lee LLC
- 2017–2023: President, Financial Education Council
- 2017–2018: Ambassador for International Financial Cooperation, Ministry of Foreign Affairs
- 2015–2016: President, Financial Action Task Force on Money Laundering
- 2013–2015: Chairman, Financial Services Commission
- 2011–2013: 1st Vice Minister, Ministry of Strategy and Finance
- 2010–2010: Chairperson, G20 Finance Deputies Meeting
- 2008–2011: Deputy Minister, International Affairs, Ministry of Strategy and Finance
- 2007–2008: Director General, International Finance Bureau, Ministry of Strategy and Finance

* Advisory role only

Board Experience

- October 2019–February 2024: Independent Director, Lotte Insurance
- March 2018–present: Independent Director, HDC Holdings (Member of Audit Committee)

Education

- B.A. in Economics, Seoul National University

Item 3: Election of Hye-Kyung Cho as Independent Director for Audit Committee Member



Hye-Kyung Cho

Directorship term: newly nominated

Age: 60

Independent

Country of nationality: Republic of Korea

Professor, Applied AI at Hansung University

Rationale for Recommendation by the Board

Dr. Hye-Kyung Cho is a top expert in robotics currently serving as a professor of Applied AI at Hansung University. She has over 30 years of work experience in robotics and related software, including in instrumentation and control engineering and IT convergence.

Dr. Cho has held various leadership positions in her field: President of Korea Robotics Society (2022); member of Mechanical Material Advisory Committee at Presidential Advisory Council on Science & Technology (2021–2022); and Vice President of the Institute of Control, Robotics and Systems (2020–2021). Moreover, she is a full member of the National Academy of Engineering of Korea, evidencing her outstanding expertise both domestically and internationally.

Beyond academics, Dr. Cho has spearheaded the development of educational robots for youth and promoted robotics-related education; and she has received high praise for her contributions to expand the landscape for robotics education domestically and advance mid- to long-term technology.

Dr. Cho has gained extensive audit experience through her academic work and in advisory roles, and she is effectively serving as a member of the Audit Committee at Hyundai Engineering & Construction, a public company. We expect Ms. Cho to use her independent viewpoint to provide objective advice to the Audit Committee.

Moreover, we see Ms. Cho as a valuable asset to guide the domestic expansion of robotics-related education and promote social contribution practices, in line with stakeholder demands for enhanced diversity and ESG management. The Board thus recommends voting for the appointment of Ms. Cho to the position of Independent Director and for member of the Audit Committee.

Dr. Cho's Statement of Her Commitment to the Board

"I am an expert in IT and robotics, including instrumentation and control engineering and IT convergence. I am currently a professor of Applied AI at Hansung University; and my previous positions include President of the Korea Robotics Society and member of the Mechanical Material Advisory Committee under the Presidential Advisory Council on Science & Technology. Based on my experience, I will actively participate on the Board of Directors and its Committees and advise the Company to realize technology management and secure future growth engines.

As an Independent Director, I recognize my roles and responsibilities in guiding the Company's practice of shared growth through Company adherence to related regulations and internal rules, such as the Articles of Incorporation, and by gathering opinions of stakeholders. I will also diligently participate on the Board of Directors and its Committees."

Furthermore, I will faithfully fulfill my role in supervising management to promote shareholder value and sustainability management.

Work Experience

- 2023–present: Full member, National Academy of Engineering of Korea
- 2022–2022: President, Korea Robotics Society
- 2021–2022: Member of Mechanical Material Advisory Committee at Presidential Advisory Council on Science & Technology
- 2020–2021: Vice President, Institute of Control, Robotics and Systems
- 2014–2017: Director, The Korean Institute of Electrical Engineers
- 2012–2015: Director, The Korea Institute for Robot Industry Advancement (Board Chair)
- 1996–present: Professor, Applied AI at Hansung University

Board Experience

- March 2021–present: Independent Director, Hyundai Engineering & Construction (Member of Audit Committee)

Education

- B.S./M.S./Ph.D in Instrumentation and Control Engineering, Seoul National University

Item 4: Election of Myung-Hee Yoo as Audit Committee Member



Myung-Hee Yoo

Directorship term: since 2022

Age: 57

Independent

Country of nationality: Republic of Korea

Former Trade Minister, Ministry of Trade, Industry and Energy

Rationale for Recommendation by the Board

Independent Director Myung-Hee Yoo, appointed in November 2022, is an expert in international trade who has dedicated 30 years to public service in this area. In 2020, Ms. Yoo was one of the two finalists for the position of Director General of the World Trade Organization, a testimony to the recognition of her outstanding capabilities.

Ms. Yoo leverages her extensive knowledge in trade to provide insight into risk management, and, based on her experience as a government official, she brings a multifaceted point of view, contributing substantially to the Board's operation. Ms. Yoo also suggests various ways for Samsung to improve its image, which includes strategies for future growth and public relations, thus enhancing the operation of the Board.

Ms. Yoo, a licensed New York attorney, is expected to play a pivotal role in strengthening the Company's compliance management system by enhancing compliance management and management transparency from a legal standpoint. She is also serving effectively as a member of the Audit Committee at Hyundai Construction Equipment, a public company.

We expect Ms. Yoo to provide professional, neutral perspectives and apply her vast knowledge and experience in international relations and global business to fulfill her roles and responsibilities as a member of the Audit Committee. The Board thus recommends voting for the appointment of Ms. Yoo to the Audit Committee.

Work Experience

- 2022–present: Visiting Professor, Graduate School of International Studies, Seoul National University
- 2021–2022: Ambassador for Economy and Trade, Ministry of Foreign Affairs (MOFA)
- 2019–2021: Trade Minister, Ministry of Trade, Industry and Energy (MOTIE)
- 2018–2019: Director General for FTA Policy, Office of FTA Negotiations, MOTIE
- 2017–2018: Director General, Bureau of Trade Policy, Office of FTA Negotiations, MOTIE
- 2015–2017: Director General, FTA Negotiations & East Asia FTA Bureau, MOTIE
- 2014–2015: Spokesperson for Foreign Media, Office of Public Relations, Office of the President

Board Experience

- October 2022–present: Independent Director, Hyundai Construction Equipment (Member of Audit Committee)

Education

- J.D., Vanderbilt University Law School
- M.A. in Public Policy, Seoul National University
- B.A. in English Language and Literature, Seoul National University

Agenda Item 5. Approval of Director Remuneration Limit (FY2024)

Compensation Committee

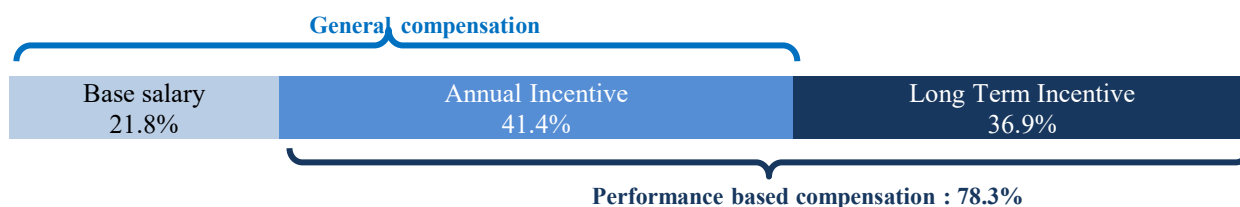
Samsung Electronics established the Compensation Committee in 2009 by a resolution of the Board, without legal mandates. The Committee consists entirely of Independent Directors to ensure the objectivity and transparency of decision-making regarding director remuneration. It is responsible for assessing the appropriateness of director compensation and reviewing the limit on director compensation for the next fiscal year, which will be up for approval by the shareholders at the AGM.

Remuneration Structure

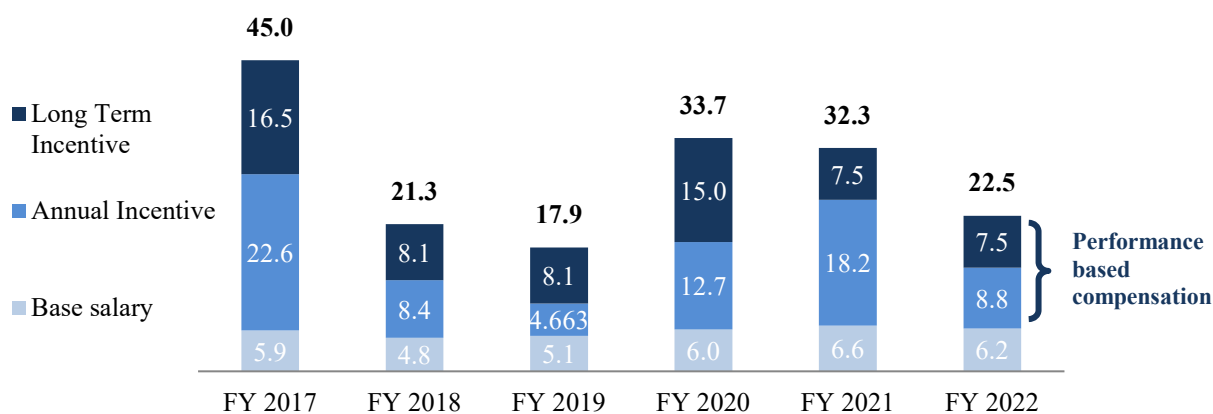
Our Director Remuneration program emphasizes the link between performance and compensation. The program consists of two elements: 1) general compensation; and 2) three-year long-term incentive (LTI).

	1.1) Base salary	Fixed compensation (including Independent Directors)
1) General compensation	1.2) Annual incentive	Performance based compensation
2) Long-term incentive (LTI)		

※ Remuneration of Directors by element (FY2017–FY2022; average portion)



(Unit: KRW billion)



1) General compensation

General compensation consists of base salary (including that for Independent Directors) and annual incentives.

1.1) Base salary

In accordance with internal regulations for executive treatment (Board resolution), base salary is determined based on position, responsibilities, and performance results.

- Performance-based compensation such as annual incentives and LTI are calculated using base salary as the base.

1.2) Annual incentive

Annual incentives are based on achievements and financial performance in each business segment.

- OPI (Overall Performance Incentive): Provided within a range of 50% of the annual salary when a company achieves annual targets set by CEOs. Paid from 20% of calculated Economic Value Added.
- TAI (Target Achievement Incentive): Provided within a range of 200% of monthly salary based on target achievement of each business.
- Special Bonus: Provided as a one-time bonus based on the annual performance and financial results, in accordance with internal regulations approved by the Board—e.g., special bonus to the CEO of the semiconductor business.

2) Long-term incentive (LTI)

The Company determines LTI by conducting performance evaluations at three-year intervals, and from FY2023, it distributes 33% of the incentive in each of the following three years. Samsung Electronics adopted the LTI system in 2005.

	Term 1	Term2	Term 3	Term 4	Term 5	Term 6
Evaluation period:	2005–2007	2008–2010	2011–2013	2014–2016	2017–2019	2020–2022
Payment period:	2008	2011–2013	2014–2016	2017–2019	2020–2022	2023–2025

Evaluation criteria

Comparison of 3-year **ROE, EBIT margin, Stock Performance**

- ROE and EBIT margin are measured against figures at global peers.
- Stock performance is measured against that of the KOSPI and of global peers

Clawback policy

The LTI plan features a clawback policy (or recovery plan) that enables the Company to reduce awarded payments if any financial losses, such as contingent liabilities, are found after the LTI was determined. The plan's deferral of and ability to recover payments is designed to enhance management responsibility.

FY2023: Actual Compensation

The actual total compensation in FY2023 was KRW 26.0 billion, which is approximately 54% of the annual remuneration limit.

(Unit: KRW billion)

	FY2023		FY2022		FY2021	
	Approved	Actual	Approved	Actual	Approved	Actual
General compensation ¹	33.0	16.1	33.0	15.0	33.0	24.8
Long-term incentive (LTI)	15.0	9.9	8.0	7.5	8.0	7.5
Total ²	48.0	26.0	41.0	22.5	41.0	32.3

1. Includes Independent Directors

2. Limited to the term as a registered director

1) General compensation of FY2023 increased year-on-year.

- Base salary increased compared to FY2022 due to increases in time of service.
- Annual incentive, on the other hand, decreased due to smaller OPI and TAI payments amid weak earnings in FY2023, compared to FY2022.

2) LTI of FY2023 increased year-on-year.

- In FY2023, 33% of the incentive was provided in accordance with the LTI system as it was the first year of the three-year term, whereas 25% of incentive was provided in FY2022.

□ Executive Directors

- In accordance with relevant regulations, Executive Director remuneration is disclosed semi-annually. Individual remuneration for FY2023 will be disclosed in March 2024 in the annual business report, which is to be posted on the IR website.

(Unit: KRW billion)

	FY2023			FY2022					
	1st half			1st half			Year		
	Base salary	Perform. based	Total	Base salary	Perform. based	Total	Base salary	Perform. based	Total
JH Han	0.7	0.4	1.2	0.6	1.4	2.1	1.2	3.4	4.6
KH Kyung*	0.6	0.3	0.9	0.5	0.5	1.0	1.0	1.9	3.0
TM Roh	0.6	0.3	0.9	0.6	1.1	1.7	1.1	3.0	4.1
HK Park	0.5	0.2	0.7	0.4	0.3	0.8	0.9	1.0	1.9
JB Lee*	0.5	0.3	0.8	0.4	0.7	1.1	0.8	2.0	2.8

* For KH Kyung (President & CEO, Head of DS) and JB Lee (Head of Memory Business), the OPI for FY2023 is 0% due to the slowdown in the Memory business.

- Remuneration to Executive Directors who stepped down in March 2022 (i.e., Ki-Nam Kim, Hyun-Suk Kim, and Dong-Jin Koh) is as follows:

	FY2022		
	Base salary	Perform based	Total
KN Kim	1.7	3.9	5.7
HS Kim	0.9	2.2	3.1
DJ Koh	0.9	2.7	3.7

※ Global peer comparison

(Unit: USD million)

	SEC	Peer companies							
		Apple	QCOM	Cisco	MSFT	Micron	Intel	IBM	HP
Total	19.0	171.0	55.8	86.2	112.6	58.9	64.1	49.9	56.7
Per person	3.8	34.2	11.2	17.2	22.5	11.8	12.8	10.0	11.3
As percentage of net profit	0.2%	0.2%	0.8%	0.7%	0.2%	N/A	0.8%	3.0%	1.8%

* Comparison of SEC's average remuneration in FY2023 for the five Executive Directors to the actual remuneration paid to the top five executives at global peer companies.

* Based on the latest disclosure: FY2023 for Apple, Qualcomm, Cisco, Microsoft, Micron; FY2022 for Intel, IBM, HP.

* Micron recorded an annual deficit in FY2023.

□ Independent Directors

- Independent Directors remuneration is included in general compensation. In FY2023, total remuneration increased compared to FY2022.

(Unit: KRW billion)

	FY2023	FY2022	FY2021
Number of Independent Directors	6	6	6
Total remuneration	1.2	1.1	0.9
Per person	0.2	0.18	0.15

FY2024: To Be Approved

The Board recommends a remuneration limit of KRW 43.0 billion for FY2024, down from KRW 48 billion in the previous year.

(Unit: KRW billion)

	FY2024	FY2023	FY2022
General Compensation ¹	33.0	33.0	33.0
Long-term Incentive (LTI)	10.0	15.0	8.0
Total	43.0	48.0	41.0

1. Includes Independent Directors

1) General compensation

- The Board recommends maintaining the same level of general compensation limit in FY2024 from FY2023 in consideration of macro uncertainties.

2) Long-term incentive (LTI)

- For FY2024, the Board recommends an LTI limit of KRW 10.0 billion.
- Under the current scheme, Directors receive 33% of their LTI each year of the three-year payment period.
- FY2024 is Year 2 of the new payment scheme, with LTI determined by performances over FY2020–2022. Under the new scheme, the LTI limit for FY2024 has decreased compared to FY2023 due to the following reasons:
 - The limit in Year 1 is set prior to the finalization of the LTI pool for FY2020–FY2022, so it considers the potential upper bounds of payment.

(Unit: KRW billion)

	Current term			Previous term		
Evaluation period	FY2020–FY2022			FY2017–FY2019		
Payment period	FY2023–FY2025			FY2020–FY2022		
		Limit	Actual		Limit	Actual
Payment Year 1	FY2023 (33%)	15.0	9.9	FY2020 (50%)	25.0	15.0
Payment Year 2	FY2024 (33%)	10.0	-	FY2021 (25%)	8.0	7.5
Payment Year 3	FY2025 (33%)	-	-	FY2022 (25%)	8.0	7.5

Agenda Item 6. Approval of Amendments to the Articles of Incorporation

Overview

In light of the ever-changing business environment, the Board decided to update the Articles of Incorporation to reflect recent changes in applicable laws and to clarify the overall language. Furthermore, we will also reflect updates on provisions related to Board operations.

Main Details

Changes in the applicable laws and regulations

- Introduction of the electronic securities system as a result of the enactment of the Electronic Registration of Stocks and Bonds Act, which took effect in September 2019.
- Amendments to the Monopoly Regulation and Fair Trade Act, which took effect in December 2020.

Changes in Board Operations

- Add currently operating committees on the list of Board Committees: Compensation Committee, Sustainability Committee, and Related Party Transactions Committee.
- Extend the convocation notice from 24 hours to 7 days before the scheduled meeting date, enabling the Board to review the agenda more sufficiently.
 - * In urgent circumstances, the notification period can be shortened to a minimum of 24 hours.

Amendments

Original Language	Revised Language (2024)
Article 8. (Types of Shares and Share Certificates) 7. <u>Share certificates of the Company shall be issued in 8 denominations of one, five, ten, fifty, one hundred, five hundred, one thousand and ten thousand share(s).</u>	Article 8. (Types of Shares and Share Certificates) [Deleted]
Article 9. (Transfer Agent) 3. The Company shall keep the Register of Shareholders and a copy thereof at the office of the transfer agent and entrust the transfer agent to deal with any entry into the Register of Shareholders, <u>registration or deregistration of pledges, notation of entrustments or cancellation thereof, issuance of share certificates, receipt of notices and other related matters.</u>	Article 9. (Transfer Agent) 3. The Company shall keep the Register of Shareholders and a copy thereof at the office of the transfer agent and entrust the transfer agent to deal with <u>any electronic registration of shares, management of the Register of Shareholders</u> and other related matters.
[Newly inserted]	4. <u>The procedure for handling the matters referred to in Paragraph 3 above shall follow the business regulations set by the transfer agent.</u>

Original Language	Revised Language (2024)
<p>Article 9-2. (Report of Name, Address, Seal or Signature of Shareholders, etc.)</p> <p>1. <u>Shareholders and registered pledgees shall report their names, addresses, and seals or signature to the transfer agent referred to in Article 9.</u></p> <p>2. <u>Shareholders and registered pledgees who reside in foreign countries shall appoint and report the place where, and an agent to whom, notices will be given in Korea.</u></p> <p>3. <u>The same shall apply in case of any changes in matters referred to in Paragraphs 1 and 2 above.</u></p>	<p>Article 9-2. (Preparation and Maintenance of the Register of Shareholders)</p> <p>1. <u>Upon receiving particulars of shareholders from the electronic registry, the Company shall prepare and keep the Register of Shareholders, noting the details provided and the date of notification.</u></p> <p>2. <u>If necessary, the Company can request the electronic registry to prepare particulars of shareholders.</u></p> <p>[Deleted]</p>
<p>Article 10. Deleted</p>	<p>Article 10. (Electronic Registration of Rights to be Indicated on the Certificates of Shares and Subscription Rights)</p> <p><u>The Company shall electronically register rights to be indicated on the certificates of shares and subscription rights in the electronic register of the electronic registry, instead of issuing physical certificates thereof.</u></p>
<p>Article 15. (Closing of Register of Shareholders and the Record Date)</p> <p>1. <u>The Company shall suspend any entry into the Register of Shareholders of any alteration of a shareholder's name, registration or deregistration of pledge, or notation of entrustments or cancellation thereof for one (1) month from the day following the last day of each fiscal year; provided, however, that the Company may adjust such closing period to the extent it does not exceed three (3) months if there is unavoidable reason and in such case, the Company shall place a notice of the adjustment of closing period in newspapers two (2) weeks prior to the commencement of such closing period.</u></p>	<p>Article 15. (Record Date)</p> <p>[Deleted]</p>
<p>2. The Company shall let the shareholders who are entered into the Register of Shareholders on the last day of each fiscal year exercise their rights thereof at the ordinary general meeting of shareholders.</p> <p>3. In case where the Company convenes an extraordinary general meeting of shareholders or where deemed otherwise necessary, the Company may, by resolution of the Board of Directors or such committee as authorized by the Board of Directors, <u>set the record date or close the Register of Shareholders for a certain period not exceeding three (3) months by giving at least two (2) weeks' prior public notice; provided that if the Board of Directors or such committee as authorized by the Board of Directors deems it necessary, the Company may close the Register of Shareholders and set the record date at the same time.</u></p>	<p>1. The Company shall let the shareholders who are entered into the final Register of Shareholders on the last day of each fiscal year exercise their rights thereof at the ordinary general meeting of shareholders.</p> <p>2. In case where the Company convenes an extraordinary general meeting of shareholders or where deemed otherwise necessary, the Company may, by resolution of the Board of Directors or such committee as authorized by the Board of Directors, <u>set the record date and give at least two (2) weeks' prior public notice of the information.</u></p>

Original Language	Revised Language (2024)
[Newly inserted]	<p>Article 16-3 (Electronic Registration of Rights to be Indicated on the Certificates of Bonds and Subscription Rights)</p> <p><u>The Company shall electronically register rights to be indicated on the certificates of bonds and subscription rights in the electronic register of the electronic registry, instead of issuing physical certificates thereof; provided that bonds other than listed bonds, for which electronic registration is legally mandated, may opt not to be electronically registered.</u></p>
[Newly inserted]	<p>Article 16-4 (Mutatis Mutandis Application to the Issuance of Bonds)</p> <p><u>The provisions of Article 9 shall apply <i>mutatis mutandis</i> to the issuance of bonds.</u></p>
<p>Article 28-2. (Committees)</p> <p>1. The Company may establish the following committees within the Board of Directors by the resolution of the Board of Directors:</p> <ol style="list-style-type: none"> a. Management Committee; b. Audit Committee; c. Outside Director Recommendation Committee; d. Other committee as deemed necessary by the Board of Directors. 	<p>Article 28-2. (Committees)</p> <p>1. The Company may establish the following committees within the Board of Directors by the resolution of the Board of Directors:</p> <ol style="list-style-type: none"> a. Management Committee; b. Audit Committee; c. Independent Director Recommendation Committee; d. <u>Compensation Committee;</u> e. <u>Sustainability Committee;</u> f. <u>Related Party Transactions Committee;</u> g. Other committee as deemed necessary by the Board of Directors.
[Newly inserted]	<p>Article 28-6. (Compensation Committee)</p> <p>1. <u>The Company may establish the Compensation Committee as set forth in Article 28-2 by a resolution of the Board of Directors.</u></p> <p>2. <u>Details concerning composition and operation of the Compensation Committee shall be determined by the Board of Directors.</u></p>
[Newly inserted]	<p>Article 28-7. (Sustainability Committee)</p> <p>1. <u>The Company may establish the Sustainability Committee as set forth in Article 28-2 by a resolution of the Board of Directors.</u></p> <p>2. <u>Details concerning composition and operation of the Sustainability Committee shall be determined by the Board of Directors.</u></p>
[Newly inserted]	<p>Article 28-8. (Related Party Transactions Committee)</p> <p>1. <u>The Company may establish the Related Party Transactions Committee as set forth in Article 28-2 by a resolution of the Board of Directors.</u></p> <p>2. <u>Details concerning composition and operation of the Related Party Transactions Committee shall be determined by the Board of Directors.</u></p>

Original Language	Revised Language (2024)
<p>Article 30. (Convening of the Meeting of the Board of Directors)</p> <p>1. The meeting of the Board of Directors shall be convened by the chairman, and the chairman shall give notice to each director of the date, time and place at least <u>twenty-four (24) hours prior</u> thereto in writing, electronic document or verbally; provided that such notice may be omitted with the consent of all directors.</p>	<p>Article 30. (Convening of the Meeting of the Board of Directors)</p> <p>1. The meeting of the Board of Directors shall be convened by the chairman, and the chairman shall give notice to each director of the date, time and place at least <u>seven (7) days prior</u> thereto in writing, electronic document or verbally; provided that, <u>in urgent circumstances, this notification period can be shortened to at least 24 hours prior</u>, and such notice may be omitted with the consent of all directors.</p>
<p>Article 38. (Disposition of Profits)</p> <p>The unappropriated retained earnings for each fiscal year of the Company shall be disposed of as follows:</p> <p>1. Legal Reserves (<u>stipulated in the Commercial Code</u>);</p>	<p>Article 38. (Disposition of Profits)</p> <p>The unappropriated retained earnings for each fiscal year of the Company shall be disposed of as follows:</p> <p>1. Legal Reserves</p>
<p>Article 40. (Approval of Transaction with Specially Related Parties, etc.)</p> <p>1. The Company shall obtain the approval from the Board of Directors in order to enter into the following transaction:</p> <p>a. Large scale internal transactions as prescribed <u>in Article 11-2 of Monopoly Regulation and Fair Trade Law ("FTL") with or for the Specially Related Party under FTL</u></p>	<p>Article 40. (Approval of Transaction with Specially Related Parties, etc.)</p> <p>1. The Company shall obtain the approval from the Board of Directors in order to enter into the following transaction:</p> <p>a. Large scale internal transactions as prescribed in Monopoly Regulation and Fair Trade <u>Law</u> ("FTL")</p>

Information About the Meeting And Shareholder Rights

Overview

General meetings of shareholders are the Company's highest decision-making body, where shareholders deliberate and decide on important issues concerning the Company.

□ Convening

General meetings of shareholders shall be either ordinary or extraordinary meetings.

- Ordinary general meetings—held within three months of the record date.
- Extraordinary general meetings—held whenever deemed necessary.

* Extraordinary general meetings may be called by the Board or by persons as authorized by the Articles of Incorporation and the Commercial Act and convened in accordance with the relevant procedures.

□ Parties with authority to convene meetings

Persons or parties authorized to call ordinary and extraordinary general meetings under the Articles of Incorporation and the Commercial Act:

- Board of Directors
- Audit Committee
- Shareholders

* According to the Commercial Act, shareholders who have owned at least 1.5% of outstanding shares with voting rights of the Company for more than six months may request to convene extraordinary general meetings.

□ Notice of convening

Pursuant to the Article 17-3 of the Articles of Incorporation, a written or electronic notice thereof setting forth the time, date, place, and agenda of the meeting shall be sent to the shareholders at least two weeks prior to the general meeting of shareholders.

* For the purpose of transparency and protecting shareholder voting rights, the Company currently has a policy to notify the shareholders of a general meeting of shareholders three or four weeks prior to the general meeting of shareholders.

Operation

In accordance with our Article of Incorporation, each shareholder is entitled to one vote per share. The Company does not have any system or method (such as a dual class voting structure, etc.) to discriminate shareholders' voting rights.

□ Method of adopting resolutions at the general meeting of shareholders

1. Ordinary resolution

- Pursuant to the Commercial Act and the Articles of Incorporation, resolutions shall be passed by more than one half (1/2) of votes of the shareholders present at the general meeting of shareholders and by more than one fourth (1/4) of outstanding votes.
- Items of Ordinary Resolutions: Election of Directors, remuneration for Directors, approval of financial statements, etc.

2. Extraordinary resolution

- Pursuant to the Commercial Act and the Articles of Incorporation, resolutions for matters that are significant to the Company's operation, including but not limited to amendments to the Articles of Incorporation and M&As subject to a resolution at a General Meeting, shall be passed by two thirds (2/3) of votes of the shareholders present at the general meeting of shareholders and by more than one third (1/3) of outstanding votes.
- Items of Extraordinary Resolutions: Amendment to the Articles of Incorporation, dismissal of Directors, approval of split or merger of the Company, etc.
- The Company does not allow mail-in voting. However, the Board in January 2020 resolved to adopt electronic voting to enable shareholders to more conveniently exercise their voting rights. Electronic voting has been available from the 51st AGM held in March 2020. In addition, the Company recommends the granting of proxies by distributing letter of attorney via various means—e.g., direct distribution, mail or fax, uploading the letter of attorney on the IR website, and sending the letter of attorney through email.

□ Protection of minority shareholder rights in the general meeting of shareholders

We are committed to protecting the rights of the Company's minority shareholders, whose rights are set forth below:

1. Right to call general meetings of shareholders

- In accordance with the Commercial Act, shareholders who own more than 1.5% of outstanding shares with voting rights of the Company for more than six months may request to convene extraordinary general meetings.

2. Right to present shareholder proposals

- Pursuant to the Commercial Act and the Articles of Incorporation, shareholders with ownership of more than 0.5% of outstanding shares with voting rights for more than six months may present shareholder proposals at a general meeting of shareholders.

Overview – The Board of Directors

As of December 2023, the Board of Samsung Electronics is composed of five Executive Directors and six Independent Directors, with an Independent Director majority guaranteeing independence and transparency.

Independent Director Han-Jo Kim has chaired the Board since 2022.

□ Board of Directors (as of December 2023)

Executive Directors (5):	Jong-Hee Han Hark-Kyu Park	Kye-Hyun Kyung Jung-Bae Lee	Tae-Moon Roh
Independent Directors (6):	Han-Jo Kim (Board Chair)		
	Sun-Uk Kim Eun-Nyeong Heo	Jeong Kim Myung-Hee Yoo	Jun-Sung Kim

Board Committees

The Management Committee

The Management Committee deliberates and decides matters either delegated by the Board, or specified in the Articles of Incorporation or Regulations of the Board, aiming to enhance professionalism and efficiency of decision-making.

The Audit Committee

The Audit Committee supervises and supports management to maximize corporate value using a system of checks and balances. The Committee consists of three Directors, and at least two thirds of them, according to relevant laws and regulations, must be Independent Directors.

The Independent Director Recommendation Committee

The Independent Director Recommendation Committee ensures that outside directors are recruited and recommended in a fair and independent matter.

The Related Party Transaction Committee

The Related Party Transaction Committee (also known as the Internal Transaction Committee) is a compliance body to enhance corporate governance and to promote fair transactions. The Committee reviews pending transactions between the Company and its related parties.

The Compensation Committee

The Compensation Committee evaluates the appropriateness of and reviews and approves the limit on Director compensation to be submitted for resolution at a general meeting of shareholders. The Committee consists of three Independent Directors.

The Sustainability Committee

The Sustainability Committee was established in July 2021, as an expansion of the previously named Governance Committee, to pursue sustainability management in areas including ESG (environment, social, and governance) and to enhance shareholder value.

□ Composition of the Board committees (as of February 2024)

We increased independence across the Board by forming all committees entirely with Independent Directors, excluding the Management Committee, which consists of five Executive Directors to make efficient decisions about business matters.

	Members		
	Chair	Executive Directors	Independent Directors
Management Committee	Jong-Hee Han (Executive)	Kye-Hyun Kyung Tae-Moon Roh Hark-Kyu Park Jung-Bae Lee	-
Audit Committee	Han-Jo Kim (Independent)	-	Sun-Uk Kim Jeong Kim
Independent Director Recommendation Committee	-	-	Sun-Uk Kim Eun-Nyeong Heo Myung-Hee Yoo
Related Party Transactions Committee	Sun-Uk Kim (Independent)	-	Han-Jo Kim Jeong Kim
Compensation Committee	Jeong Kim (Independent)	-	Han-Jo Kim Jun-Sung Kim
Sustainability Committee	Han-Jo Kim (Independent)	-	Sun-Uk Kim Jeong Kim Jun-Sung Kim Eun-Nyeong Heo Myung-Hee Yoo

Profile of Board Members (Executive)



Jong-Hee Han

Birth: March 15, 1962
Director since 2020

Mr. Jong-Hee Han has been Vice Chairman & CEO, Head of Device eXperience (DX) of Samsung Electronics since 2021. He became President and Head of the Visual Display Business in 2017. Mr. Han joined the Company in 1988 and has been influential in the development of a wide range of market-leading products. He played a pivotal role in taking Samsung's TV business to the pinnacle of the global market in 2006 and keeping it there since.

Mr. Han was a key figure in the unveiling of Samsung's world-class LED TV, and his numerous other innovations enabled the Company to continually demonstrate its technology leadership. He was also instrumental in the development of Samsung's own video processing technologies. He served as the President of Korea Association of Smart Home (KASH; from 2018–2019).

He earned his Bachelor's degree in electrical engineering from Inha University in 1988.



Kye-Hyun Kyung, PhD

Birth: March 5, 1963
Director since 2022

Dr. Kye-Hyun Kyung, President & CEO, Head of Device Solutions (DS), is a business leader and expert in the tech industry, having developed core memory technologies for the Company that spearheaded the "semiconductor supergap," including the world's first Direct Rambus DRAM in 1997 and the world's first Three-Dimensional Vertical NAND Flash in 2013. He also proved his abilities in management, as he achieved historically high results as CEO of Samsung Electro-Mechanics from 2020 to 2021.

Moreover, Dr. Kyung has made significant contributions to the organization's outstanding performance through 'communication leadership,' or precisely understanding the needs of key stakeholders via communicating actively, coordinating opinions, and hosting discussions.

He earned his B.A., M.S., and Ph.D. in control and measurement engineering at Seoul National University.



Tae-Moon Roh, PhD

Birth: September 3, 1968
Director since 2022

Dr. Tae-Moon Roh, President and Head of the Mobile eXperience (MX) Business, is a leading expert in smartphones who won the Technology Award in the Samsung Award of Honor in 2010 in recognition of his role in developing the Galaxy S-series.

Dr. Roh has been key in the development of new flagship products, including foldables, as well as in the sales expansion of wearables, overseeing the generation of KRW 109 trillion in revenue in 2023, our strongest performance since 2014. Moreover, he contributed to solidifying business fundamentals by improving operations, which included achieving cost efficiencies via standardizing components as well as by enhancing the efficiency of marketing activities.

He earned his B.A. in electronic engineering at Yonsei University and M.S. and Ph.D. in electronic engineering at Pohang University of Science and Technology.



Hark-Kyu Park

Birth: November 10, 1964
Director since 2022

Mr. Hark-Kyu Park, President & CFO, proved his capabilities in management and navigating risks during his numerous key positions in core businesses, from software to components to finished products. He served with exemplary management and finance expertise as head of the Mobile Business Administration Team, COO of Samsung SDS, and CFO of DS, among others.

Mr. Park, as the CFO, supports better business performance and coordinates management issues across the whole Company. We believe he is the person most befitting to support the operation of the Board, including through leading close communication between Board members and serving as a bridge between the Board and employees.

He earned his B.A. in business administration at Seoul National University and his M.S. in business and technology management at Korea Advanced Institute of Science and Technology.



Jung-Bae Lee, PhD

Birth: February 27, 1967
Director since 2022

Dr. Jung-Bae Lee, President and Head of the Memory Business, offers experience and expertise that encompass the breadth of the Memory business, which includes not only development, but also quality and strategy. He has a remarkable understanding of and offers deep insight into the memory business.

Mr. Lee heads the business unit that is key to the Company's overall results, and he has contributed significantly to enhancing the business's performance.

Amid an environment of escalating technological competition, he led achievements such as continuing Samsung's run of being the top company in terms of revenue in DRAM for over 30 years and in flash memory for over 20 years by securing product competitiveness, including 10-nano-range DRAM and 6th generation V-NAND.

He earned his B.A., M.S., and Ph.D. electronic engineering at Seoul National University.

Profile of Board Members (Independent)



Han-Jo Kim

Birth: July 12, 1956
Director since 2019
Board Chair

Mr. Han-Jo Kim served as Chairman of Hana Nanum Foundation from 2015 to 2019 and became Chairman of Hana Foundation in 2019. He served as Vice Chairman of Hana Financial Group from 2015 to 2016. Previously, he was President and CEO of Korea Exchange Bank from 2014 to 2015 and President of KEB Capital from 2013 to 2014.

He received his Bachelor's degree in French language and literature at Yonsei University.



Sun-Uk Kim, JD

Birth: December 21, 1952
Director since 2018

Ms. Sun-Uk Kim is a professor emeritus of the School of Law at Ewha Womans University. She joined Ewha Womans University as a Professor in 1995, and was President of the university from 2010 until 2014. Ms. Kim served as Minister of Government Legislation from 2005 to 2007, the first female to hold this position, and she was appointed as chair of Policy Committee of the Ministry of Justice in 2020.

She was Chairperson of Alumninetzwerk Deutschland Korea (ADeKo) from 2011 to 2014 and a Co-President at Korea-Germany Forum from 2012 to 2016. She acted as a Co-President for the Advisory Panel of National Assembly Special Committee on Constitutional Amendment in 2017.

She earned both her LL.B. and LL.M in law from Ewha Womans University and her J.D. in administrative law from University of Konstanz in Germany.



Jeong Kim, PhD

Birth: August 13, 1960
Director since 2018

Dr. Jeong Kim served as a nuclear submarine officer in the US Navy from 1982 until 1989. He founded Yurie Systems in 1992 and took the firm public in 1997. In 1998, Dr. Kim sold the company to and then worked at Lucent Technologies as a Senior Executive and Corporate Officer. He joined the University of Maryland from 2001 to 2013, teaching in both the Department of Electrical and Computer Engineering and the Department of Mechanical Engineering.

From 2005 until 2013, he worked at what would become Alcatel-Lucent as president of the Bell Labs division and as Chief Strategy Officer in his final two years there. He co-founded and became Executive Chairman of Kiswe Mobile in 2013. Previously, he served on the board of numerous international firms, including Arris Group (US) and Schneider Electric SA (France).

Dr. Kim earned his B.S. in electrical engineering and computer science and M.S. in technical management at Johns Hopkins University; and his Ph.D. in reliability engineering from the University of Maryland.



Jun-Sung Kim

Birth: October 14, 1967
Director since 2022

Mr. Jun-Sung Kim is regarded as an opinion leader in the financial sector, and he has held active roles as an investment expert for a considerable length of time in global financial hubs including New York, London and Singapore.

He previously served in several key roles at Government of Singapore Investment Corporation (GIC) including Managing Director from 2013 to 2020. He has been Chief Investment Officer at the National University of Singapore since 2022.

Mr. Kim earned his B.A. in economics & business administration at Carnegie Mellon University; he is also an alumnus of the Executive Program at Stanford University, and the Board Director Diploma at the International Institute for Management Development (IMD), Switzerland.



Eun-Nyeong Heo, PhD

Birth: August 7, 1964
Director since 2022

Dr. Eun-Nyeong Heo is an expert in energy, resources, and the environment and, in particular, how they relate to economy and policy, and he is currently a tenured professor at Seoul National University in the Department of Energy Systems Engineering. Dr. Heo is a renowned international scholar, and he was appointed to the position of Vice President of the International Association for Energy Economics (IAEE) in 2017.

He also served as a President of the Korean Resource Economics Association from 2019 to 2020, a Vice President of The Korean Society for New and Renewable Energy since 2015, a Private Sector Commissioner on the Committee on Green Growth from 2013 to 2017, and a Private Sector Commissioner on the Committee on Energy since 2021.

Dr. Heo earned his B.S. and M.S. in mineral and petroleum engineering (mineral economics) at Seoul National University, and his Ph.D. in mineral economics from the Pennsylvania State University.



Myung-Hee Yoo, JD

Birth: June 5, 1967
Director since 2022

Ms. Myung-Hee Yoo is an expert in international trade who served as Korea's Trade Minister. In 2020, Ms. Yoo was one of the two finalists for the position of Director-General of the World Trade Organization (WTO), a testimony to global recognition of her outstanding reputation and capabilities.

She previously served as the Trade Minister at the Ministry of Trade, Industry and Energy (MOTIE) from 2019 to 2021 and as the Ambassador for Economy and Trade at the Ministry of Foreign Affairs (MOFA) from 2021 to 2022.

She earned her B.A. in English language and literature at Seoul National University, her M.A. in public policy at Seoul National University, and her J.D. from Vanderbilt University Law School.

Board Activities

The following tables present the agendas and voting results of meetings that were held by the Board and the Committees under the Board between January 2023 and December 2023.

□ Board meetings in FY2023

Board meetings and voting results of Directors

Agenda	Results	Executive Directors					Independent Directors					
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	Jeong Kim	JS Kim	EN Heo	MH Yoo
January 31												
① Approval of FY22 financial statements and full-year business report	Approved	For	For	Absent	For	For	For	For	For	For	For	For
② Lease agreement (lessee) with Samsung Display	Approved	For	For	Absent	For	For	For	For	For	For	For	For
※ Reported Items												
① Report on FY22 internal accounting management system activities												
② Report on evaluation of FY22 internal accounting management system activities												
February 14												
① Financial transaction with Samsung Display	Approved	For	Absent	For	For	For	For	For	For	For	For	For
② Decision to convene the 54th AGM	Approved	For	Absent	For	For	For	For	For	For	For	For	For
③ Decisions on the 54th AGM agenda items	Approved	For	Absent	For	For	For	For	For	For	For	For	For
※ Reported Items												
1) FY22 annual audit report												
2) FY22 full-year business report												
3) Report on transaction with affiliate company												
4) Report on FY22 internal accounting management system activities												
※ Agenda item 1: Approval of FY22 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings, etc.												
※ Agenda item 2: Appointment of Executive Directors of Jong-hee Han												
※ Agenda item 3: Approval of remuneration limit for Directors												
④ Approval of 2023 social contribution matching fund	Approved	For	Absent	For	For	For	For	For	For	For	For	For

Agenda	Results	Executive Directors					Independent Directors					
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	Jeong Kim	JS Kim	EN Heo	MH Yoo
⑤ Donation to Chung-nam Samsung Institute	Approved	For	Absent	For	For	For	For	For	For	For	For	For
⑥ Purchase of product liability insurance	Approved	For	Absent	For	For	For	For	For	For	For	For	For
⑦ Establishment of plans on health and safety for 2023	Approved	For	Absent	For	For	For	For	For	For	For	For	For
March 15												
① Appointment of CEO	Approved	For	Absent	For	For	For	For	For	For	For	For	For
② Appointment of Board committee members	Approved	For	Absent	For	For	For	For	For	For	For	For	For
③ Setting remuneration of Directors	Approved	For	Absent	For	For	For	For	For	For	For	For	For
④ Appointment of SCC member	Approved	For	Absent	For	For	For	For	For	For	For	For	For
April 27												
① Approval of 1Q23 interim business report and quarterly dividend	Approved	For	For	For	For	For	For	For	For	For	For	For
② Promotion of supporting a smart factory project	Approved	For	For	For	For	For	For	For	For	For	For	For
③ Donation to incentive fund for DS Division's suppliers	Approved	For	For	For	For	For	For	For	For	For	For	For
July 27												
① Approval of 2023 half-year business report and quarterly dividend for the second quarter	Approved	For	For	For	For	For	For	For	For	For	For	For
② Charitable contributions	Approved	For	For	For	For	For	For	For	For	For	For	For
③ Purchase of mobile device insurance	Approved	For	For	For	For	For	For	For	For	For	For	For
August 18												
① Purchase of package insurance policy for domestic operations	Approved	For	For	For	For	For	For	For	For	For	For	For
※ Reported Items												
① Report on the request to join the Federation of Korean Industries												
October 31												
① Approval of 3Q23 interim business report and quarterly dividend	Approved	For	For	For	For	For	For	For	For	For	For	For
② Changes to the real estate lease agreement with Samsung Display	Approved	For	For	For	For	For	For	For	For	For	For	For
③ License grant agreement with Samsung Display	Approved	For	For	For	For	For	For	For	For	For	For	For
④ Purchase agreement for Green 2-dong with Samsung Display	Approved	For	For	For	For	For	For	For	For	For	For	For

Agenda	Results	Executive Directors					Independent Directors					
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	Jeong Kim	JS Kim	EN Heo	MH Yoo
※ Reported Items												
① Report on the CEO candidate pool												
November 30												
① Revision of regulation on the Board of Directors and Committee	Approved	For	For	For	For	For	For	For	For	For	For	For
② Approval of transaction with affiliate company	Approved	For	For	For	For	For	For	For	For	For	For	For
③ Payment of retirement pension plan	Approved	For	For	For	For	For	For	For	For	For	For	For
④ Approval of business plan for 2024	Approved	For	For	For	For	For	For	For	For	For	For	For
⑤ Contribution to Community Chest of Korea's annual fundraising campaign for 2024	Approved	For	For	For	For	For	For	For	For	For	For	For
⑥ Contribution to UNDP sourced from Samsung Global Goals	Approved	For	For	For	For	For	For	For	For	For	For	For
※ Reported Items												
① Report on the evaluation of the effectiveness of the compliance control system												
② Report on results of the compliance review												
③ Report on measures to develop a compliance culture												

Board Meeting Attendance

	Name	2021	2022	2023	Total	
		<i>Jan 2021 - Dec 2021</i>	<i>Jan 2022 - Dec 2022</i>	<i>Jan 2023 - Dec 2023</i>	Meetings	Overall attendance
Independent Directors	Han-Jo Kim	8/8	10/10	8/8	26	26
	Sun-Uk Kim	8/8	9/10	8/8	26	25
	Jeong Kim	8/8	10/10	8/8	26	25
	Jun-Sung Kim	-	8/8	8/8	16	16
	Eun-Nyeong Heo	-	3/3	8/8	11	11
	Myung-Hee Yoo	-	3/3	8/8	11	11
	Jae-Wan Bahk	8/8	2/3	-	11	10
	Byung-Gook Park	8/8	4/4	-	12	12
	Curie Ahn	8/8	2/3	-	11	10
	Wha-Jin Han	-	1/1	-	1	1
Executive Directors	Jong-Hee Han	8/8	9/10	8/8	26	25
	Kye-Hyun Kyung	-	8/8	6/8	16	14
	Tae-Moon Roh	-	7/8	7/8	16	14
	Hark-Kyu Park	-	8/8	8/8	16	16
	Jung-Bae Lee	-	8/8	8/8	16	16
	Yoon-Ho Choi ¹⁾	7/8	-	-	8	7
	Kinam Kim ²⁾	8/8	2/2	-	10	10
	Hyun-Suk Kim ³⁾	8/8	2/2	-	10	10
	Dong-Jin Koh ⁴⁾	8/8	2/2	-	10	10

1) Resigned in December 2021

2) 3) 4) Resigned in March 2022

□ Committee participation in FY2023

Management Committee

Agenda	Results	Executive Directors				
		JH Han (100%)	KH Kyung (88%)	TM Roh (88%)	HK Park (100%)	JB Lee (100%)
January 19						
① License agreement	Approved	For	For	For	For	For
② Executive OPI change	Approved	For	For	For	For	For
April 27						
① Appointment of the head of the Management Committee	Approved	For	For	For	For	For
② Establishment of overseas subsidiary	Approved	For	For	For	For	For
③ Liquidation of an overseas (China) subsidiary	Approved	For	For	For	For	For
④ Liquidation of an overseas (Europe) subsidiary	Approved	For	For	For	For	For
May 15						
① Investment in Memory Business	Approved	For	For	Absent	For	For
② Acquisition of an overseas subsidiary	Approved	For	For	Absent	For	For
August 11						
① Investment in Memory Business	Approved	For	For	For	For	For
② Investment in Foundry Business	Approved	For	For	For	For	For
③ Investment in Foundry Business at Hwasung facility	Approved	For	For	For	For	For
④ Investment in infrastructure at Pyeongtaek Semiconductor R&D Center	Approved	For	For	For	For	For
⑤ Investment in Semiconductor R&D Center	Approved	For	For	For	For	For
October 12						
① Investment in Foundry Business	Approved	For	For	For	For	For
② Investment in construction/facilities to address advanced production package production in 2024	Approved	For	For	For	For	For
November 21						
① Construction of new buildings at Pyeongtaek sites	Approved	For	For	For	For	For
November 24						
① Finishing work for Foundry clean room at Pyeongtaek	Approved	For	For	For	For	For
② Construction of Giheung Semiconductor R&D Center	Approved	For	For	For	For	For
③ Investment in Memory Business	Approved	For	For	For	For	For
④ Expansion of Supercomm at Super Computing Center and investment in infrastructure	Approved	For	For	For	For	For
December 21						
① License agreement	Approved	For	Absent	For	For	For
② Purchase of mobile device insurance	Approved	For	Absent	For	For	For

Audit Committee

Agenda
January 27
<ul style="list-style-type: none">① Report on 2022 internal accounting management system activities② Report on evaluation of 2022 internal accounting management system activities③ Communication between external auditor and audit committee④ Report on 2022 financial statement and business report⑤ Report on 4Q22 non-audit activities⑥ Report on 4Q22 external contributions⑦ Report on 2022 audit activities
February 10
<ul style="list-style-type: none">① Review of the 54th AGM agenda② Report on activities of internal compliance system in 2022
April 26
<ul style="list-style-type: none">① Communication between external auditor and audit committee② Report on 2022 audit activities③ Report on 1Q23 interim business report④ Report on 1Q23 non-audit activities⑤ Report on plans for reviewing 2023 internal accounting management system activities⑥ Report on 1Q23 external contributions⑦ Report on plans for evaluating 2023 internal accounting management system activities
July 25
<ul style="list-style-type: none">① Communication between external auditor and Audit Committee② Report on 2023 half-year business report③ Report on 2Q23 non-audit activities④ Interim report on 2023 internal accounting management system activities⑤ Report on 2Q23 external contributions⑥ Report on 1H23 audit activities⑦ Report on evaluation of 2023 internal accounting management system and the establishment of operational regulations
October 27
<ul style="list-style-type: none">① Communication between external auditor and audit committee② Report on 3Q23 interim business report③ Report on 3Q23 non-audit activities④ Report on 3Q23 external contributions

Sustainability Committee

Agenda
January 31
<ul style="list-style-type: none">① Report on IR activities
April 27
<ul style="list-style-type: none">① Report on IR activities② Report on current status and response: ESG information disclosure request (draft)③ Report on current status and response: EU supply chain due diligence directive
July 25
<ul style="list-style-type: none">① Report on IR activities② Report on progress of The Universe③ Report on progress of the Company's accessibility
October 27
<ul style="list-style-type: none">① Report on IR activities② Report on Key achievements of the New Environmental Strategy during its first year of implementation

Related Party Transactions Committee

Agenda
January 27
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Lease agreement (lessee) with Samsung Display ② Report on 4Q22 related party transactions
February 10
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Purchase of product liability insurance 2) Financial transaction with Samsung Display
April 25
<ul style="list-style-type: none"> ① Report on 1Q23 related party transactions
July 25
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Charitable contributions 2) Purchase of mobile device insurance ② Report on 2Q23 related party transactions
August 18
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Purchase of package insurance policy for domestic operations
October 27
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Changes to the real estate lease agreement with Samsung Display 2) License grant agreement with Samsung Display 3) Purchase agreement for Green 2-dong with Samsung Display ② Report on 3Q23 related party transactions
November 28
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Payment of retirement pension plan 2) Approval of 2024 large-scale product and service transactions

Compensation Committee

Agenda	Results	Independent Directors		
		Jeong Kim	HJ Kim	JS Kim
January 27				
① Appointment of the head of the Compensation Committee	Approved	For	For	For
② Review on 2023 fixed annual salary for each Executive Director	Approved	For	For	For
③ Review on 2023 remuneration limit for Directors	Approved	For	For	For

□ Committee participation in FY2024

The Independent Director Recommendation Committee

Agenda	Results	Independent Directors		
		SU Kim	EN Heo	MH Yoo
January 29				
① Appointment of head of committee	Approved	For	For	For
② Decision on date of Independent Director candidate recommendation	Approved	For	For	For
February 19				
① Appointment of Independent Director for Audit Committee Member	Approved	For	For	For
② Recommendation of Independent Director candidate	Approved	For	For	For

* No meetings were held in 2023

Share Ownership Structure

□ Overview

As of the end of 2023, the total number of shares outstanding was 6,792,669,250. The number of common and preferred shares outstanding were 5,969,782,550 (87.9%) and 822,886,700 (12.1%), respectively.

The Company held no treasury shares as of the end of 2023 as it previously cancelled all treasury holdings in two phases, which occurred in May 2017 and December 2018.

Ownership structure as of end-FY2023

	Foreign	Domestic institutional	Domestic individual	Controlling shareholders	Treasury Shares
Common	53%	14%	13%	20%	-
Preferred	70%	4%	26%	0.1%	-

Major shareholders of common stock as of end-FY2023

Ranking	Owner ¹	Number	Portion of total
1	Samsung Life Insurance Co., Ltd. ²	516,255,086	8.6%
2	National Pension Service of Korea	434,549,036	7.3%
3	Samsung C&T Corp.	298,818,100	5.0%
4	CITIBANK.N.A ³	195,892,300	3.3%
5	THE GOVERNMENT OF SINGAPORE	157,600,528	2.6%
Total Number of Outstanding Common Stock		5,969,782,550	100.0%

1) Single institution/fund in the shareholder registry

2) The number of shares owned and share ratio includes special accounts.

3) SEC's GDR depository institution representing GDR shareowners; reported as an independent shareholder in the shareholder registry.

□ Voting shares

Samsung Electronics issued 5,969,782,550 common shares and 822,886,700 preferred shares.

As of the end of 2023, the Company does not hold any treasury shares. Preferred shares do not carry voting rights. The 603,811,048 shares owned by affiliated companies have limited voting rights under relevant laws. Thus, the number of shares with voting rights is 5,365,971,502.

Total shares with voting rights as of end-FY2023

Category	Type	Number of shares	Note
Number of outstanding shares (A)	Common	5,969,782,550	-
	Preferred	822,886,700	-
Treasury shares (no voting rights; B)	Common	-	Article 369-2 of the Commercial Act “Treasury Shares”
Shares with voting rights eliminated by Articles of Incorporation (C)	Preferred	822,886,700	
Shares with limited voting rights under relevant laws (D)	Common	603,324,100	Restricted by the Monopoly Regulation and Fair Trade Act: 508,157,148 shares held by Samsung Life Insurance; 88,802,052 shares held by Samsung Fire & Marine Insurance; 4,484,150 shares held by Samsung Welfare Foundation; 1,880,750 shares held by Samsung Foundation Of Culture
	Common	486,948	Restricted by the Insurance Business Act: Some part of shares held by special account of Samsung Life Insurance
Shares with revived voting rights (E)	-	-	-
Total Shares with voting rights (F)	Common	5,365,971,502	(F = A - B - C - D + E)

* Among shares with limited voting rights under relevant laws, some of the 603,324,100 shares that are restricted by the Monopoly Regulation and Fair Trade Act can exercise voting rights for appointment/dismissal of executives and modification of the articles of incorporation.

□ Share ownership of Board Members

The following table presents shares and stock options held by members of the Board as of December 31, 2023.

(Unit: Share)

Name	Status	Since	Common Shares
Jong-Hee Han	Executive Director	March 2020	15,000
Kye-Hyun Kyung	Executive Director	March 2022	21,050
Tae-Moon Roh	Executive Director	March 2022	13,000
Hark-Kyu Park	Executive Director	March 2022	22,500
Jung-Bae Lee	Executive Director	March 2022	15,000
Han-Jo Kim	Independent Director	March 2019	3,655
Sun-Uk Kim	Independent Director	March 2018	0
Jeong Kim	Independent Director	March 2018	0
Jun-Sung Kim	Independent Director	March 2022	0
Eun-Nyeong Heo	Independent Director	November 2022	0
Myung-Hee Yoo	Independent Director	November 2022	0

Independent Auditor Fees

The following table presents fees for professional audit services rendered by Deloitte Touche Tohmatsu Anjin (“Deloitte Anjin”) for the audit of Samsung Electronics’ annual financial statements for the three years FY2020–2022, and fees billed for other services during those periods.

(Unit: KRW million)

Year of operation	Auditor	Audit Services	Non-Audit Services	Audit Opinion
54th (Jan 1, 2022–Dec 31, 2022)	Deloitte Anjin	8,424	-	Fair
53rd (Jan 1, 2021–Dec 31, 2021)	Deloitte Anjin	7,900	394	Fair
52nd (Jan 1, 2020–Dec 31, 2020)	Deloitte Anjin	8,400	59	Fair

* Non-Audit Services refer to E-Discovery services.

* Upon termination of the contract with previous auditor, Deloitte Anjin, Samjong KPMG has been designated as the Company’s external auditor for three years ending December 31, 2025, in accordance with periodic designation regulation of Article 11 (1) and (2) of the “Act on External Audit of Stock Companies, Etc.” Article 17 of the “Enforcement Decree of the Act on External Audit of Stock Companies, Etc.”, and Article 10 and Article 15 (1) of “Regulations on External Audit and Accounting”

Corporate governance website

You can read more information about Samsung’s corporate governance practices from our website:

- Articles of Incorporation
<https://www.samsung.com/global/ir/governance-csr/articles-of-incorporation/>
- Board of Directors
<https://www.samsung.com/global/ir/governance-csr/board-of-directors/>
- Board Committees
<https://www.samsung.com/global/ir/governance-csr/board-committee/>
- Global Code of Conduct
<https://www.samsung.com/global/ir/governance-csr/global-code-of-conduct/>
- Sustainability Overview
<https://www.samsung.com/global/sustainability/>

Financial Statements (FY2023)

CONSOLIDATED FINANCIAL STATEMENTS OF SAMSUNG ELECTRONICS CO., LTD. AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

※ Audited financial statements with the independent auditor's opinion are available on the investors relations(IR) website.

<https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

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Convenience Translation into United States Dollar Amounts

The Company operates primarily in Korean won and its official accounting records are maintained in Korean won. 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 dollar at the rate of W 1,306.1 to USD 1, the average exchange rate for the year ended December 31, 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 dollar at this or at any other rate.

Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Valuation of memory semiconductor inventory at net realizable value

The memory semiconductor products manufactured and sold by the Group's Device Solutions (DS) division have been affected by price erosion in the current financial year due to weak demand caused by macroeconomic uncertainties. As disclosed in Note 2, *Material Accounting Policies*, and Note 3, *Material Accounting Estimates and Assumptions*, to the consolidated financial statements, the Group values its inventories at the lower of cost and net realizable value.

Due to the uncertainty associated with estimating future demand and selling prices, and the complexity of the measurement process in estimating net realizable value of the inventories, we believe the potential for error is significant and thus identified the estimation of memory semiconductor inventories' net realizable value as a key audit matter.

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

- Evaluating the reasonableness of the Group's accounting policies and understanding the processes and internal controls applied to the valuation of inventories at lower of cost or net realizable value;
- Evaluating the design and testing the operating effectiveness of the internal controls established for the lower of cost or net realizable value method of inventory valuation;
- Evaluating the appropriateness of the underlying data used to determine the net realizable value of inventory which includes forecast sales price, on a sample basis;
- Evaluating the reasonableness of estimates by retrospectively comparing the estimated sales price and the actual sales price; and
- Evaluating reasonableness of inventory valuation by assessing the reasonableness of the assumptions used to determine estimates including the forecast sale price and costs associated with sale and checking the mathematical accuracy of inventory valuation by performing recalculations.

2) Sales deduction related to sales promotion activities

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

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

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

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

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 15, 2023.

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

The accompanying consolidated financial statements as of and for the years ended December 31, 2023 and 2022 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in Note 2.18 to the consolidated financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

KPMG Samjong Accounting Corp.

Seoul, Korea
February 19, 2024

This report is effective as of February 19, 2024. Certain subsequent events or circumstances which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	KRW	KRW	USD	USD
Assets				
Current assets				
Cash and cash equivalents	69,080,893	49,680,710	52,890,158	38,036,865
Short-term financial instruments	22,690,924	65,102,886	17,372,771	49,844,491
Short-term financial assets at amortized cost	608,281	414,610	465,716	317,436
Short-term financial assets at fair value through profit or loss	27,112	29,080	20,758	22,264
Trade receivables	36,647,393	35,721,563	28,058,213	27,349,373
Non-trade receivables	6,633,248	6,149,209	5,078,590	4,707,997
Prepaid expenses	3,366,130	2,867,823	2,577,198	2,195,681
Inventories	51,625,874	52,187,866	39,526,134	39,956,410
Other current assets	5,038,838	6,316,834	3,857,868	4,836,335
Assets held-for-sale	217,864	-	166,802	-
	195,936,557	218,470,581	150,014,208	167,266,852
Non-current assets				
Financial assets at fair value through other comprehensive income	7,481,297	11,397,012	5,727,879	8,725,854
Financial assets at fair value through profit or loss	1,431,394	1,405,468	1,095,913	1,076,063
Investments in associates and joint ventures	11,767,444	10,893,869	9,009,466	8,340,634
Property, plant and equipment	187,256,262	168,045,388	143,368,344	128,659,991
Intangible assets	22,741,862	20,217,754	17,411,771	15,479,247
Net defined benefit assets	4,905,219	5,851,972	3,755,565	4,480,424
Deferred income tax assets	10,211,797	5,101,318	7,818,422	3,905,704
Other non-current assets	14,174,148	7,041,145	10,852,104	5,390,887
	259,969,423	229,953,926	199,039,464	176,058,804
Total assets	455,905,980	448,424,507	349,053,672	343,325,656

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	KRW	KRW	USD	USD
Liabilities and Equity				
Current liabilities				
Trade payables	11,319,824	10,644,686	8,666,757	8,149,853
Short-term borrowings	7,114,601	5,147,315	5,447,127	3,940,920
Other payables	15,324,119	17,592,366	11,732,551	13,469,180
Advances received	1,492,602	1,314,934	1,142,776	1,006,748
Withholdings	892,441	1,298,244	683,276	993,970
Accrued expenses	26,013,273	29,211,487	19,916,449	22,365,087
Current income tax liabilities	3,358,715	4,250,397	2,571,521	3,254,216
Current portion of long-term liabilities	1,308,875	1,089,162	1,002,109	833,891
Provisions	6,524,876	5,844,907	4,995,618	4,475,015
Other current liabilities	2,308,472	1,951,354	1,767,427	1,494,008
Liabilities held-for-sale	61,654	-	47,204	-
	75,719,452	78,344,852	57,972,815	59,982,888
Non-current liabilities				
Debentures	537,618	536,093	411,615	410,447
Long-term borrowings	3,724,850	3,560,672	2,851,844	2,726,145
Long-term other payables	5,488,283	2,753,305	4,201,975	2,108,003
Net defined benefit liabilities	456,557	268,370	349,552	205,471
Deferred income tax liabilities	620,549	5,111,332	475,109	3,913,371
Long-term provisions	2,878,450	1,928,518	2,203,817	1,476,524
Other non-current liabilities	2,802,356	1,171,761	2,145,558	897,132
	16,508,663	15,330,051	12,639,470	11,737,093
Total liabilities	92,228,115	93,674,903	70,612,285	71,719,981

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	KRW	KRW	USD	USD
Preference shares	119,467	119,467	91,467	91,467
Ordinary shares	778,047	778,047	595,693	595,693
Share premium	4,403,893	4,403,893	3,371,737	3,371,737
Retained earnings	346,652,238	337,946,407	265,406,117	258,740,703
Other components of equity	1,280,130	1,938,328	980,102	1,484,036
	353,233,775	345,186,142	270,445,116	264,283,636
Non-controlling interests	10,444,090	9,563,462	7,996,271	7,322,039
Total equity	363,677,865	354,749,604	278,441,387	271,605,675
Total liabilities and equity	455,905,980	448,424,507	349,053,672	343,325,656

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	For the years ended December 31,			
	2023	2022	2023	2022
	KRW	KRW	USD	USD
Revenue	258,935,494	302,231,360	198,247,859	231,396,319
Cost of sales	180,388,580	190,041,770	138,110,266	145,501,003
Gross profit	78,546,914	112,189,590	60,137,593	85,895,316
Selling and administrative expenses	71,979,938	68,812,960	55,109,743	52,685,021
Operating profit	6,566,976	43,376,630	5,027,850	33,210,295
Other non-operating income	1,180,448	1,962,071	903,782	1,502,213
Other non-operating expense	1,083,327	1,790,176	829,424	1,370,606
Share of net profit of associates and joint ventures	887,550	1,090,643	679,532	835,025
Financial income	16,100,148	20,828,995	12,326,699	15,947,229
Financial expense	12,645,530	19,027,689	9,681,752	14,568,101
Profit before income tax	11,006,265	46,440,474	8,426,687	35,556,055
Income tax benefit	(4,480,835)	(9,213,603)	(3,430,646)	(7,054,178)
Profit for the year	15,487,100	55,654,077	11,857,333	42,610,233
Profit attributable to				
Owners of the parent company	14,473,401	54,730,018	11,081,218	41,902,749
Non-controlling interests	1,013,699	924,059	776,115	707,484
Earnings per share (in Korean won, in US dollars)				
- Basic	2,131	8,057	1.63	6.17
- Diluted	2,131	8,057	1.63	6.17

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the years ended December 31,			
	2023	2022	2023	2022
	KRW	KRW	USD	USD
Profit for the year	15,487,100	55,654,077	11,857,333	42,610,233
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	1,481,091	(1,969,498)	1,133,962	(1,507,900)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	13,150	(6,318)	10,068	(4,837)
Remeasurement of net defined benefit liabilities (assets), net of tax	(828,298)	1,153,679	(634,167)	883,287
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	61,962	(44,192)	47,440	(33,835)
Foreign currency translation differences for foreign operations, net of tax	2,621,479	4,884,886	2,007,074	3,739,998
Gain (loss) on valuation of cash flow hedge derivatives	927	(12,893)	710	(9,871)
Other comprehensive income for the year, net of tax	3,350,311	4,005,664	2,565,087	3,066,842
Total comprehensive income for the year	18,837,411	59,659,741	14,422,420	45,677,075
Comprehensive income attributable to:				
Owners of the parent company	17,845,661	58,745,107	13,663,110	44,976,807
Non-controlling interests	991,750	914,634	759,310	700,268

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2022	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
Balance as of January 1, 2022	119,467	778,047	4,403,893	293,064,763	(2,128,473)	296,237,697	8,662,234	304,899,931
Profit for the year	-	-	-	54,730,018	-	54,730,018	924,059	55,654,077
Loss on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	(38,937)	(1,867,530)	(1,906,467)	(63,031)	(1,969,498)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	-	-	-	-	(51,848)	(51,848)	1,338	(50,510)
Foreign currency translation differences for foreign operations translation, net of tax	-	-	-	-	4,863,930	4,863,930	20,956	4,884,886
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	-	1,122,367	1,122,367	31,312	1,153,679
Loss on valuation of cash flow hedge derivatives	-	-	-	-	(12,893)	(12,893)	-	(12,893)
Total comprehensive income for the year	-	-	-	54,691,081	4,054,026	58,745,107	914,634	59,659,741
Dividends declared	-	-	-	(9,809,437)	-	(9,809,437)	(5,523)	(9,814,960)
Capital transaction under common control	-	-	-	-	-	-	(176)	(176)
Changes in consolidated entities	-	-	-	-	-	-	124	124
Other	-	-	-	-	12,775	12,775	(7,831)	4,944
Total transactions with owners	-	-	-	(9,809,437)	12,775	(9,796,662)	(13,406)	(9,810,068)
Balance as of December 31, 2022	119,467	778,047	4,403,893	337,946,407	1,938,328	345,186,142	9,563,462	354,749,604

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars)

For the year ended December 31, 2022	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
Balance as of January 1, 2022	91,467	595,693	3,371,737	224,378,130	(1,629,615)	226,807,412	6,632,035	233,439,447
Profit for the year	-	-	-	41,902,749	-	41,902,749	707,484	42,610,233
Loss on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	(29,812)	(1,429,830)	(1,459,642)	(48,258)	(1,507,900)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	-	-	-	-	(39,696)	(39,696)	1,024	(38,672)
Foreign currency translation differences for foreign operations, net of tax	-	-	-	-	3,723,953	3,723,953	16,045	3,739,998
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	-	859,314	859,314	23,973	883,287
Loss on valuation of cash flow hedge derivatives	-	-	-	-	(9,871)	(9,871)	-	(9,871)
Total comprehensive income for the year	-	-	-	41,872,937	3,103,870	44,976,807	700,268	45,677,075
Dividends declared	-	-	-	(7,510,364)	-	(7,510,364)	(4,229)	(7,514,593)
Capital transaction under common control	-	-	-	-	-	-	(135)	(135)
Changes in consolidated entities	-	-	-	-	-	-	95	95
Other	-	-	-	-	9,781	9,781	(5,995)	3,786
Total transactions with owners	-	-	-	(7,510,364)	9,781	(7,500,583)	(10,264)	(7,510,847)
Balance as of December 31, 2022	91,467	595,693	3,371,737	258,740,703	1,484,036	264,283,636	7,322,039	271,605,675

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2023	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2023	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 year	-	-	-	14,473,401	-	14,473,401	1,013,699	15,487,100
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	4,041,867	(2,554,690)	1,487,177	(6,086)	1,481,091
Share of other comprehensive income of associates and joint ventures, net of tax	-	-	-	-	70,157	70,157	4,955	75,112
Foreign currency translation differences for foreign operations, net of tax	-	-	-	-	2,611,915	2,611,915	9,564	2,621,479
Remeasurement of net defined benefit assets, net of tax	-	-	-	-	(797,916)	(797,916)	(30,382)	(828,298)
Gain on valuation of cash flow hedge derivatives	-	-	-	-	927	927	-	927
Total comprehensive income for the year	-	-	-	18,515,268	(669,607)	17,845,661	991,750	18,837,411
Dividends declared	-	-	-	(9,809,437)	-	(9,809,437)	(101,984)	(9,911,421)
Capital transactions under common control	-	-	-	-	-	-	(9,368)	(9,368)
Changes in consolidated entities	-	-	-	-	-	-	230	230
Others	-	-	-	-	11,409	11,409	-	11,409
Total transactions with owners	-	-	-	(9,809,437)	11,409	(9,798,028)	(111,122)	(9,909,150)
Balance as of December 31, 2023	119,467	778,047	4,403,893	346,652,238	1,280,130	353,233,775	10,444,090	363,677,865

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars)

For the year ended December 31, 2023	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non- controlling interests	Total
Balance as of January 1, 2023	91,467	595,693	3,371,737	258,740,703	1,484,036	264,283,636	7,322,039	271,605,675
Profit for the year	-	-	-	11,081,218	-	11,081,218	776,115	11,857,333
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	3,094,560	(1,955,938)	1,138,622	(4,660)	1,133,962
Share of other comprehensive income of associates and joint ventures, net of tax	-	-	-	-	53,714	53,714	3,794	57,508
Foreign currency translation differences for foreign operations, net of tax	-	-	-	-	1,999,752	1,999,752	7,322	2,007,074
Remeasurement of net defined benefit assets, net of tax	-	-	-	-	(610,906)	(610,906)	(23,261)	(634,167)
Gain on valuation of cash flow hedge derivatives	-	-	-	-	710	710	-	710
Total comprehensive income for the year	-	-	-	14,175,778	(512,668)	13,663,110	759,310	14,422,420
Dividends declared	-	-	-	(7,510,364)	-	(7,510,364)	(78,082)	(7,588,446)
Capital transactions under common control	-	-	-	-	-	-	(7,172)	(7,172)
Changes in consolidated entities	-	-	-	-	-	-	176	176
Others	-	-	-	-	8,734	8,734	-	8,734
Total transactions with owners	-	-	-	(7,510,364)	8,734	(7,501,630)	(85,078)	(7,586,708)
Balance as of December 31, 2023	91,467	595,693	3,371,737	265,406,117	980,102	270,445,116	7,996,271	278,441,387

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	For the years ended December 31,			
	2023	2022	2023	2022
	KRW	KRW	USD	USD
Operating activities				
Profit for the year	15,487,100	55,654,077	11,857,333	42,610,233
Adjustments	36,519,534	33,073,439	27,960,321	25,321,899
Changes in assets and liabilities arising from operating activities	(5,458,745)	(16,998,948)	(4,179,359)	(13,014,844)
Cash generated from operations	46,547,889	71,728,568	35,638,295	54,917,288
Interest received	4,786,010	2,136,795	3,664,296	1,635,987
Interest paid	(844,691)	(714,543)	(646,718)	(547,073)
Dividends received	269,169	529,421	206,083	405,339
Income tax paid	(6,620,950)	(11,498,895)	(5,069,175)	(8,803,859)
Net cash from operating activities	44,137,427	62,181,346	33,792,781	47,607,682
Investing activities				
Net decrease in short-term financial instruments	39,421,565	15,214,321	30,182,192	11,648,486
Net decrease (increase) in short-term financial assets at amortized cost	(195,616)	3,050,104	(149,769)	2,335,240
Net decrease in short-term financial assets at fair value through profit or loss	2,718	11,677	2,081	8,940
Disposal of long-term financial instruments	4,565,426	8,272,909	3,495,411	6,333,958
Acquisition of long-term financial instruments	(5,307,770)	(4,393,754)	(4,063,769)	(3,363,974)
Disposal of financial assets at fair value through other comprehensive income	6,521,568	496,090	4,993,085	379,820
Acquisition of financial assets at fair value through other comprehensive income	(124,488)	(37,687)	(95,311)	(28,854)
Disposal of financial assets at fair value through profit or loss	63,962	166,315	48,971	127,335
Acquisition of financial assets at fair value through profit or loss	(130,459)	(158,244)	(99,883)	(121,156)
Disposal of investment in associates and joint ventures	33,457	13,233	25,616	10,132
Acquisition of investment in associates and joint ventures	(78,690)	(907,958)	(60,247)	(695,157)
Disposal of property, plant and equipment	98,341	217,878	75,292	166,813
Acquisition of property, plant and equipment	(57,611,292)	(49,430,428)	(44,108,728)	(37,845,242)
Disposal of intangible assets	11,744	23,462	8,992	17,963
Acquisition of intangible assets	(2,922,875)	(3,696,304)	(2,237,830)	(2,829,988)
Cash outflow from business combinations	(356,511)	(31,383)	(272,954)	(24,028)
Cash outflow from other investing activities	(913,897)	(413,035)	(699,705)	(316,230)
Net cash used in investing activities	(16,922,817)	(31,602,804)	(12,956,556)	(24,195,942)

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	For the years ended December 31,			
	2023	2022	2023	2022
	KRW	KRW	USD	USD
Financing activities				
Net increase (decrease) in short-term borrowings	2,145,400	(8,339,149)	1,642,575	(6,384,673)
Increase in long-term borrowings	354,712	271,997	271,577	208,248
Repayment of debentures and long-term borrowings	(1,219,579)	(1,508,465)	(933,742)	(1,154,921)
Dividends paid	(9,864,474)	(9,814,426)	(7,552,502)	(7,514,184)
Net decrease in non-controlling interests	(9,118)	(6)	(6,981)	(4)
Net cash used in financing activities	(8,593,059)	(19,390,049)	(6,579,073)	(14,845,534)
Reclassification to assets held-for-sale	(14,153)	-	(10,836)	-
Effect of foreign exchange rate changes	792,785	(539,198)	606,977	(412,822)
Net increase in cash and cash equivalents	19,400,183	10,649,295	14,853,293	8,153,384
Cash and cash equivalents				
Beginning of the year	49,680,710	39,031,415	38,036,865	29,883,483
End of the year	69,080,893	49,680,710	52,890,158	38,036,867

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF APPROPRIATION OF RETAINED EARNINGS

For the years ended December 31, 2023 and 2022

<i>(In millions of Korean won)</i>	2023	2022
Retained earnings before appropriations		
Unappropriated retained earnings carried over from prior year	30	30
Interim dividends:		
In 2023 - ₩ 1,083 (dividend rate: 1083%)	(7,356,461)	(7,356,461)
In 2022 - ₩ 1,083 (dividend rate: 1083%)		
Profit for the year	25,397,099	25,418,778
Disposal of financial assets measured at fair value through profit or loss	(12,327)	4,340
Retained earnings available for appropriation	18,028,341	18,066,687
Transfers from other reserves	-	-
Appropriations of retained earnings		
Cash dividends:	2,452,976	2,452,976
In 2023:		
Ordinary shares - ₩ 361 (dividend rate: 361%)		
Preference shares - ₩ 362 (dividend rate: 362%)		
In 2022:		
Ordinary shares - ₩ 361 (dividend rate: 361%)		
Preference shares - ₩ 362 (dividend rate: 362%)		
Reserve for research and human resources development	15,575,335	15,613,681
Total appropriations of retained earnings	18,028,311	18,066,657
Unappropriated retained earnings to be carried forward	30	30