

Tables of Contents

Semi-Annual Report.....	1
【Confirmation by Representative Director】	2
I. Company Overview.....	3
1. Company Overview.....	3
2. Company History	4
3. Changes in Capital.....	6
4. Share Capital Overview.....	7
5. Articles of Incorporation	7
II. Business Activities	9
1. Business Overview	9
2. Key Products and Services	9
3. Raw Materials and Infrastructure	9
4. Sales and Orders	10
5. Risk Management and Derivative Instruments	11
6. Major Contracts and Research	13
7. Other Matters.....	14
III. Finances.....	19
1. Summarized Financial Information.....	19
2. Consolidated Financial Statements	21
Consolidated Statement of Financial Position.....	21
Consolidated Income Statement	22
Consolidated Comprehensive Income Statement	23
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
3. Notes to the Consolidated Financial Statements	25
4. Financial Statements.....	56
Statement of Financial Position.....	56
Income Statement	57
Comprehensive Income Statement.....	57
Statement of Changes in Equity	58
Statement of Cash Flows	58
5. Notes on Financial Statements	59
6. Dividends.....	86
7. Financing by Issuance of Securities	88
7-1. Performance of Financing by Issuance of Securities	88
7-2. Performance in the Use of Funds Raised Through the Issuance of Securities.....	89
8. Other Financial Matters	90
IV. Management Analysis and Opinions by Directors.....	94
V. Audit Opinions and Related Matters	95
1. Matters Concerning External Audit	95
2. Internal Accounting Management System	96
VI. Board of Directors and Corporate Governance.....	98
1. Board of Directors	98
2. Audit System	103

3.	General Meeting of Shareholders, etc.	106
VII.	Shareholders	109
VIII.	Executives and Employees	112
1.	Status of Executives and Employees	112
2.	Remuneration to Executives.....	114
IX.	Affiliates	118
X.	Transactions with Large Shareholders	120
XI.	Other Matters Necessary for the Protection of Investors	121
1.	Progress and Changes of Disclosure	121
2.	Contingent Liabilities	121
3.	Sanctions, etc.....	121
4.	Post-Reporting Date Events and Other Matters	122
XII.	Detailed Tables	123
1.	Consolidated Subsidiaries (Details)	123
2.	Status of Affiliates (Summary).....	123
3.	Status of Investment in Other Corporations (Details)	126
	【Confirmation by Expert】	127
1.	Confirmation by Expert.....	127
2.	Interests with Expert.....	127

Semi-Annual Report

(The 25th Fiscal Year)
From 01 January 2023 to 30 June 2023

To: Financial Services Commission

Korea Exchange

14 August 2023

Type of corporation for submission: Listed company

Occurrence of exemption reason: Not applicable

Company name: LX Semicon Co., Ltd.

Representative director: Son Bo-Ik

Address of the headquarters: 222 Techno 2-ro, Yuseong-gu, Daejeon, Korea

(Tel) 02-6924-3114

(Webpage) <http://www.lxsemicon.com>

Person responsible for this report: (Position) CFO (Name) Lee Hyuk-Joo

(Tel) 02-6924-3114

【Confirmation by Representative Director】

Confirmation and Signature of Representative Director

Letter of Confirmation

As the representative director and the director in charge of reporting duties of the company, after careful scrutiny and verification of the contents of this disclosure document, the Company confirms that there are no omissions or false statements in important disclosures or representations, and that there are no contents that could lead to significant misunderstandings by users of the information provided in this disclosure document.

The Company also hereby confirms that the Company has established and manages its internal accounting management system based on Article 8 of the Act on External Auditors of Share Companies.

(Limited to the companies subject to external audit based on Article 8 of the same Act)

14 August 2023

LX Semicon Co., Ltd.

Representative Director Son Bo-Ik (Signature)

Director of Reporting Kim Hun (Signature)

I. Company Overview

1. Company Overview

A. Outline of Consolidated Subsidiaries

(1) Consolidated Subsidiaries (Summary)

(Unit: Companies)

Category	No. of consolidated companies				No. of major subsidiaries
	1 January	Increase	Decrease	31 December	
Listed	-	-	-	-	-
Unlisted	3	-	-	3	-
Total	3	-	-	3	-

※ Refer to Detailed Table -1 Consolidated Subsidiaries (Details).

(2) Changes in Consolidated Companies

Category	Subsidiary	Reason
Newly consolidated	-	-
	-	-
Excluded	-	-
	-	-

B. Legal and Commercial Name of the Company

The Company's name is LX Semicon Co., Ltd.

C. Date of Establishment

The Company was established on 11 November 1999.

D. Address, Telephone Number and Website of the Headquarters

Address: (H.Q) 222 Techno 2-ro, Yuseong-gu, Daejeon, Korea

Tel: 02-6924-3114

Webpage: <https://www.lxsemicon.com>

E. Classification of Eligibility

Small- and Medium-Sized Enterprise	Not applicable
Venture Enterprise	Not applicable
Medium-Sized Enterprise	Not applicable

F. Major Areas of Businesses

As a fabless company specializing in semiconductor design and sales, the Company is engaged in design, manufacturing, and sales of system semiconductor as its main business and consists of a single Display business division. The Company is diversifying its business portfolio by pursuing ventures in MCU, power semiconductors, and heat sink plate businesses as new growth drivers.

For the details of the Company's major business activities, refer to II. Business Activities.

G. Credit Rating

In the past three years, the Company has not requested credit ratings from domestic or overseas credit rating agencies which offer ratings and private rating agency's interest rates not as in the credit inquiry business.

Share Listing (or Registration and Designation) and Special Listing of the Company

Share listing (or registered/designated)	Date of share listing (or registration/designation)	Special listing type	Special listing and applicable regulations
Listed on the stock market	03 November 2022	-	-

*) Transferred from the KOSDAQ market (listed on 8 June 2010) to the KOSPI market.

2. Company History

A. The Headquarters Location and Changes of the Address

11 November 1999: 4F, Jeil Bank Building, 1299 Dunsan-dong, Seo gu, Daejeon, Korea

15 December 2000: 5F, Semyung Hoekwan Building, 1299 Dunsan-dong, Seo gu, Dae jeon, Korea

04 October 2005: 104-13 Munji-dong, Yuseong-gu, Daejeon, Korea

31 January 2011: 222 Techno 2-ro, Yuseong-gu, Daejeon, Korea

B. Major Changes to the Management

Date of change	Type of shareholders' meeting	Appointment		Expiration or dismissal
		Newly appointed	Reappointed	
17 Mar. 2017	OGMS	Representative director Son Bo-Ik, Non-executive director Min Byeong-Hun, External director Yoon Il-Goo	-	Representative director Han Dae-Keun, Non-executive director Son Bo-Ik, External director Lee Sang-Guk
16 Mar. 2018	OGMS	Internal director Choi Sung-Kwan, Non-executive director Jeong Hyeon-Ok, External director Shin Yeong-Soo	-	Internal director Bae Dong-Su, Non-executive director Min Byeong-Hun, External director Moon Geon-Woo
15 Mar. 2019	OGMS	Non-executive director Jeong Yeon-Chae, External director Wi Kyung-Woo	-	Non-executive director Jeong Hyeon-Ok, External director Lee Nam-Joo
26 Mar. 2020	OGMS	-	Representative director Son Bo-Ik, External director Yoon Il-Goo	-
18 Mar. 2021	OGMS	Non-executive director Roh Jin-Seo	Internal director Choi Sung-Kwan, External director Shin Yeong-Soo	Non-executive director Jeong Yeon-Chae
22 Mar. 2021	OGMS	-	External director Wi Kyung-Woo	-
23 Mar. 2023	OGMS	Internal director Kim Hun, External director Jung Seong-Wook	Representative director Son Bo-Ik	External director Yoon Il-Goo

*) Refer to VIII. Executives and Employees for more details of change in management.

C. Changes in the Largest Shareholder

According to the spin-off of LG, which was the previous largest shareholder, the largest shareholder was changed from LG Corp. To LX Holdings Co., Ltd., and the changes in the largest shareholder, etc. are described in VII. Shareholders - 2. Shareholding of the largest shareholder.

D. Change of Company Name

Date of change	Name before change	Name after change	Reason for change
25 June 2021	Silicon Works Co., Ltd.	LX Semicon Co., Ltd.	Change of governance and improving image as a semiconductor company

*1) The date of change is the date of approval of the general meeting of shareholders for the change of Articles of Incorporation reflecting the change of company name.

*2) The effective date of the changed name is 1 July 2021.

E. Major History of LX Semicon and its Connected Subsidiaries

(1) LX Semicon

Date	Major contents
October 2016	Awarded the prize of sales tower KRW 500 billion (Daejeon City)
March 2017	Change of representative director (Han Dae-Keun → Son Bo-Ik)
October 2017	Awarded the prize of sales tower KRW 600 billion (Daejeon City)
May 2018	Acquired part of the System IC business from LG Electronics Co., Ltd. (All of assets and personnel related to the business of T-Con chip for OLED TV)
June 2018	Awarded the 10th Korea KOSDAQ (KOSDAQ Association) (Best Job Creation Company Award)
October 2019	Awarded the prize of sales tower KRW 700 billion (Daejeon City)
May 2021	Changed the largest shareholder (LG Corp. → LX Holdings Co., Ltd.)

June 2021	Changed the name Silicon Works Co., Ltd. → LX Semicon Co., Ltd.
August 2022	Selected as the best company for job creation in 2022 (Ministry of Employment and Labor)
November 2022	Transferred listing on the KOSPI market (KOSDAQ → KOSPI)
December 2022	Awarded the One Billion Dollar Export Tower on the Trade Day (Ministry of Trade, Industry and Energy)
December 2022	Acquired a Certificate as an excellent family-friendly company (Ministry of Sex Equality and Family)
January 2023	Certified as Excellent Export/Import Safety Management Company (AEO) (Korea Customs Service)

(2) LX Semicon U.S.A., Inc

Date	Major contents
October 2012	Establishment of legal entity (Paid in capital USD 500,000)
July 2021	Changed the Company name (SILICON WORKS, INC. → LX Semicon U.S.A., Inc)

(3) LX Semicon China Co., Ltd.

Date	Major contents
March 2017	Establishment of legal entity (Paid in capital CNY 4,085,400)
May 2018	Capital increase with consideration (CNY 4,085,400 → CNY 13,012,920)
December 2021	Changed the company name (Silicon Works China Co., Ltd. → LX Semicon China Co., Ltd.)

(4) LX Semicon China Co., Ltd.

Date	Major contents
September 2021	Establishment of legal entity (Paid in capital JPY 30,000,000)
February 2022	Paid-in capital increase (JPY 30,000,000 → JPY 60,000,000)
May 2022	Paid-in capital increase (JPY 60,000,000 → JPY 120,000,000)
August 2022	Business relocation (address change)

3. Changes in Capital

The Company has not changed its capital for the last five years.

Changes in Capital

(Unit: KRW, Shares)

Types	Category	30 June 2023	31 December 2022	31 December 2021
Common shares	Total issued shares	16,264,300	16,264,300	16,264,300
	Par value	500	500	500
	Capital	8,132,150,000	8,132,150,000	8,132,150,000
Preferred shares	Total issued shares	-	-	-
	Par value	-	-	-
	Capital	-	-	-

Others	Total issued shares	-	-	-
	Par value	-	-	-
	Capital	-	-	-
Total	Capital	8,132,150,000	8,132,150,000	8,132,150,000

4. Share Capital Overview

The total issued and outstanding shares are 16,264,300 common shares as of the reporting date.

Share Capital Overview

(As of 30 June 2023)

(Unit: Shares)

Category	Type of shares			Remarks
	Common shares	Preferred shares	Total	
I. Total No. of shares to be issued	-	-	50,000,000	-
II. Total No. of shares issued so far	16,264,300	-	16,264,300	-
III. Total No. of shares decreased so far	-	-	-	-
	1. Capital decrease	-	-	-
	2. Profit burning	-	-	-
	3. Redemption of redeemable shares	-	-	-
	4. Others	-	-	-
IV. Total issued shares (II-III)	16,264,300	-	16,264,300	-
V. Treasury shares	-	-	-	-
VI. Outstanding shares (IV-V)	16,264,300	-	16,264,300	-

*) According to the Company's Articles of Incorporation, the total number of shares that can be issued is 50,000,000, of which the limit for issuing preferred shares is 7,000,000.

5. Articles of Incorporation

A. History of Changes to the Articles of Incorporation

Changed date	Name of shareholders' meeting	Major changes	Reason for change
15.03.2019	The 20th OGMS	Establishing electronic registration basis provisions, changing business handling details of transfer agent and adding notification contents	Preparing the basis for electronic registration and clarifying the contents of the provisions
18.03.2021	The 22nd OGMS	Revising of matters for the separate election of Audit Committee members and changing the wording to enable resolution through delegation of committees within the BOD	Revising items regarding separate election for audit officer and flexibility of regulations related to the committee
25.06.2021	The 1st EGMS	Revising articles due to change of the company name, clarifying business purposes and changing website in notification method according to name change	Revising articles due to change of the company name
23.03.2023	The 24th OGMS	According to the amendment of the Commercial Act, the Articles of Incorporation explicitly stipulate the relaxation of the resolution requirements for the appointment of Audit Committee members following the introduction of the electronic voting system	In order to apply relaxed criteria when appointing Audit Committee members

B. Status of Business Purpose

(1) Status

The business purposes specified in the Articles of Incorporation are as follows as of the reporting date.

Category	Business purpose	Engagement status
1	Design, manufacture, design services, sales, maintenance, and related value-added services for semiconductors, semiconductor manufacturing equipment, and application parts	Engaged
2	Design, manufacturing, design services, sales, maintenance, and related additional services for electronic, electrical, display, and mechanical equipment-related materials, parts, modules, and accessories.	Engaged
3	Distribution such as wholesale and retail	Engaged
4	Trade business	Engaged
5	Real estate sales and leasing	Engaged
6	All businesses and investments incidental to the above items	Engaged

(2) Changes in Business Purpose

[Details]

Category	Date of change	Business purpose	
		Before change	After change
Amended	25.06.2021	1. Design and manufacturing of semiconductor	1. Design, manufacturing, design services, sales, maintenance and related additional services for semiconductors, semiconductor manufacturing equipment, and application parts.
Amended	25.06.2021	2. Design services of semiconductor and LCD	2. Design, manufacturing, design services, sales, maintenance, and related additional services for electronic, electrical, display, and mechanical equipment-related materials, parts, modules, and accessories.
Deleted	25.06.2021	3. Design and manufacturing of LCD	-
Amended	25.06.2021	6. Real estate leasing business	5. Real estate sales and leasing
Amended	25.06.2021	7. All businesses incidental to the above items	6. All businesses and investments incidental to the above items

[Reason for Change]

The Company has specified and clarified the business purposes in its Articles of Incorporation to concretize the objectives of its current businesses, including semiconductors, design services, and manufacturing, and to proactively prepare for potential entry into new businesses.

II. Business Activities

1. Business Overview

The Company, as a fabless company, is engaged in design, manufacture and sales of core parts that drive display panels, and consists of a single display business division.

The Company is experiencing growth primarily through products such as Driver-ICs, Timing Controllers (T-Con), and Power Management Integrated Circuits (PMIC), and is driving business diversification by pursuing new growth engines such as MCUs, power semiconductors, and heat dissipation substrates.

The Company's primary products include Driver ICs and T-Cons, which are used to operate panels. Among these, Driver ICs accounted for 92.24% of the total sales for the first half of 2023 (88.55% for the first half of 2022). Exports represented 99.4% of the Company's total sales during the first half of 2023 (99.5% for the first half of 2022).

The Company designs semiconductors to meet the requests of client companies regarding the type and specifications of products. The designed semiconductors are produced through outsourcing to foundries and specialized assembly/packaging companies that have sufficient production capabilities and technical skills, and then delivered to client companies.

2. Key Products and Services

[As of 30 June 2023]

(Unit: Hundred Million KRW)

Business sector	Product	Product details	Key products	H1 2023		2022		2021	
				Sales	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
Semi-conductor	System IC	Panel driver IC and others	Driver - IC	9,002	92.24	18,977	89.54	16,683	87.86
			Driver - IC, etc.	758	7.76	2,216	10.46	2,305	12.14
Total				9,760	100.00	21,193	100.00	18,988	100.00

3. Raw Materials and Infrastructure

A. Major Raw Materials

[As of 30 June 2023]

(Unit: Hundred Million KRW)

Raw material	Purchased amount	Major supplier
Wafer, etc.	5,816	TSMC, SK hynix system ic(Wuxi), LG Innotek Co., Ltd., etc.
Processing cost, etc.	1,518	LB Semicon Co., Ltd., LB Lusem Co., Ltd., etc.

As the Company is a fabless company placing orders and commissioning semiconductor manufacturing processes and the cost for the purchase of wafers is a very important element for the management performance and it is considered to be confidential. Hence, the Company will not provide the unit cost and trends of wafer prices.

B. Manufacturing Capacity and Infrastructure

As a fabless company with no production facilities, the Company utilizes external process for the manufacturing stages after the semiconductor design. Accordingly, it has no separate manufacturing facilities and the details are not provided.

C. Commissioned Manufacturing

The Company is a fabless enterprise utilizing external process companies for the manufacturing stages following semiconductor design. The outsourcing processes are mainly divided into foundry (wafer consignment production) and OSAT (testing & packaging). The external process companies the Company uses have long-standing business relationships with us, and have selected companies that can stably manufacture high-quality products for outsourced operations.

4. Sales and Orders

A. Sales Performance

[As of 30 June 2023]

(Unit: Hundred Million KRW)

Business sector	Sales type	Product	H1 2023	2022	2021	
Semi-conductor	Products and others	System IC	Exports	9,697	20,901	18,816
			Domestic	62	292	172
Total			Total	9,759	21,193	18,988

B. Sales Channels, Methods, Strategies, and Major Customers

(1) Sales and Mass Production Support Organizations

As of 30 June 2023, the departments of the Company are composed of TI divisions (TV/IT/Display) and MS divisions (Mobile Solution), and TI and MS sales divisions under the TI department and MS department are in charge of domestic and overseas sales.

(2) Sales Channels

The Company manufactures and sells products based on client orders, both domestically and internationally. From the development stage, the Company designs products according to the specifications and characteristics requested by the clients. These products are then produced by the main outsourcing companies and delivered to the clients.

Category	Sales channels
Domestic sales	Order → LX Semicon (outsourced production → shipment → delivery)
Overseas sales	

*) Domestic sales are sales within Korea

(3) Sales Strategy

The Company believes that by developing new products and technologies, along with providing differentiated customer support, it can maintain a market-leading position and strengthen its customer base and expand into new customer segments. Additionally, by offering optimal solutions that are customized to the needs of its clients, the Company anticipates being able to maintain its market position.

(4) Main Source of Sales

During the current semi-annual, the Group has two clients whose revenue account for more than 10% of the Group's total revenue. The revenues from these clients are respectively KRW 460.5 billion (KRW 723.2 billion for the H1 of 2022) and KRW 346 billion (KRW 211.7 billion for the H1 of 2022).

C. Order Status

The display driver chips produced by the Company vary depending on the size and characteristics of the display panels. Due to the nature of the main panel companies' purchasing policies, orders for the necessary quantities are typically placed on a regular cycle of about 10 weeks, and additional orders are frequently placed as needed. There are no applicable cases as orders are not placed under medium- to long-term contracts.

5. Risk Management and Derivative Instruments

The Group is exposed to credit risk, liquidity risk and market risk with regard to financial instruments. Information on the aforesaid risk to which the Group is exposed is disclosed in the notes with the goal, policy, risk evaluation and management procedure, and capital management of the Group. Additional quantitative information is also disclosed throughout these financial statements.

A. Credit Risk Management

Credit risk refers to the risk where the Group may have financial losses as customers or transactional counterpart fails to fulfill contractual obligations for financial instruments, and it may mainly break out from account receivables for customers and investment assets. The Company is trading with customers with the certain level or higher of credit rating in an effort to reduce financial losses due to default, while reviewing the credit ratings of customers with exposure to credit risk periodically. Credit risk may break out even from transactions with financial institutions as well, and the Company is in principle trading only with the banks of higher credit ranking in an effort to reduce this risk. The Company ensures that new transactions are carried out for deposits with the higher likelihood of credit risk such as trust deposits only after approval by the executive in charge. The exposure to credit risk of the Group as of 30 June 2023 includes cash and cash equivalents, short-term financial instruments, trade receivables, and other receivables, totaling up to KRW 453.8 billion.

B. Management of Liquidity Risk

Maintaining and managing adequate liquidity is a very important matter for the Company. The Company currently maintains non-debt management and has an adequate cash level. In addition, we are making every effort to maintain and manage appropriate liquidity through periodic forecasting of funds balance, estimating the required cash level, and managing income and expenses.

Separately, to mitigate liquidity risk, the Company maintains proactive communication with financial markets to ensure early liquidity access. Additionally, the Company actively overdraft facilities and other borrowing limits to maintain ample liquidity.

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

(1) Exchange Rate Risk Management

The Group is exposed to the exchange rate risk related to the sales profits and costs indicated in KRW, which is the functioning currency. The major presentation currency for these transactions is USD.

The book values of the cash assets and liabilities presented in major currencies other than the functioning currency as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: Hundred Million KRW)

Category	30 June 2023		31 December 2022	
	USD	JPY	USD	JPY
Assets in foreign currency	1,114.5	-	1,598.2	-
Liabilities in foreign currency	1,307.4	4.6	783.8	8.2

The effect of the changes in foreign exchange rate for KRW (before income tax) as of 30 June 2023 and 31 December 2022 on the losses and gains are as follows:

(Unit: Hundred Million KRW)

Category	30 June 2023	31 December 2022
	(If 5% changed)	(If 5% changed)
USD	±9.6	±40.7
JPY	±0.2	±0.4

(2) Interest Rate Risk

The Group is not recognizing the fixed interest rate financial instruments as the financial instruments for which the profits or losses should be recognized in the current fiscal year. Therefore, the revenues and operating cash flows of the Group are actually independent of variations in the market interest rate.

D. Capital Risk Management

The capital management of the Group is for maintaining the existence of the Company as a going concern, minimizing the capital cost for funding, maximizing the profits of the shareholders, and maintaining an appropriate equity structure. The Group is managing its capital based on the liability ratio. The Group manages the capital based on the ratio of liability, which is calculated by dividing the total liability in the statement of financial position with capital. The Group maintains a proper liability ratio at 37.5% as of 30 June 2023.

E. Transaction of Derivatives

The Company has no relevant matters as of the reporting date.

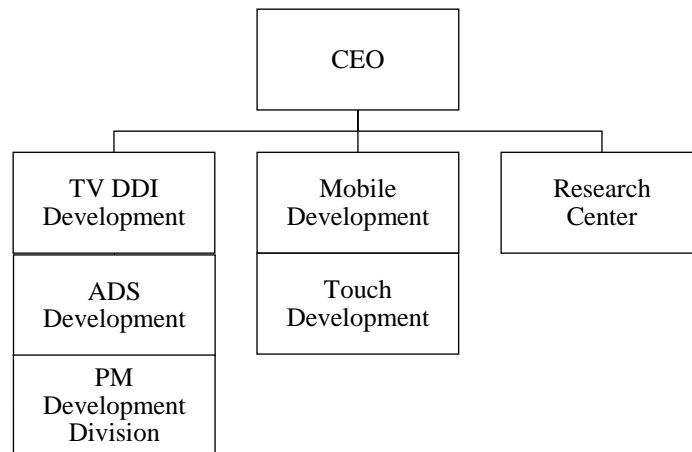
6. Major Contracts and Research

A. Major Contracts in Management

The Company has no relevant matters as of the reporting date.

B. Research and Development

(1) Research and Development Organization



(2) Research and Development Expenses

(Unit: Hundred Million KRW)

Category		H1 2023	2022	2021
Total R&D expenses		1,151	2,108	1,714
(Government subsidies)		-	-	(0.4)
Total R&D expenses after deducting government subsidies		1,151	2,108	1,714
Accounting	Selling and administrative expenses	1,151	2,108	1,714
	Manufacturing cost	-	-	-
	Development expenses (intangible assets)	-	-	-
R&D expenses/sales ratio [R&D expenses ÷ current sales × 100]		11.8%	9.9%	9.0%

*) The percentage of sales was calculated based on the total amount of R&D expenses before deducting government subsidies.

(3) Performances in Research and Development

The Company is specializing in display components and has secured a variety of product technologies over the entire area of displays from components for IT products such as laptop computers, monitors and tablet PC's to other components for TV and mobile devices during the recent years.

The Company's main products are Driver-IC (D-IC), Timing Controller (T-CON), and Power Management Integrated Circuit (PMIC), and it is achieving sales growth through product lineup expansion including Mobile-oriented P-OLED Display Driver ICs (DDI) and Touch Controllers. In addition, the Company is developing system semiconductors for appliances and automotive applications by extending its technological capabilities to various application areas beyond displays.

7. Other Matters

A. Status of Intellectual Property Rights Possession

As of 30 June 2023, the Group holds 1,028 domestic patents and 1,403 foreign patents related to its ongoing business operations. The details of the key patents are as follows:

Type	Acquisition date	Details	Basis law	Required manpower /Duration	Commercialization Status
Patent right	02.05.2022	Patent for simultaneous driving of display and touch, with exclusive usage rights held until 04 June 2035	Patent Act	5 / 6 years 9 months	Commercialization stage
	21.09.2021	Patent for image encoding and decoding algorithms, with exclusive usage rights held until June 2037	Patent Act	2 / 4 years 3 months	Planned for commercialization
	01.09.2014	Patent for restoration of display intra-interface signals, with exclusive usage rights held until November 2031	Patent Act	2 / 2 years 9 months	Commercialization stage
	21.02.2014	Patent for driving organic light-emitting diode displays, with exclusive usage rights held until December 2031	Patent Act	4 / 2 years 1 months	Commercialization stage
	13.11.2013	Patent for in-cell touch displays, with exclusive usage rights held until December 2032	Patent Act	2 / 11 months	Commercialization stage
	23.05.2011	Patent for monitoring display drivers, with exclusive usage rights held until March 2029	Patent Act	2 / 2 years 2 months	Commercialization stage
	01.10.2010	Patent for transmission of display intra-interface signals, with exclusive usage rights held until October 2028	Patent Act	2 / 2 years	Commercialization stage

The Group, in addition to the key patents mentioned, holds numerous other patents, many of which

pertain to TV, mobile, and IT displays. These patents are likely to be used in the company’s main business products or potentially utilized as core functionalities in the future. Additionally, related patents such as MCUs for automotive and appliances could serve a protective role in business as the Group expands into new ventures outside of displays. The Group also holds a video codec standard patent, enabling potential monetization through standard patent evaluation in the future.

B. System IC

(1) Characteristics of the Industry

As System IC, which performs information processing functions such as calculation and control, forms a market specialized for each use, such as home appliances, mobile, communication, and automobiles, it is a multi-species customized market, which consists of thousands of different products, so design and production are mostly divided. In addition, due to the complex chip structure, it requires excellent design manpower and technical skills.

The main product, Display Driver IC (DDI), is a key component used in display panels, and the Company is affected by the display industry’s business.

Currently, the trend of the display industry is shifting from LCD panels to OLED panels. Since OLED requires a higher level of technology than LCD and the input of more parts, the DDI market is expected to grow further once the display panel transition is implemented.

Starting with products applied to displays in the IT field, the Company is currently growing continuously by expanding the portfolio of various products related to TV, IT, and mobile.

(2) Market Scale and Growth

For the DDI market, which is one of the Company’s main products, sustained growth is anticipated after 2022 due to the creation of new demand driven by mid- to long-term changes in panel form factors.

[DDI Market Size]

(Unit: Billion USD)	2021	2022	2023(E)	2024(E)	2025(E)	2026(E)	2027(E)
DDI	11.9	10.2	9.0	9.5	9.8	10.1	10.5

In the display industry, which is the upstream industry for the Company, medium to large panels (TV/IT/automotive) are experiencing qualitative growth and an increase in scale due to the expansion of premium products such as high-resolution (8K) LCDs and OLED TVs, alongside aggressive investments by Chinese panel manufacturers. Additionally, small panels (smartphones/smartwatches) have seen accelerated entry by Chinese manufacturers into the P-OLED market following the launch of Apple’s first P-OLED phone in 2017, suggesting that growth centered on P-OLED products is expected to continue. Thus, due to the rapid growth of Chinese panel manufacturers and trends in generational shifts of panels, the display industry is anticipated to continue its growth.

[Annual Panel Sales]

(Unit : M units)	2021	2022	2023(E)	2024(E)	2025(E)	2026(E)	2027(E)
TV	277.6	261.9	240.3	243.0	246.6	250.2	250.8
Monitor	173.9	159.3	144.8	146.3	151.2	151.6	153.1
Notebook	291.6	217.2	188.9	193.7	215.4	213.8	216.6
Tablet	279.5	256.4	260.4	255.8	258.7	259.2	260.3
Auto	187.8	193.1	199.8	208.5	218.2	227.6	234.0
Large Panel Total	1,210.3	1,087.7	1,034.2	1,047.2	1,090.0	1,102.3	1,114.8
Smartphone	1,721.6	1,382.9	1,241.4	1,281.9	1,304.2	1,327.9	1,350.7
Smartwatch	196.4	214.1	221.6	231.5	247.5	264.5	278.9
VR / AR	11.4	12.8	15.1	21.3	29.3	38.4	49.5
Small Panel Total	1,929.5	1,609.8	1,478.1	1,534.8	1,580.9	1,630.8	1,679.1

① Medium and Large Sized (TV/ IT/Automobile) Display IC

The display IC market for LCD TVs is growing due to the increase in the number of ICs required per panel as the proportion of UHD panels increases. The penetration rate of UHD TVs is expected to reach about 66% on a global average in 2023. The increasing adoption of 8K TVs is also driving the growth of Display ICs for LCD TVs.

Additionally, the share of OLED TVs in the premium TV market is continuously increasing. More TV set manufacturers are choosing OLED panels as part of their product differentiation strategies, leading to significant growth in the Display IC market for large OLED TVs. The market for OLED TV Display ICs is currently small as LG Display and Samsung Display are the only manufacturers mass-producing OLED TV panels. However, Chinese panel manufacturers are making aggressive capital investments, which is expected to lead to sustained growth in the future. Unlike LCD products, driving technology and panel compensation technology are key for OLED TV Display ICs, and companies with competitive advantages in these areas are expected to lead the market.

In the IT products sector, some premium brands are enhancing their value by increasing resolution and incorporating touch panels among other new features.

② Small (Smart Phone/Smart Watch) Display IC

The smartphone market has entered a mature phase. The smartphone panel market size showed growth with approximately 1.7 billion units in 2021, but it was around 1.4 billion units in 2022, and it is expected to stabilize at 1.5 billion units until 2027. The growth in the smartphone market in developed countries is expected to be lower compared to emerging markets, which are driving the overall growth of the smartphone market.

Major global set manufacturers are actively pursuing evolution strategies in form factors to create new demand, which is expected to continually increase the share of smartphones equipped with P-OLED panels. Currently, the P-OLED market is led by domestic panel manufacturers due to the technological gap with Chinese panel manufacturers, but as Chinese companies expand their capacity, their market share in the P-OLED panel market is expected to gradually increase.

The smartwatch market saw significant growth in 2020 and is expected to continue to grow at a high rate annually. The market size is expected to keep increasing through services linked with various

devices, including IoT, in the future.

(3) Characteristics of Economic Fluctuations and Competitive Elements

The core competitive element in the display component market is the market entry at the initial stage with the development of display, as well as the strengthening technological competitiveness based on original technologies. It is to create a barrier to entry through differentiation through technological competitiveness by securing a meaningful share in a new market where new technologies are applied.

The display industry is a field that requires both technology and capital-intensive characteristics and economies of scale, and has the characteristic that the barrier to entry increases as the degree of technical completion increases. In the past, the supply capacity has improved through fierce competition among panel makers, and in line with the increase in demand, the overall display industry has recorded a high growth rate. However, in recent years, due to the high maturity of the market and limited demand, it has entered a low-growth phase. Due to its high sensitivity to economic fluctuations, replacement demand does not increase significantly.

In response to the market trend shifting from LCD to OLED, the Company is striving to proactively adapt to the transition in the display industry by developing relevant technologies, aiming to respond ahead of competitors.

(4) Market Share

According to the market research firm Omdia as of 2022, the Company ranks 42nd among global semiconductor companies and is in the top 3 for Display Driver IC manufacturers. As the ability to compete with new technologies is increasingly becoming a crucial criterion for competitive advantage, rather than just the scale of revenue, the Company is successfully entering the premium market, including OLED/P-OLED, through close cooperation with panel and set customers. Besides displays, the Company is also continuously expanding into new areas such as appliances, automotive, and batteries.

(5) Strength of the Company

The Company not only provides core components for display system semiconductors as a total solution but also localizes products that have been highly dependent on imports, contributing to the stable procurement of parts and price competitiveness for domestic downstream companies. The Company also actively supports customers' markets by offering customized premium products through continuous technological development. This win-win strategy, based on trust with forward-looking companies, plays a major role in enhancing competitiveness.

Through these efforts, the Company has secured technological response power to comply with market change in more prompt and flexible ways than other companies from new product development to delivery. Accordingly, the Company is realizing customer diversification through securing domestic and overseas customers based on the unique designing technological power.

C. Contents and Prospects of New Business

The Company fosters various automotive products, including semiconductors for automotive infotainment displays and next-generation power semiconductors. It is also developing heat dissipation

substrates with high strength and superior heat dissipation performance for use in electric vehicles.

The heat dissipation substrate is a core material that has a great influence on the operational lifespan and stability of the power semiconductors. It refers to a substrate with high thermal conductivity to diffuse the heat of the power device to the outside, and has a form of bonding Cu (copper) to an insulating ceramic (alumina, silicon nitride, aluminum nitride) substrate. The market for heat dissipation substrates is expected to see significant growth alongside the eco-friendly electric vehicle and renewable energy markets, with an anticipated CAGR of 26% from 2023 to 2029.

The company aims to secure profitability by supplying heat-dissipating substrates focused on the high-growth silicon nitride and aluminum nitride markets through continuous technological development and the acquisition of differentiated technologies.

III. Finances

1. Summarized Financial Information

A. Summarized Consolidated Financial Information

The Company's consolidated financial statements for the semi-annual of 2023 have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRS) and reviewed by an external auditor. The comparative consolidated financial statements for 2022 and 2021 have also been prepared in accordance with K-IFRS.

(Unit: Million KRW)

Category	H1 2023	2022	2021
	30 June 2023	31 December 2022	31 December 2021
[Current assets]	987,181	1,009,649	1,031,063
• Quick assets	491,431	527,093	829,946
• Inventories	495,750	482,556	201,117
[Non-current assets]	273,109	279,969	141,468
• Tangible assets	112,636	122,180	57,942
• Intangible assets	67,747	63,799	50,216
• Other non-current assets	92,726	93,990	33,310
Total assets	1,260,290	1,289,618	1,172,531
[Current liabilities]	330,942	324,402	363,583
[Non-current liabilities]	12,522	14,856	8,616
Total liabilities	343,464	339,258	372,199
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Other capital items]	(1,532)	(782)	15
[Retained earnings]	833,883	866,667	715,842
[Non-controlling interest]	-	-	-
Total equities	916,826	950,360	800,332
	(01 January 2023 ~ 30 June 2023)	(01 January 2022 ~ 31 December 2022)	(01 January 2021 ~ 31 December 2021)
Sales	975,933	2,119,345	1,898,846
Operating profit	46,958	310,624	369,622
Net income	40,378	233,693	296,424
Owners of the Parent	40,378	233,693	296,424
Non-controlling interest	-	-	-
Net earnings per share (KRW)	2,483	14,368	18,225
Net diluted earnings per share (KRW)	2,483	14,368	18,225
No. of companies included in the consolidation	3	3	3

B. Summarized Financial Information

The Company's financial statements for the semi-annual of 2023 have been prepared in accordance with K-IFRS and reviewed by an external auditor. The comparative financial statements for 2022 and 2021 have also been prepared in accordance with K-IFRS.

(Unit: Million KRW)

Category	H1 2023	2022	2021
	30 June 2023	31 December 2022	31 December 2021
[Current assets]	982,557	1,006,089	1,028,631
• Quick assets	486,807	523,533	827,514
• Inventories	495,750	482,556	201,117
[Non-current assets]	271,609	276,313	140,903
• Tangible assets	109,014	117,624	55,552
• Intangible assets	67,598	63,621	50,060
• Other non-current assets	94,997	95,068	35,291
Total assets	1,254,166	1,282,402	1,169,534
[Current liabilities]	331,310	324,485	363,973
[Non-current liabilities]	11,178	13,107	8,491
Total liabilities	342,488	337,592	372,464
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Other capital items]	(381)	(381)	(381)
[Retained earnings]	827,584	860,716	712,976
Total equities	911,678	944,810	797,070
Evaluation method for investment shares in subsidiaries, associates, joint ventures	Cost method	Cost method	Cost method
	(01 January 2023 ~ 30 June 2023)	(01 January 2022 ~ 31 December 2022)	(01 January 2021 ~ 31 December 2021)
Sales	975,933	2,119,345	1,898,846
Operating profit	45,830	309,046	368,630
Net income	40,030	230,608	294,898
Net earnings per share (KRW)	2,461	14,179	18,132
Net diluted earnings per share (KRW)	2,461	14,179	18,132

2. Consolidated Financial Statements

Consolidated Statement of Financial Position

As of 30 June 2023

As of 31 December 2022

(Unit: KRW)

	30 June 2023	31 December 2022
Assets		
Current assets	987,181,230,143	1,009,649,198,828
Cash and cash equivalents	202,070,909,330	188,365,134,297
Short-term financial instruments	80,522,069,816	130,501,257,585
Trade receivables	148,901,941,493	143,347,796,852
Other payables	8,711,398,935	30,339,286,252
Other current assets	51,224,789,384	34,539,288,607
Inventories	495,750,121,185	482,556,435,235
Non-current assets	273,108,634,156	279,969,343,305
Long-term other receivables	13,592,443,968	15,729,501,307
Investments in associates and joint ventures	41,440,944,533	39,730,521,788
Tangible assets	99,270,804,832	105,170,569,415
Licensed assets	13,365,776,406	17,009,677,694
Intangible assets	67,747,238,550	63,798,898,823
Other non-current assets	8,069,452,291	10,161,318,572
Defined benefit assets	13,612,021,202	18,301,443,497
Deferred tax assets	16,009,952,374	10,067,412,209
Total assets	1,260,289,864,299	1,289,618,542,133
Liabilities		
Current liabilities	330,941,715,222	324,401,670,974
Trade payables	236,513,537,803	196,211,140,403
Other payables	53,824,908,554	68,951,899,343
Other current liabilities	15,241,481,802	10,732,740,461
Lease liabilities	7,024,639,587	8,158,860,041
Current tax liabilities	18,337,147,476	40,347,030,726
Non-current liabilities	12,522,070,026	14,856,222,405
Other non-current payables	1,813,940,000	2,001,160,000
Other non-current liabilities	5,236,652,285	5,127,321,699

Lease liabilities	5,471,477,741	7,727,740,706
Total liabilities	343,463,785,248	339,257,893,379
Equity		
Equity attributable to owners of the Parent	916,826,079,051	950,360,648,754
Capital	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500
Other capital items	(1,532,337,942)	(781,710,611)
Retained earnings	833,883,096,493	866,667,038,865
Non-controlling interest	0	0
Total equities	916,826,079,051	950,360,648,754
Total equities and liabilities	1,260,289,864,299	1,289,618,542,133

Consolidated Income Statement

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	H1 2023		H1 2022	
	3 Months	Cumulative	3 Months	Cumulative
Revenue (Sales)	454,467,665,509	975,932,826,369	599,159,232,237	1,184,243,961,629
COGS	343,318,796,622	727,916,238,334	397,006,346,529	773,426,886,049
Gross profit	111,148,868,887	248,016,588,035	202,152,885,708	410,817,075,580
Selling and administrative expenses	103,333,781,597	201,058,813,876	92,564,219,803	173,309,602,699
Operating profit (loss)	7,815,087,290	46,957,774,159	109,588,665,905	237,507,472,881
Finance income	3,348,404,797	7,741,540,261	2,460,671,763	5,023,544,792
Finance costs	4,634,379,155	10,131,298,277	2,538,388,481	3,922,002,318
Other non-operating income	5,874,450,029	19,634,909,768	11,764,529,542	16,762,035,064
Other non-operating expenses	6,209,960,986	13,886,749,452	10,621,881,666	16,009,433,764
Equity method gains and losses	(804,711,667)	(280,407,429)	14,075,469	160,547,603
Income before income taxes	5,388,890,308	50,035,769,030	110,667,672,532	239,522,164,258
Income tax expenses	705,930,740	9,657,629,891	27,635,911,561	59,228,977,569
Net income	4,682,959,568	40,378,139,139	83,031,760,971	180,293,186,689
Attribution of net income (loss)				
Equity attributable to owners of the Parent	4,682,959,568	40,378,139,139	83,031,760,971	180,293,186,689
Earnings per share				
Basic earnings per share (Unit: KRW)	288	2,483	5,105	11,085
Diluted earnings per share (Unit: KRW)	288	2,483	5,105	11,085

Consolidated Comprehensive Income Statement

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	H1 2023		H1 2022	
	3 Months	Cumulative	3 Months	Cumulative
Semi-annual net income (loss)	4,682,959,568	40,378,139,139	83,031,760,971	180,293,186,689
Other comprehensive income	(1,139,710,422)	(723,358,842)	6,251,247,012	6,343,407,002
Items not be reclassified to current profit or loss:	27,268,489	27,268,489	6,858,694,768	6,858,694,768
Remeasurements of defined benefit plans	35,459,674	35,459,674	9,048,409,984	9,048,409,984
Gain on valuation of investment stock by the equity method	(8,191,185)	(8,191,185)	(2,189,715,216)	(2,189,715,216)
Items that may be reclassified to current profit or loss:	(1,166,978,911)	(750,627,331)	(607,447,756)	(515,287,766)
Gain (loss) on overseas business translation	(346,626,540)	(51,357,505)	82,134,897	174,294,887
Gain on valuation of investment stock by the equity method	(820,352,371)	(699,269,826)	(689,582,653)	(689,582,653)
Total comprehensive semi-annual income	3,543,249,146	39,654,780,297	89,283,007,983	186,636,593,691
Attribution of total comprehensive semi-annual income				
Owners of the Parent	3,543,249,146	39,654,780,297	89,283,007,983	186,636,593,691
Non-controlling interest	0	0	0	0

Consolidated Statement of Changes in Equity

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	Equity							
	Equity attributable to owners of the Parent					Non-controlling interest	Total	
	Capital	Capital surplus	Other capital items	Retained earnings	Total equity attributable to owners of the Parent			
01 January 2022	8,132,150,000	76,343,170,500	15,303,715	715,842,084,032	800,332,708,247	0	800,332,708,247	
Total comprehensive income	Net income	0	0	0	180,293,186,689	180,293,186,689	0	180,293,186,689
	Remeasurement related to defined benefit plan	0	0	0	6,858,694,768	6,858,694,768	0	6,858,694,768
	Gain (loss) on overseas business translation	0	0	174,294,887	0	174,294,887	0	174,294,887
	Gain on valuation of investment stock by the equity method	0	0	(689,582,653)	0	(689,582,653)	0	(689,582,653)
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(87,827,220,000)	(87,827,220,000)	0	(87,827,220,000)
30 June 2022	8,132,150,000	76,343,170,500	(499,984,051)	815,166,745,489	899,142,081,938	0	899,142,081,938	
01 January 2023	8,132,150,000	76,343,170,500	(781,710,611)	866,667,038,865	950,360,648,754	0	950,360,648,754	
Total comprehensive income	Net income	0	0	0	40,378,139,139	40,378,139,139	0	40,378,139,139
	Remeasurement loss on defined benefit plan	0	0	0	27,268,489	27,268,489	0	27,268,489

	Gain (loss) on overseas business translation	0	0	(51,357,505)	0	(51,357,505)	0	(51,357,505)
	Gain on valuation of investment stock by the equity method	0	0	(699,269,826)	0	(699,269,826)	0	(699,269,826)
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(73,189,350,000)	(73,189,350,000)	0	(73,189,350,000)
30 June 2023		8,132,150,000	76,343,170,500	(1,532,337,942)	833,883,096,493	916,826,079,051	0	916,826,079,051

Consolidated Statement of Cash Flows

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	H1 2023	H1 2022
Operating cash flows	58,220,943,700	35,774,781,166
Cash flows from operating activities	89,728,872,463	104,792,992,184
Net income(loss)	40,378,139,139	180,293,186,689
Adjustments	56,811,814,536	87,823,349,182
Change to equities/liabilities on sales operations	(7,461,081,212)	(163,323,543,687)
Interest received	6,332,669,844	3,408,179,066
Interest paid	(250,810,206)	(157,532,126)
Income taxes paid	(37,589,788,401)	(72,268,857,958)
Cash flows from investing activities	31,401,886,138	71,741,292,757
Receipt of dividends	196,950,000	0
Increase in short-term financial instruments	(50,022,584,867)	(130,000,000,000)
Decrease in short-term financial instruments	100,000,000,000	280,000,000,000
Increase in other receivables	(149,742,216)	(5,284,257,638)
Decrease in other receivables	1,507,123,291	1,500,218,164
Acquisition of property, plant and equipment	(21,032,044,941)	(44,263,365,356)
Disposal of property, plant and equipment	15,075,832,600	2,700,000
Acquisition of intangible assets	(11,286,597,729)	(4,843,952,413)
Disposal of intangible assets	0	1,400,000,000
Acquisition of investments in associates	(2,887,050,000)	(26,770,050,000)
Cash flow from financing activities	(77,517,234,793)	(90,454,000,142)
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Repayment of lease liabilities	(4,327,884,793)	(2,626,780,142)
Net increase in cash and cash equivalents	12,105,595,045	17,062,073,781
Beginning cash and cash equivalents	188,365,134,297	135,613,700,789
Effects of exchange rate changes on cash and cash equivalents	1,600,179,988	25,054,283
Ending Cash and cash equivalents	202,070,909,330	152,700,828,853

3. Notes to the Consolidated Financial Statements

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

LX Semicon Co., Ltd. and its Subsidiaries

1. Group Overview

(1) Summary of the Parent

LX Semicon Co., Ltd. (hereinafter referred to as the “Parent”) was established on 11 November 1999 for the purpose of designing and manufacturing FPD (flat panel display) semiconductor IC. The Company is located in 222 Techno 2-ro, Daedeok-gu, Daejeon, Republic of Korea. The Parent has been certified by the Korea Institute for Advancement of Technology as a corporate subsidiary research facility in accordance with Article 16 of the Technology Development Promotion Act and Clause 1 of Article 15 of the Enforcement Decree of the same Act on 19 October 2001. The Company has also been designated as a high-tech company in accordance with Clause 1 of Article 9 of the Special Law on the Cultivation of the Special Research and Development Daedeok-gu and more on 23 October 2011.

After listing its shares on the KOSDAQ market on 8 June 2010, the Parent changed its name from Silicon Works Co., Ltd. To LX Semicon Co., Ltd. On 1 July 2021, and was delisted from the KOSDAQ market and transferred to the KOSPI on 3 November 2022. The amount of paid-in capital of the Group as of 30 June 2023 is KRW 8,132,150,000 (16,264,300 issued shares and 50,000,000 authorized shares).

The shareholders of the Parent as of 30 June 2023 are as follows:

(Unit: Shares)			
Name of shareholders	No. of shares held	Ratio	Remarks
LX Holdings Co., Ltd.	5,380,524	33.08%	Largest shareholder
Others	10,883,776	66.92%	-
Total	16,264,300	100%	

The consolidated financial statements for the reporting period ended 30 June 2023 comprise the equity interests of the Parent and its subsidiaries.

(2) Overview of Subsidiaries as of 30 June 2023 and 31 December 2022

Company name	Location	Major business activity	Account closing	Controlling interest rate at the end of the current period	Controlling interest rate at the end of the previous period
LX Semicon U.S.A., Inc	USA	Semiconductor manufacturing and designing	December	100.00%	100.00%
LX Semicon China Co., Ltd.	China	Semiconductor manufacturing and designing	December	100.00%	100.00%
LX Semicon China Co., Ltd.	Japan	Semiconductor manufacturing and designing	December	100.00%	100.00%

(3) Summarized Financial Information of Subsidiaries

The summarized financial position statements of the consolidated subsidiaries as of 30 June 2023 and 31 December 2022 and the summarized comprehensive income statements for each accounting period are as follows:

(Unit: KRW)						
Company name	30 June 2023			H1 2023		
	Assets	Liabilities	Equity	Sales	Net Income	Total comprehensive income
LX Semicon U.S.A., Inc	1,183,223,515	72,929,308	1,110,294,207	1,929,181,985	145,030,956	180,413,440
LX Semicon China Co., Ltd.	7,266,459,494	1,352,033,781	5,914,425,713	7,900,318,595	557,831,080	529,084,513
LX Semicon China Co., Ltd.	2,617,656,092	1,500,071,494	1,117,584,598	2,153,674,606	122,967,103	64,973,681

(Unit: KRW)						
Company name	31 December 2022			H1 2022		
	Assets	Liabilities	Equity	Sales	Net Income	Total comprehensive income
LX Semicon U.S.A., Inc	1,088,167,006	158,286,239	929,880,767	1,407,676,326	70,218,584	136,482,044
LX Semicon China Co., Ltd.	7,181,245,127	1,795,903,927	5,385,341,200	6,062,523,331	476,559,603	640,975,013
LX Semicon China Co., Ltd.	2,846,949,810	1,794,338,893	1,052,610,917	461,215,940	(196,219,918)	(252,603,901)

2. Standards for Preparing Financial Statements and Significant Accounting Policies

(1) Standards for Preparing Semi-Annual Consolidated Financial Statements

The consolidated financial statements of the Parent and its subsidiaries (hereinafter referred to as "the Group") are condensed interim financial statements prepared in accordance with Korean Accounting Standard K-IFRS 1034, Interim Financial Reporting, for a portion of the period covered by the annual financial statements. To properly understand these condensed interim financial statements, they should be used in conjunction with the annual consolidated financial statements for the fiscal year ended 31 December 2022, which were prepared in accordance with Korean International Financial Reporting Standards (K-IFRS).

The significant accounting policies applied in the preparation of the interim financial statements are the same as those adopted in the preparation of the annual consolidated financial statements for the fiscal year ending 31 December 2022, except for the impact related to the introduction of the standards or interpretations described below and the matters specified in section 3) below.

1) Enacted and amended standards and interpretations for the first half of 2023 are as follows:

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies

The Company has defined significant accounting policy information and disclosed it. There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Disclosure of Profit or Loss on Financial Liabilities at Fair Value with Adjustments for Exercise Price Conditions

When all or part of a financial instrument subject to the condition that the exercise price is adjusted according to the fluctuation of the issuer's share price is classified as financial liability, the book value of the financial liability and related gains and losses are required to be disclosed. There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1008 Changes and Errors in Accounting Policies and Accounting Estimates - Definition of Accounting Estimates

The Company has defined an accounting estimate and clarified how to distinguish it from a change in accounting policy.

There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1012 Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In addition to the requirements for exceptions to initial recognition for transactions in which assets or liabilities are recognized for the first time, a requirement for transactions that do not generate temporary differences to be added and temporary differences to be deducted at the time of the transaction has been added. There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1117 Enactment of Insurance Contracts

K-IFRS 1117 Insurance contracts replaces K-IFRS 1104 Insurance contracts. All cash flows from insurance contracts are estimated and insurance liabilities are measured using a discount rate that reflects assumptions and risks at the time of reporting. Revenue is recognized on an accrual basis by reflecting services (insurance protection) provided to policyholders for each fiscal year. In addition, investment elements (cancellation/maturity refunds) paid to policyholders regardless of insurance events are excluded from insurance revenue, and insurance gains and losses and investment gains and losses are displayed separately so that information users can identify the source of profit and loss. There is no significant impact of the above amendments on the consolidated financial statements.

2) The amendment and interpretations that have been enacted or announced but have not been adopted because the effective date has not arrived are as follows:

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Classification of Liabilities into Current/Non-current, and Non-current Liabilities with Agreements

Liabilities are classified as current or non-current based on the substantial rights existing at the end of the reporting period, and the possibility of deferring the settlement of the liabilities or the management's expectations are not considered. Additionally, the settlement of liabilities may include the transfer of equity instruments, but liabilities settled by equity instruments as part of a compound financial instrument are excluded if the option to settle meets the definition of equity and is recognized separately from the liability. Furthermore, commitments that the company must comply with after the ending of the reporting period do not affect the classification of the liabilities at the end of the reporting period. If a liability that needs to be settled within 12 months after the reporting period is classified as non-current at the end of the reporting period, information about the risk of settling the liability within the subsequent 12 months must be disclosed. These amendments apply to fiscal years starting on or after 1 January 2024, and early adoption is permitted. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

3) Income Tax Expense: the income tax expense for the interim period is calculated by applying the best estimate of the weighted average annual income tax rate expected for the full fiscal year, i.e., the estimated average annual effective tax rate, to the pre-tax profit for the interim period.

3. Significant Judgments and Sources of Estimation Uncertainty

In preparing the interim financial statements, management must make judgments that significantly affect the amounts recognized in the financial statements (excluding matters related to estimates) and make estimates and assumptions concerning the book values of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on past experience and other factors deemed relevant. Actual results may differ from these estimates.

The significant judgments made and the key sources of estimation uncertainty in applying the Group's accounting policies for the preparation of the interim financial statements are consistent with those described in the annual financial statements for the fiscal year ended 31 December 2022, except for the estimation method used in determining income tax expense.

4. Operating Segments

The Group segments its reporting based on the nature of goods and services that generate operating revenues and the characteristics of the assets used to provide these services. These segments are defined as aligning with the level at which information is provided to the CEO for decision-making purposes. As a result, it has been identified as a single reporting segment.

Sales from a single external customer account for more than 10% of the Group's total sales are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Major customer A	460,531,403,711	723,153,174,123
Major customer B	346,006,003,370	211,730,833,446

5. Financial Instruments

(1) Financial Instruments and their Fair Values

The details of financial instruments and their fair values as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Book value	Fair value (*3)	Book value	Fair value (*3)
Financial assets:				
Items at FVTOCI				
Trade receivables	60,571,475,602	60,571,475,602	36,817,123,476	36,817,123,476
Items measured at amortized cost				
Cash and cash equivalents	202,070,909,330	202,070,909,330	188,365,134,297	188,365,134,297
Short-term financial instruments	80,522,069,816	80,522,069,816	130,501,257,585	130,501,257,585
Trade receivables	88,330,465,891	88,330,465,891	106,530,673,376	106,530,673,376
Other receivables (*1)	22,303,842,903	22,303,842,903	43,849,965,617	43,849,965,617
Sub-total	393,227,287,940		469,247,030,875	
Lease receivables	-	-	2,218,821,942	2,218,821,942
Total	453,798,763,542		508,282,976,293	
Financial liabilities:				
Items measured at amortized cost				
Trade payables	236,513,537,803	236,513,537,803	196,211,140,403	196,211,140,403
Other payables (*2)	25,271,682,660	25,271,682,660	44,672,049,559	44,672,049,559
Sub-total	261,785,220,463		240,883,189,962	
Lease liabilities	12,496,117,328	(*4)	15,886,600,747	(*4)
Total	274,281,337,791		256,769,790,709	

(*1) Lease receivables are excluded.

(*2) Employee-related debts that are not included in financial liabilities are excluded.

(*3) Since the book value is a reasonable approximation of the fair value, the fair value hierarchy and measurement method have been excluded in the disclosure.

(*4) Lease liabilities have been excluded from the fair value disclosures according to K-IFRS 1107 Financial Instruments: Disclosures.

(2) Net Profit and Loss by Financial Instrument Category

The details of financial incomes and financing costs recognized in the net income for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	Interest income (interest expense)		Other income (*)	
	H1 2023	H1 2022	H1 2023	H1 2022
Financial assets measured at FVTOCI	-	-	(4,761,379,751)	3,756,973,781
Financial assets measured at amortized cost	5,948,286,738	4,968,663,525	2,786,887,473	6,423,126,436
Lease receivables	18,612,222	36,660,753	-	-
Financial liabilities measured at amortized cost	-	-	(2,937,121,400)	(13,054,758,051)
Lease liabilities	(250,810,206)	(157,532,126)	-	-
Total	5,716,088,754	4,847,792,152	(4,911,613,678)	(2,874,657,834)

(*) Other profit or loss consists of financial assets measured at FVTOCI, financial assets measured at amortized cost and financial liabilities measured at amortized cost, loss on disposal of trade receivables, foreign currency translation gain or loss, and foreign currency exchange gain or loss.

(3) Transfer of Financial Assets

The Group transferred account receivables according to the account receivable factoring contract with the Export-Import Bank, etc. in this transaction, if the relevant trade receivables are not recovered at maturity, the Group is not obligated to pay the unrecovered amount of trade receivables to banks.

There is no book value of trade receivables accounted for as collateralized borrowing as the Group transferred all or part of the transferred financial assets through factoring of accounts receivable as of 30 June 2023.

6. Cash and Cash Equivalents

The details of cash and cash equivalents as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Demand deposit	23,124,768,247	79,065,134,297
Term deposit, etc.(*)	178,946,141,083	109,300,000,000
Total	202,070,909,330	188,365,134,297

(*) This is a financial instrument whose maturity is within 3 months from the acquisition date, has very high liquidity, is easy to convert to a fixed amount, and has a slight risk of value fluctuation.

7. Short-Term Financial Instruments

The details of short-term financial instruments as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Term deposit	80,522,069,816	130,501,257,585

8. Trade and Other Receivables

The trade and other receivables as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade receivables	148,901,941,493	-	143,347,796,852	-
Receivables	5,015,781,806	-	24,817,795,084	-
Accrued income	2,005,825,575	-	2,371,598,882	-
Loans	1,689,791,554	5,016,079,952	1,790,574,626	6,091,320,171
Deposits	-	8,576,364,016	-	8,778,676,854
Lease receivables	-	-	1,359,317,660	859,504,282
Total	157,613,340,428	13,592,443,968	173,687,083,104	15,729,501,307

9. Other Assets

Other assets as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advanced payments	8,255,998,724	7,853,013,830	8,270,140,223	9,367,236,340
Prepaid expenses, etc.	42,968,790,660	216,438,461	26,269,148,384	794,082,232
Total	51,224,789,384	8,069,452,291	34,539,288,607	10,161,318,572

10. Inventories

(1) The details of inventories as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Products	164,333,494,426	184,831,476,664
Work in process	401,117,734,311	335,608,127,172
Inventory return allowance	117,856,958	165,108,909
Inventory valuation allowance	(69,840,132,560)	(38,095,660,661)
Products	21,168,050	47,383,151
Total	495,750,121,185	482,556,435,235

(2) The gain (loss) on valuation of inventories for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Cost of goods sold		
Establishment (return) of inventory valuation allowance	31,744,471,899	2,798,722,181

11. Investment of Associate and Joint Ventures

(1) The changes in the investments in associates and joint ventures as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 June 2023		31 December 2022	
				Ratio (%)	Book value	Ratio (%)	Book value
Advance Power Device Technologies Co. Ltd	Korea	R&D and design of semiconductor devices	March	49.00	4,518,757,147	49.00	4,403,026,225
FJ Composite Materials Co., LTD	Japan	Development, manufacturing, and sales of composite materials	May	28.70	9,395,103,457	29.98	7,296,459,614
Telechips(*)	Korea	Manufacture of electronic integrated circuit	December	10.26	27,527,083,929	10.93	28,031,035,949
Total						41,440,944,533	39,730,521,788

(*) Although the share of Telechips Inc. is less than 20%, it is exerting significant influence through the contractual right to appoint directors.

(2) The changes in the investments in associates and joint ventures for the first half of 2023 and 2022 are as follows:

① H1 2023

(Unit: KRW)						
Company name	1 January 2023	Acquisition	Dividends received	Equity method gains and losses	Gain on valuation of investment stock by the equity method	30 June 2023
Advance Power Device Technologies Co. Ltd	4,403,026,225	-	-	115,730,922	-	4,518,757,147
FJ Composite Materials Co., LTD	7,296,459,614	2,887,050,000	-	(129,597,026)	(658,809,131)	9,395,103,457
Telechips Inc.	28,031,035,949	-	(196,950,000)	(266,541,325)	(40,460,695)	27,527,083,929
Total	39,730,521,788	2,887,050,000	(196,950,000)	(280,407,429)	(699,269,826)	41,440,944,533

② H1 2022

(Unit: KRW)						
Company name	1 January 2022	Acquisition	Disposals	Equity method gains and losses	Gain on valuation of investment stock by the equity method	30 June 2022
Advance Power Device Technologies Co. Ltd	4,229,627,079	-	-	71,865,799	-	4,301,492,878
FJ Composite Materials Co., LTD	7,438,503,112	-	-	88,681,804	(689,582,653)	6,837,602,263
Telechips Inc.	-	26,770,050,000	-	-	-	26,770,050,000
Total	11,668,130,191	26,770,050,000	-	160,547,603	(689,582,653)	37,909,145,141

12. Tangible Assets

The changes in the book value of tangible assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning book value	105,170,569,415	50,262,602,385
Acquisition cost during the period	11,384,012,899	44,924,867,368
Disposal cost during the period	(12,488,115,932)	(3,190)
Depreciation	(6,448,681,270)	(9,888,648,421)
Other adjustments	1,653,019,720	67,720,478
Ending book value	99,270,804,832	85,366,538,620

13. Intangible Assets

The changes in the book value of intangible assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning book value	63,798,898,823	50,215,624,104
Acquisition cost during the period	8,528,228,765	4,737,108,787
Disposal cost during the period	(37,652,584)	(1,497,670,898)
Depreciation	(4,542,753,432)	(3,437,722,380)
Other adjustments	516,978	6,292,583
Ending book value	67,747,238,550	50,023,632,196

14. Lease

(1) The changes in book value of right-of-use assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning amount	17,009,677,694	7,679,130,585
Acquisition	1,217,349,083	14,242,813,588
Decrease (Termination of contract)	(210,543,629)	(73,030,638)
Depreciation	(4,587,032,710)	(2,800,413,911)
Other increase or decrease	(63,674,032)	(12,634,562)
Ending amount	13,365,776,406	19,035,865,062

(2) The amounts recognized in profit or loss for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Depreciation on licensed assets	4,587,032,710	2,800,413,911
Interest expense on lease liabilities	250,810,206	157,532,126
Expenses related to short-term leases and small assets lease	678,709,309	938,730,039

(3) The Group's total cash outflows due to leases for the first half of 2023 and 2022 are KRW 5,257 million and KRW 3,723 million, respectively.

15. Trade and Other Payables

The details of trade and other payables as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Non-current	Non-current
Trade payables	236,513,537,803	-	196,211,140,403	-
Payables	21,361,653,754	-	59,103,275,904	-
Accrued expenses	32,463,254,800	-	9,848,623,439	-
Deposits	-	1,813,940,000	-	2,001,160,000
Total	290,338,446,357	1,813,940,000	265,163,039,746	2,001,160,000

16. Other Liabilities

(1) The details of other liabilities as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advances customers	12,189,524,815	-	5,395,555,618	-
Withholdings	1,093,434,956	-	4,199,152,896	-
Provisions	1,958,522,031	2,498,715,452	1,138,031,947	2,502,515,452
Long-term employee salary liabilities	-	2,737,936,833	-	2,624,806,247
Total	15,241,481,802	5,236,652,285	10,732,740,461	5,127,321,699

(2) The changes in the provisions for the first half of 2023 and 2022 are as follows:

① H1 2023

(Unit: KRW)				
Category	1 January 2023	Establishment (reversal)	Paid	30 June 2023
Provision for sales warrant	912,979,618	880,171,642	-	1,793,151,260
Provision for return	225,052,329	(59,681,558)	-	165,370,771
Provisions for restoration	2,502,515,452	-	(3,800,000)	2,498,715,452
Total	3,640,547,399	820,490,084	(3,800,000)	4,457,237,483

② H1 2022

(Unit: KRW)				
Category	1 January 2022	Establishment (reversal)	Paid	30 June 2022
Provision for sales warrant	1,578,936,322	305,977,343	(219,873,205)	1,665,040,460
Provision for return	557,847,533	(200,167,348)	-	357,680,185
Provisions for restoration	1,031,415,452	1,471,100,000	-	2,502,515,452
Total	3,168,199,307	1,576,909,995	(219,873,205)	4,525,236,097

The Group recognizes warranty expense in the provision for product warranties as expected to be borne by the Group related to sales guarantee for the products and recognizes the corresponding transferred amount in selling and administrative expenses. On the other hand, the Group recognizes the amount corresponding to the portion of revenue to be canceled at the time of product return as allowance liability for return and deduction to sales in accordance with the K-IFRS 1115.

17. Capital and Capital Surplus

(1) The details of capital as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
No. of authorized shares	50,000,000 shares	50,000,000 shares
Amount per share	500	500
No. of shares issued	16,264,300 shares	16,264,300 shares
Capital	8,132,150,000	8,132,150,000

(2) The details of capital surplus as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Paid-in capital in excess of par value	66,560,617,129	66,560,617,129
Other capital surplus	9,782,553,371	9,782,553,371
Total	76,343,170,500	76,343,170,500

18. Other Capital Items

The details of other capital items as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Gain (loss) on overseas business translation	158,901,940	210,259,445
Gain on valuation of investment stock by the equity method	(1,310,432,151)	(611,162,325)
Gains or losses on valuation of financial assets measured at FVTOCI	(380,807,731)	(380,807,731)
Total	(1,532,337,942)	(781,710,611)

19. Retained Earnings

(1) The details of current retained earnings as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	829,817,021,493	862,600,963,865
Total	833,883,096,493	866,667,038,865

(2) The changes in the unappropriated retained earnings for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning amount	862,600,963,865	711,776,009,032
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Net income	40,378,139,139	180,293,186,689
Remeasurements of defined benefit plans	27,268,489	6,858,694,768
Ending amount	829,817,021,493	811,100,670,489

20. Earnings Per Share

(1) Basic Earnings Per Share

① The calculation of basic earnings per share for the first half of 2023 and 2022 is as follows:

(Unit: KRW, Shares)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Earnings per ordinary share	4,682,959,568	40,378,139,139	83,031,760,971	180,293,186,689
Weighted average No. of common shares outstanding	16,264,300	16,264,300	16,264,300	16,264,300
Basic earnings per share	288	2,483	5,105	11,085

② Calculation of weighted average No. of common shares outstanding for H1 2023.

No. of shares issued (1)	No. of treasury shares (2)	No. of outstanding ordinary shares (1-2)	Weight		Weighted average No. of common shares outstanding
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	91 days/ 91 days	181 days/181 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for H1 2022.

No. of shares issued (1)	No. of treasury shares (2)	No. of outstanding ordinary shares (1-2)	Weight		Weighted average No. of common shares outstanding
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	91 days/ 91 days	181 days/181 days	16,264,300 shares

(2) Diluted Earnings Per Share

The Group had no dilutive securities for the first half of 2023 and 2022; therefore, diluted earnings per share are the same as basic earnings per share.

21. Finance Income and Costs

(1) The details of financial income for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Interest income	3,195,627,722	5,966,898,960	2,442,453,572	5,005,326,408
Gain from foreign exchange rate (financial)	39,867	39,867	1	194
Gain on foreign exchange (financial)	152,737,208	1,774,601,434	18,218,190	18,218,190
Total	3,348,404,797	7,741,540,261	2,460,671,763	5,023,544,792

(2) The details of financial expenses for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Interest expenses	120,601,900	250,810,206	112,157,277	157,532,126
Loss from foreign exchange rate (financial)	-	-	8,014	8,014
Loss on foreign exchange (financial)	(16,239,698)	(10,625,963)	9,344,583	15,352,725
Loss on disposal of trade receivables	4,530,016,953	9,891,114,034	2,416,878,607	3,749,109,453
Total	4,634,379,155	10,131,298,277	2,538,388,481	3,922,002,318

22. Other Non-Operating Income and Expenses

(1) The details of other non-operating income for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Profit on foreign exchange (non-financial)	6,878,851,623	15,699,850,805	9,737,509,890	13,292,741,784
Profit on foreign currency conversion (non-financial)	(1,020,527,129)	1,319,899,474	2,014,711,640	3,438,453,257
Gain on disposal of tangible assets	3,249,369	2,592,287,033	996,459	3,502,473
Miscellaneous profits	12,876,166	22,872,456	11,311,553	27,337,550
Total	5,874,450,029	19,634,909,768	11,764,529,542	16,762,035,064

(2) The details of other non-operating expenses for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Loss on foreign exchange (non-financial)	5,647,353,751	12,400,298,730	8,659,449,430	12,716,095,090
Loss on foreign currency conversion (non-financial)	523,673,512	1,425,218,457	1,851,568,576	3,109,793,977
Loss on disposal of tangible assets	384	1,384	-	190
Loss on disposal of intangible assets	28,034,067	37,652,584	29,618,844	97,670,898
Donations	-	1,714,900	73,179,570	73,179,570
Miscellaneous losses	10,899,272	21,863,397	8,065,246	12,694,039
Total	6,209,960,986	13,886,749,452	10,621,881,666	16,009,433,764

23. Operating Profit

The main items and amounts included in operating profit calculation for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Sales	454,467,665,509	975,932,826,369	599,159,232,237	1,184,243,961,629
Products	452,715,615,731	973,777,206,398	596,514,635,520	1,180,866,568,426
Others	1,752,049,778	2,155,619,971	2,644,596,717	3,377,393,203
COGS	343,318,796,622	727,916,238,334	397,006,346,529	773,426,886,049
Cost of goods sold	341,896,169,062	726,356,257,505	395,515,061,822	771,340,829,912
Others	1,422,627,560	1,559,980,829	1,491,284,707	2,086,056,137
Selling and administrative expenses	103,333,781,597	201,058,813,876	92,564,219,803	173,309,602,699
Salary and bonuses	20,026,951,727	40,156,422,953	17,693,347,189	33,763,892,097
Retirement benefits	1,078,559,625	2,142,850,919	972,325,242	1,940,641,576
Employee benefits	3,955,498,542	8,293,638,125	4,317,257,557	7,369,683,325
Travel	907,144,134	1,602,992,395	497,373,351	797,541,186
Paid rent	725,837,843	1,478,083,845	685,527,616	1,454,988,205
Service fees	8,020,755,378	16,712,883,664	8,243,631,238	14,819,492,625
Depreciation	3,496,180,188	7,076,009,883	2,915,691,770	4,949,838,238
Amortization of intangible assets	852,729,976	1,748,476,424	656,712,030	1,261,942,815
Establishment (reversal) of provision for sales guarantee	1,169,793,237	896,796,932	229,619,171	305,977,343
Ordinary R&D expenses	60,421,828,196	115,090,719,952	52,275,534,740	99,997,755,354
Others	2,678,502,751	5,859,938,784	4,077,199,899	6,647,849,935
Operating profit	7,815,087,290	46,957,774,159	109,588,665,905	237,507,472,881

24. Defined Benefit Obligations

The Group pays retirement benefits to employees in a lump sum, which are determined according to the wage level and number of years of service upon retirement, and this is classified as a defined benefit plan. Such retirement benefit can be withdrawn before the resignation of the employee as interim settlement when the legal requirements apply, and the number of years of service for calculating severance pay after the interim settlement is newly calculated from the time of settlement.

(1) The details of defined benefit obligations as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Present value of defined benefit obligation	70,716,577,594	68,723,266,014
Fair value of plan assets	(84,328,598,796)	(87,024,709,511)
Defined benefit obligations (assets)	(13,612,021,202)	(18,301,443,497)

(2) The changes in the present value of defined benefit obligations for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning defined benefit obligation	68,723,266,014	66,233,664,676
Current service cost	5,199,838,294	4,583,142,590
Interest cost	1,734,966,896	905,649,274
Remeasurement (before tax):		
Financial assumption	-	(9,251,055,855)
Transfers between associates	(21,052,570)	971,073,388
Retirement benefit payment	(4,920,441,040)	(2,841,020,290)
Ending defined benefit obligation	70,716,577,594	60,601,453,783

(3) The changes in fair value of plan assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning balance of plan assets	87,024,709,511	65,613,017,567
Interest income	2,217,985,092	883,463,539
Plan assets remeasurement (before tax)	35,459,674	(202,645,871)
Payment of severance payment form plan assets	(4,876,271,888)	(2,840,639,660)
Others	(73,283,593)	
Ending balance of plan assets	84,328,598,796	63,453,195,575

(4) Expenses recognized in the current profit or loss regarding the defined benefit plans for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Current service cost	5,199,838,294	4,583,142,590
Net interest cost	(483,018,196)	22,185,735
Others	73,283,593	
Total	4,790,103,691	4,605,328,325

25. Income Tax Expenses

Income tax expenses were calculated by adjusting the current income tax expenses for adjustments recognized in the current period related to prior-period taxes, deferred tax expenses arising from the occurrence and reversal of temporary differences, and income tax expenses related to items recognized outside of profit or loss. The average effective tax rates for the first half of 2023 and 2022 were 19.3% and 24.7%, respectively.

26. Statement of Cash Flow

(1) The details of reconciliation of income and expenses during business activities for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Income tax expenses	9,657,629,891	59,228,977,569
Depreciation	11,035,713,980	12,689,062,332
Establishment (reversal) of inventory valuation allowance	31,744,471,899	2,798,722,181
Reversal (establishment) for returned product recovery rights	47,251,951	124,349,837
Establishment (reversal) of provisions for returns	(59,681,558)	(200,167,348)
Loss on disposal of inventories	3,641,687,622	6,527,626,952
Gain on disposal of tangible assets	(2,592,287,033)	(3,502,473)
Loss on disposal of tangible assets	1,384	190
Loss on disposal of intangible assets	37,652,584	97,670,898
Amortization of intangible assets	4,542,753,432	3,437,722,380
Retirement benefits	4,790,103,691	4,605,328,325
Gain on foreign currency translation	(3,094,500,908)	(3,456,671,447)
Loss on foreign currency translation	1,414,592,494	3,125,146,702
Interest income	(5,966,898,960)	(5,005,324,278)
Interest expenses	250,810,206	157,532,126
Establishment (reversal) of provision for sales guarantee	896,796,932	305,977,343
Long-term employee benefits	180,530,586	(197,663,957)
Equity method gains and losses	280,407,429	(160,547,603)
Loss on disposal of trade receivables	-	3,749,109,453
Others	4,778,914	-
Total	56,811,814,536	87,823,349,182

(2) The changes in assets and liabilities during sales for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Trade receivables	(4,836,962,296)	(118,501,822,605)
Other payables	(4,203,663,887)	(12,207,571,287)
Other current assets	9,548,366,640	(1,763,204,228)
Inventories	(48,627,097,422)	(84,007,910,481)
Trade payables	39,272,678,443	56,793,991,982
Other current liabilities	3,688,662,964	2,126,066,905
Other payables	(2,733,131,710)	(9,315,145,978)
Non-current other payables	-	2,001,160,000
Long-term employee salary liabilities	(67,400,000)	(80,700,000)
Net defined benefit obligations	(65,221,722)	970,692,758
Lease receivables	562,687,778	660,899,247
Total	(7,461,081,212)	(163,323,543,687)

(3) The Group has prepared the cash flow based on operating activities on the cash flow statement using the indirect method. The significant transactions that do not involve cash inflows and outflows for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Transfer for construction in progress	11,068,858,948	33,974,741,263
Transfer for intangible assets in progress	3,112,777,043	1,734,972,797
Increase (decrease) in payables relating to acquisition of tangible assets	(9,648,032,042)	661,502,012
Increase (decrease) in payables relating to acquisition of intangible assets	(2,758,368,964)	(106,843,626)
Recognition of lease liabilities and licensed assets under the lease agreement	1,217,349,082	12,771,713,588
Reclassification of lease liabilities to current liabilities	1,433,365,990	6,927,258,675
Reclassification of lease receivables to current receivables	570,314,176	675,856,328
Reclassification of loans to current loans	667,002,346	749,483,266

(4) The changes in liabilities arising from financial activities for the first half of 2023 and 2022 are as follows:

① H1 2023

(Unit: KRW)				
Category	1 January 2023	Cash flow from financial activities	Non-cash transaction	30 June 2023
Dividends payable	-	(73,189,350,000)	73,189,350,000	-
Lease liabilities	15,886,600,747	(4,327,884,793)	937,401,374	12,496,117,328

② H1 2022

(Unit: KRW)				
Category	1 July 2022	Cash flow from financial activities	Non-cash transaction	31 December 2022
Dividends payable	-	(87,827,220,000)	87,827,220,000	-
Lease liabilities	7,504,655,796	(2,626,780,142)	12,685,173,594	17,563,049,248

27. Restricted Financial Instruments

The financial instruments restricted for use as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)			
Items	Category	30 June 2023	31 December 2022
Long-term other receivables	Checking deposit	2,000,000	2,000,000

28. Related Parties

(1) The details of related parties as of 30 June 2023 and 31 December 2022 are as follows:

Type of special relationship	30 June 2023	31 December 2022
Associates and joint ventures	Advanced Power Device Technology Co., Ltd.	Advanced Power Device Technology Co., Ltd.
	FJ Composite Materials Co., Ltd.	FJ Composite Materials Co., Ltd.
	Telechips Inc.	Telechips Inc.(*1)
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	LX Holdings Co., Ltd.
Others	LX Holdings Co., Ltd. and joint ventures	LX Holdings Co., Ltd. and joint ventures
	Large corporate group affiliates(*2)	Large corporate group affiliates(*2)

(*1) Acquired a 10.93% ratio in Telechips Inc. As of the Ending of the previous period.

(*2) As LX Holdings Co., Ltd. was separated from LG Corporate Group based on the Monopoly Regulation and Fair Trade Act on 21 June 2022, the Group was excluded from LG affiliates, which was large corporate groups, and affiliates of LX Holdings Co., Ltd. are equivalent to affiliates of large corporate groups. Additionally, LX Holdings Co., Ltd. and its subsidiaries were designated as a large business group on 25 April 2023.

(2) The details of specially related parties with the Group for the first half of 2023 and 2022 are as follows:

(Unit: KRW)						
Special relationship	Name	Details	H1 2023		H1 2022	
			3 months	Cumulative	3 months	Cumulative
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Sales expenses	3,088,297	56,733,504	64,447,770	64,447,770
	Telechips Inc.	Dividend income	196,950,000	196,950,000	-	-
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	Sales expenses	949,637,406	1,944,760,000	-	-
Other large corporate group affiliates(*)	LX Hausys Co., Ltd.	Sales expenses	-	189,200,000	1,379,533,243	1,379,533,243
		Acquisition of tangible and intangible assets	-	-	1,170,054,257	1,170,054,257
	LX Pantos Co., Ltd.	Sales expenses	1,098,732,632	2,498,831,799	1,334,977,566	2,648,362,055
	LX MDI Co., Ltd.	Sales expenses	601,940,680	964,188,680	-	-
	LX INTERNATIONAL JAPAN LTD.	Sales expenses	36,032,300	40,271,542	3,849,098	4,647,333
	LG CNS Co., Ltd.	Sales expenses	-	-	1,649,207,077	2,982,071,802
		Acquisition of tangible and intangible assets	-	-	392,075,300	1,328,911,400
	D&O Co., Ltd.	Sales expenses	-	-	1,228,496,481	1,530,391,236
		Acquisition of tangible and intangible assets	-	-	289,590,000	413,700,000
	S&I Corp.	Sales expenses	-	-	468,688,800	721,786,300
	LG Management Development Institute	Sales expenses	-	-	239,237,000	468,762,000
	LG Display (China) Co., Ltd.	Sales	-	-	5,750,668,365	11,845,896,102
	LG Display (Guangzhou) Co., Ltd.	Sales	-	-	137,305,283,387	277,535,172,867
	LG Display Vietnam	Sales	-	-	36,507,200,311	129,005,911,232

Haiphong Co. Ltd.					
LG Display Yantai	Sales	-	-	7,352,179,773	21,360,454,279
LG Display High-Tech (China) Co., Ltd.	Sales	-	-	11,402,532	18,556,438
LG Display (Nanjing) Co., Ltd.	Sales	-	-	13,364,397,762	41,702,811,192
LG Display Co., Ltd.	Sales	-	-	122,142,131,916	241,683,107,009
LG Electronics Indonesia	Sales	-	-	501,840,144	1,063,817,806
LG Electronics USA Inc.	Sales	-	-	1,352,239,478	2,110,470,138
LG. Electronics Co., Ltd.	Sales	-	-	1,781,907,876	6,509,289,131
	Sales expenses	-	-	1,635,915,626	3,324,593,936
	Acquisition of tangible and intangible assets	-	-	-	95,350,000
LG Innotek Co., Ltd.	Sales	-	-	-	700,000,000
	Sales expenses	-	-	13,759,987,082	24,494,558,720
LG U Plus Co., Ltd.	Sales expenses	-	-	61,143,545	108,397,044
Biztech Partners Co., Ltd.	Sales expenses	-	-	72,498,000	164,996,000
Hi-Teleservice Co., Ltd.	Sales expenses	-	-	-	302,273
LG Chem Co., Ltd.	Acquisition of tangible and intangible assets	-	-	-	(746,875)

(*1) The previous period includes transactions conducted before the Group was excluded from being a part of the large-scale LG business group.

(3) The receivables and payables of related parties as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)					
Category	Name	30 June 2023		31 December 2022	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Associates and joint ventures	FJ Composite Materials Co., Ltd.	24,212,358,000	-	29,054,829,600	-
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	-	2,887,050,000	-	-
Other corporations belonging to the large conglomerate group	LX Pantos Co., Ltd.	24,212,358,000	2,887,050,000	29,054,829,600	-
	LX MDI Co., Ltd.	24,212,358,000	-	29,054,829,600	-

(4) The details of major fund transactions with the related parties for the first half of 2023 and 2022 are as follows:

(Unit: KRW)					
Category	Name	H1 2023		H1 2022	
		Dividends received	Cash contribution, etc.	Dividends paid	Cash contribution, etc.
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	24,212,358,000	-	29,054,829,600	-
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	2,887,050,000	-	-
Total		24,212,358,000	2,887,050,000	29,054,829,600	-

(5) The details of the compensation for major management as of 31 December 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Short-term salaries	3,164,875,007	6,472,366,530	3,007,765,826	5,827,556,738
Retirement benefits	395,135,205	780,435,029	204,805,810	677,066,408
Total	3,560,010,212	7,252,801,559	3,212,571,636	6,504,623,146

The Group includes registered directors (including external directors) and members of the Audit Committee as key management personnel.

(6) The Group has no security and guarantee details providing to or provided by special interest parties as of 30 June 2023 and 31 December 2022.

29. Commitments and Contingencies

(1) The Group is receiving payment and payment guarantee of 390 Million KRW from Seoul Guarantee Insurance as of 30 June 2023.

(2) The Group has a credit limit contract with some financial institutions such as Shinhan Bank, and the Group's credit limit details as of 30 June 2023 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Purchase foreign exchange	Shinhan Bank	-	16,000,000
Purchase foreign exchange	NH Bank	-	15,000,000
Purchase foreign exchange	Mizuho Bank	-	60,000,000
Borrowing limit	K-Eximbank	200,000,000,000	-
Borrowing limit	MUFG Bank	150,000,000,000	-
Borrowing limit	Hana Bank	100,000,000,000	-
Borrowing limit	Suhyup Bank	50,000,000,000	-

(3) The Group has an export receivable transfer transaction agreement with the financial institutions in relation to the collection of trade receivables as follows: the limit details of the Group as of 30 June 2023 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Factoring	Korea Eximbank	-	380,000,000
Factoring	BNP Paribas	-	130,000,000
Factoring	MUFG Bank	100,000,000,000	220,000,000

(4) The Group has no details of providing collateral for financial assets as of 30 June 2023.

(5) The Group has no ongoing litigation or disputes as of 30 June 2023.

4. Financial Statements

Statement of Financial Position

As of 30 June 2023

As of 31 December 2022

(Unit: KRW)

	30 June 2023	31 December 2022
Assets		
Current assets	982,557,291,095	1,006,088,865,246
Cash and cash equivalents	199,358,051,374	186,352,407,000
Short-term financial instruments	80,000,000,000	130,000,000,000
Trade receivables	148,901,941,493	143,347,796,852
Other payables	8,710,685,439	30,218,862,758
Other current assets	49,836,491,604	33,613,363,401
Inventories	495,750,121,185	482,556,435,235
Non-current assets	271,609,040,933	276,313,175,716
Long-term other receivables	12,892,443,201	15,013,066,616
Investments in subsidiaries	3,532,122,045	3,532,122,045
Investments in associates and joint ventures	40,902,873,000	38,015,823,000
Tangible assets	97,845,606,481	103,418,994,751
Licensed assets	11,167,989,644	14,204,693,929
Intangible assets	67,598,277,557	63,621,254,908
Other non-current assets	8,069,452,291	10,161,318,572
Net defined benefit assets	13,612,021,202	18,301,443,497
Deferred tax assets	15,988,255,512	10,044,458,398
Total assets	1,254,166,332,028	1,282,402,040,962
Liabilities		
Current liabilities	331,310,239,292	324,485,362,868
Trade payables	236,513,537,803	196,211,140,403
Other payables	55,281,016,081	70,217,680,214
Other current liabilities	15,236,306,029	10,742,259,927
Lease liabilities	6,121,333,740	7,057,098,646
Current tax liabilities	18,158,045,639	40,257,183,678
Non-current liabilities	11,178,267,691	13,106,438,967
Other non-current payables	1,813,940,000	2,001,160,000
Other non-current liabilities	5,236,652,285	5,127,321,699
Lease liabilities	4,127,675,406	5,977,957,268
Total liabilities	342,488,506,983	337,591,801,835
Equity		
Capital	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500
Other capital items	(380,807,731)	(380,807,731)
Retained earnings	827,583,312,276	860,715,726,358
Total equities	911,677,825,045	944,810,239,127
Total equities and liabilities	1,254,166,332,028	1,282,402,040,962

Income Statement

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Sales	454,467,665,509	975,932,826,369	599,159,232,237	1,184,243,961,629
COGS	343,318,796,622	727,916,238,334	397,006,346,529	773,426,886,049
Gross profit	111,148,868,887	248,016,588,035	202,152,885,708	410,817,075,580
Selling and administrative expenses	103,891,642,345	202,186,201,943	92,981,391,395	173,844,669,923
Operating profit	7,257,226,542	45,830,386,092	109,171,494,313	236,972,405,657
Finance income	3,529,572,462	7,884,920,642	2,441,218,552	5,002,052,658
Finance costs	4,623,794,108	10,084,913,488	2,540,027,932	3,916,312,214
Other non-operating income	5,862,378,344	19,612,725,497	11,753,266,583	16,736,557,666
Other non-operating expenses	6,209,703,245	13,876,542,252	10,621,473,349	16,008,818,549
Income before income taxes	5,815,679,995	49,366,576,491	110,204,478,167	238,785,885,218
Income tax expenses	434,695,991	9,336,909,062	27,437,823,051	59,003,804,401
Net income	5,380,984,004	40,029,667,429	82,766,655,116	179,782,080,817
Earnings per share				
Basic earnings per share (Unit: KRW)	331	2,461	5,089	11,054
Diluted earnings per share (Unit: KRW)	331	2,461	5,089	11,054

Comprehensive Income Statement

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Net income (loss)	5,380,984,004	40,029,667,429	82,766,655,116	179,782,080,817
Other comprehensive income	27,268,489	27,268,489	6,858,694,768	6,858,694,768
Items not reclassified to profit or loss:	27,268,489	27,268,489	6,858,694,768	6,858,694,768
Remeasurements of defined benefit plans	35,459,674	35,459,674	9,048,409,984	9,048,409,984
Income tax effect	(8,191,185)	(8,191,185)	(2,189,715,216)	(2,189,715,216)
Total comprehensive income	5,408,252,493	40,056,935,918	89,625,349,884	186,640,775,585

Statement of Changes in Equity

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

		Equity				
		Capital	Capital surplus	Other capital items	Retained earnings	Total
01 January 2022		8,132,150,000	76,343,170,500	(380,807,731)	712,975,672,968	797,070,185,737
Total comprehensive income	Net income	0	0	0	179,782,080,817	179,782,080,817
	Remeasurement elements of defined benefit plans	0	0	0	6,858,694,768	6,858,694,768
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(87,827,220,000)	(87,827,220,000)
30 June 2022		8,132,150,000	76,343,170,500	(380,807,731)	811,789,228,553	895,883,741,322
01 January 2023		8,132,150,000	76,343,170,500	(380,807,731)	860,715,726,358	944,810,239,127
Total comprehensive income	Net income	0	0	0	40,029,667,429	40,029,667,429
	Remeasurement elements of defined benefit plans	0	0	0	27,268,489	27,268,489
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(73,189,350,000)	(73,189,350,000)
30 June 2023		8,132,150,000	76,343,170,500	(380,807,731)	827,583,312,276	911,677,825,045

Statement of Cash Flows

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

(Unit: KRW)

	H1 2023	H1 2022
Operating cash flows	56,616,560,178	35,613,051,143
Cash flows from operating activities	87,910,407,231	104,451,664,183
Net income	40,029,667,429	179,782,080,817
Adjustments	54,948,176,875	87,089,210,796
Change to equities/liabilities on sales operations	(7,067,437,073)	(162,419,627,430)
Interest received	6,286,683,921	3,402,758,065
Interest paid	(192,495,574)	(144,051,288)
Income taxes paid	(37,388,035,400)	(72,097,319,817)
Cash flows from investing activities	31,526,833,293	71,560,390,918
Receipt of dividends	196,950,000	0
Increase in short-term financial instruments	(50,000,000,000)	(130,000,000,000)
Decrease in short-term financial instruments	100,000,000,000	280,000,000,000
Increase in other receivables	(150,000,000)	(4,815,452,401)
Decrease in other receivables	1,507,123,291	1,500,218,164
Acquisition of tangible assets	(20,933,703,581)	(44,107,058,062)
Disposal of tangible assets	15,075,832,600	2,700,000

Acquisition of intangible assets	(11,282,319,017)	(4,751,592,783)
Disposal of intangible assets	0	1,400,000,000
Acquisition of investments in associates	(2,887,050,000)	(26,770,050,000)
Acquisition of investments in subsidiaries	0	(898,374,000)
Cash flow from financing activities	(76,903,533,687)	(90,169,378,104)
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Repayment of lease liabilities	(3,714,183,687)	(2,342,158,104)
Net increase in cash and cash equivalents	11,239,859,784	17,004,063,957
Beginning cash and cash equivalents	186,352,407,000	133,729,223,245
Effects of exchange rate changes on cash and cash equivalents	1,765,784,590	(23,055,607)
Ending Cash and cash equivalents	199,358,051,374	150,710,231,595

5. Notes on Financial Statements

From 01 January to 2023 to 30 June 2023

From 01 January to 2022 to 30 June 2022

Lx Semicon Co., Ltd.

1. Company Overview

LX Semicon Co., Ltd. (hereinafter referred to as the “Company”) was established on 11 November 1999 for the purpose of designing and manufacturing FPD (flat panel display) semiconductor IC. The Company is located in 222 Techno 2-ro, Daedeok-gu, Daejeon, Republic of Korea. The Company was certified by the Korea Institute for Advancement of Technology as a corporate subsidiary research facility in accordance with Article 16 of the Technology Development Promotion Act and Clause 1 of Article 15 of the Enforcement Decree of the same Act on 19 October 2001. The Company has also been designated as a high-tech company in accordance with Clause 1 of Article 9 of the Special Law on the Cultivation of the Special Research and Development Daedeok-gu and more on 23 October 2011.

After listing its shares on the KOSDAQ market on 8 June 2010, the Company changed its name from Silicon Works Co., Ltd. To LX Semicon Co., Ltd. On 1 July 2021, and was delisted from the KOSDAQ market and transferred to the KOSPI on 3 November 2022. The amount of paid-in capital of the Company as of 31 December 2023 is KRW 8,132,150,000 (16,264,300 issued shares and 50,000,000 authorized shares).

The shareholders of the Company as of 30 June 2023 are as follows:

(Unit: Shares)			
Name of shareholders	No. of shares held	Ratio	Remarks
LX Holdings Co., Ltd.	5,380,524	33.08%	Largest shareholder
Others	10,883,776	66.92%	-
Total	16,264,300	100%	

2. Standards for Preparing Financial Statements and Significant Accounting Policies

(1) Standards for Preparing Semi-Annual Consolidated Financial Statements

The consolidated financial statements of the Parent and its subsidiaries (hereinafter referred to as "the Group") are condensed interim financial statements prepared in accordance with Korean Accounting Standard K-IFRS 1034, Interim Financial Reporting, for a portion of the period covered by the annual financial statements. To properly understand these condensed interim financial statements, they should be used in conjunction with the annual consolidated financial statements for the fiscal year ended 31 December 2022, which were prepared in accordance with Korean International Financial Reporting Standards (K-IFRS).

The significant accounting policies applied in the preparation of the interim financial statements are the same as those adopted in the preparation of the annual consolidated financial statements for the fiscal year ending 31 December 2022, except for the impact related to the introduction of the standards or interpretations described below and the matters specified in section 3) below.

1) Enacted and amended standards and interpretations in H1 2023 are as follows:

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies

The Company has defined significant accounting policy information and disclosed it. There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Disclosure of Profit or Loss on Financial Liabilities at Fair Value with Adjustments for Exercise Price Conditions

When all or part of a financial instrument subject to the condition that the exercise price is adjusted according to the fluctuation of the issuer's share price is classified as a financial liability, the book value of the financial liability and related gains and losses are required to be disclosed. There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1008 Changes and Errors in Accounting Policies and Accounting Estimates - Definition of Accounting Estimates

The Company has defined an accounting estimate and clarified how to distinguish it from a change in accounting policy.

There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1012 Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In addition to the requirements for exceptions to initial recognition for transactions in which assets or liabilities are recognized for the first time, a requirement for transactions that do not generate temporary differences to be added and temporary differences to be deducted at the time of the transaction has been added. There is no significant impact of the above amendments on the consolidated financial statements.

– Amendment to K-IFRS 1117 Enactment of Insurance Contracts

K-IFRS 1117 Insurance contracts replaces K-IFRS 1104 Insurance contracts. All cash flows from insurance contracts are estimated and insurance liabilities are measured using a discount rate that reflects assumptions and risks at the time of reporting. Revenue is recognized on an accrual basis by reflecting services (insurance protection) provided to policyholders for each fiscal year. In addition, investment elements (cancellation/maturity refunds) paid to policyholders regardless of insurance events are excluded from insurance revenue, and insurance gains and losses and investment gains and losses are displayed separately so that information users can identify the source of profit and loss. There is no significant impact of the above amendments on the consolidated financial statements.

2) The amendment and interpretations that have been enacted or announced but have not been adopted because the effective date has not arrived are as follows:

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Classification of Liabilities into Current/Non-current, and Non-current Liabilities with Agreements

Liabilities are classified as current or non-current based on the substantial rights existing at the end of the reporting period, and the possibility of deferring the settlement of the liabilities or the management's expectations are not considered. Additionally, the settlement of liabilities may include the transfer of equity instruments, but liabilities settled by equity instruments as part of a compound financial instrument are excluded if the option to settle meets the definition of equity and is recognized separately from the liability. Furthermore, commitments that the company must comply with after the ending of the reporting period do not affect the classification of the liabilities at the end of the reporting period. If a liability that needs to be settled within 12 months after the reporting period is classified as non-current at the end of the reporting period, information about the risk of settling the liability within the subsequent 12 months must be disclosed. These amendments apply to fiscal years starting on or after 1 January 2024, and early adoption is permitted. The Group is currently reviewing the impact of these amendments on the consolidated financial statements.

3) Income Tax Expense: the income tax expense for the interim period is calculated by applying the best estimate of the weighted average annual income tax rate expected for the full fiscal year, i.e., the estimated average annual effective tax rate, to the pre-tax profit for the interim period.

3. Significant Judgments and Sources of Estimation Uncertainty

In preparing the interim financial statements, management must make judgments that significantly affect the amounts recognized in the financial statements (excluding matters related to estimates) and make estimates and assumptions concerning the book values of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on past experience and other factors deemed relevant. Actual results may differ from these estimates.

The significant judgments made and the key sources of estimation uncertainty in applying the Group's accounting policies for the preparation of the interim financial statements are consistent with those described in the annual financial statements for the fiscal year ended 31 December 2022, except for the estimation method used in determining income tax expense.

4. Financial Instruments

(1) Financial Instruments and their Fair Values

The details of financial instruments and their fair values as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Book value	Fair value(*3)	Book value	Fair value(*3)
Financial assets:				
Items at FVTOCI				
Trade receivables	60,571,475,602	60,571,475,602	36,817,123,476	36,817,123,476
Items measured at amortized cost				
Cash and cash equivalents	199,358,051,374	199,358,051,374	186,352,407,000	186,352,407,000
Short-term financial instruments	80,000,000,000	80,000,000,000	130,000,000,000	130,000,000,000
Trade receivables	88,330,465,891	88,330,465,891	106,530,673,376	106,530,673,376
Other receivables(*1)	21,603,128,640	21,603,128,640	43,013,107,432	43,013,107,432
Sub-total	389,291,645,905		465,896,187,808	
Lease receivables	-	-	2,218,821,942	2,218,821,942
Total	449,863,121,507		504,932,133,226	
Items measured at amortized cost				
Trade payables	236,513,537,803	236,513,537,803	196,211,140,403	196,211,140,403
Other payables(*2)	26,878,750,694	26,878,750,694	46,324,196,774	46,324,196,774
Sub-total	263,392,288,497		242,535,337,177	
Lease liabilities	10,249,009,146	(*4)	13,035,055,914	(*4)
Total	273,641,297,643		255,570,393,091	

(*1) Lease receivables are excluded.

(*2) Employee-related debts that are not included in financial liabilities are excluded.

(*3) Since the book value is a reasonable approximation of the fair value, the fair value hierarchy and measurement method have been excluded in the disclosure.

(*4) Lease liabilities have been excluded from the fair value disclosures according to K-IFRS 1107 Financial Instruments: Disclosures.

(2) Net Profit and Loss by Financial Instrument Category

The details of financial incomes and financing costs recognized in the net income for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	Interest income (interest expense)		Other income (*)	
	H1 2023	H1 2022	H1 2023	H1 2022
Financial assets measured at FVTOCI	-	-	(4,761,379,751)	3,756,973,781
Financial assets measured at amortized cost	5,902,269,950	4,965,296,039	2,767,629,407	6,430,925,184
Lease receivables	18,612,222	36,660,753	-	-
Financial liabilities measured at amortized cost	-	-	(2,937,121,400)	(13,054,758,051)
Lease liabilities	(192,495,574)	(144,051,288)	-	-
Total	5,728,386,598	4,857,905,504	(4,930,871,744)	(2,866,859,086)

(*) Other profit or loss consists of financial assets measured at FVTOCI, financial assets measured at amortized cost and financial liabilities measured at amortized cost, loss on disposal of trade receivables, foreign currency translation gain or loss, and foreign currency exchange gain or loss.

(3) Transfer of Financial Assets

The Company transferred account receivables according to the account receivable factoring contract with the Export-Import Bank, etc. in this transaction, if the relevant trade receivables are not recovered at maturity, the Company is not obligated to pay the unrecovered amount of trade receivables to banks.

There is no book value of trade receivables accounted for as collateralized borrowing as the Company transferred all or part of the transferred financial assets through factoring of accounts receivable as of 30 June 2023.

5. Cash and Cash Equivalents

The details of cash and cash equivalents as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Demand deposit	20,411,910,291	77,052,407,000
Term deposit, etc.(*)	178,946,141,083	109,300,000,000
Total	199,358,051,374	186,352,407,000

(*) This is a financial instrument whose maturity is within 3 months from the acquisition date, has very high liquidity, is easy to convert to a fixed amount, and has a slight risk of value fluctuation.

6. Short-Term Financial Instruments

The details of short-term financial instruments as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Term deposit	80,000,000,000	130,000,000,000

7. Trade and Other Receivables

The trade and other receivables as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade receivables	148,901,941,493	-	143,347,796,852	-
Receivables	5,015,781,806	-	24,698,056,644	-
Accrued income	2,005,112,079	-	2,370,913,828	-
Loans	1,689,791,554	5,016,079,952	1,790,574,626	6,091,320,171
Deposits	-	7,876,363,249	-	8,062,242,163
Lease receivables	-	-	1,359,317,660	859,504,282
Total	157,612,626,932	12,892,443,201	173,566,659,610	15,013,066,616

8. Other Assets

Other assets as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advanced payments	8,205,603,998	7,853,013,830	8,234,130,310	9,367,236,340
Prepaid expenses, etc.	41,630,887,606	216,438,461	25,379,233,091	794,082,232
Total	49,836,491,604	8,069,452,291	33,613,363,401	10,161,318,572

9. Inventories

(1) The details of inventories as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Products	164,333,494,426	184,831,476,664
Work in process	401,117,734,311	335,608,127,172
Provisions for returns	117,856,958	165,108,909
Inventory valuation allowance	(69,840,132,560)	(38,095,660,661)
Products	21,168,050	47,383,151
Total	495,750,121,185	482,556,435,235

(2) The gain (loss) on valuation on valuation of inventories for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Cost of goods sold		
Establishment (reversal) of inventory valuation allowance	31,744,471,899	2,798,722,181

10. Investment of Subsidiaries, Associate and Joint Ventures

(1) The investments of associates and joint ventures as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 June 2023		31 December 2022	
				Ratio (%)	Book value	Ratio (%)	Book value
LX Semicon U.S.A., Inc	USA	Semiconductor manufacturing and designing	December	100.00	137,322,045	100.00	137,322,045
LX Semicon China Co., Ltd.	China	Semiconductor manufacturing and designing	December	100.00	2,179,314,000	100.00	2,179,314,000
LX Semicon Japan Co., Ltd.	Japan	Semiconductor manufacturing and designing	December	100.00	1,215,486,000	100.00	1,215,486,000
Total					3,532,122,045		3,532,122,045

(2) The changes in the investments in associates and joint ventures as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 June 2023		31 December 2022	
				Ratio (%)	Book value	Ratio (%)	Book value
Advance Power Device Technologies Co. ltd	Korea	R&D and design of semiconductor devices	March	49.00	4,410,000,000	49.00	4,410,000,000
FJ Composite Materials Co., Ltd.	Japan	Development, manufacturing, and sales of composite materials	May	28.70	9,722,823,000	29.98	6,835,773,000
Telechips(*)	Korea	Manufacture of electronic integrated circuit	December	10.39	26,770,050,000	10.93	26,770,050,000
Total					40,902,873,000		38,015,823,000

(*) Although the share of Telechips Inc. is less than 20%, it is exerting significant influence through the contractual right to appoint directors.

(3) The changes in the investments in subsidiaries, associates and joint ventures for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning	41,547,945,045	13,879,521,045
Acquisition	2,887,050,000	27,668,424,000
Others	-	-
Ending	44,434,995,045	41,547,945,045

11. Tangible Assets

The changes in the book value of tangible assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning book value	103,418,994,751	48,275,114,268
Acquisition cost during the period	11,285,671,539	44,768,560,074
Disposal cost during the period	(12,488,115,932)	(3,000)
Depreciation	(6,027,078,041)	(9,524,000,448)
Other adjustments	1,656,134,164	-
Ending book value	97,845,606,481	83,519,670,894

12. Intangible Assets

The changes in the book value of intangible assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning book value	63,621,254,908	50,060,179,549
Acquisition cost during the period	8,523,950,053	4,644,749,157
Disposal cost during the period	(37,652,584)	(1,497,670,898)
Depreciation	(4,509,274,820)	(3,406,814,295)
Ending book value	67,598,277,557	49,800,443,513

13. Lease

(1) The changes in book value of right-of-use assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning net amount	14,204,693,929	7,276,251,793
Acquisition	1,077,147,224	13,323,405,640
Disposal	(145,327,503)	(73,030,638)
Depreciation	(3,968,524,006)	(2,510,647,488)
Ending net amount	11,167,989,644	18,015,979,307

(2) The amounts recognized in profit or loss for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Depreciation on licensed assets	3,968,524,006	2,510,647,488
Interest expense on lease liabilities	192,495,574	144,051,288
Expenses related to short-term leases and small assets lease	132,797,633	352,152,988

(3) The Group's total cash outflows due to leases for the first half of 2023 and 2022 are 4,039 million KRW and 2,838 million KRW, respectively.

14. Trade and Other Payables

The details of trade and other payables as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade payables	236,513,537,803	-	196,211,140,403	-
Payables	22,968,721,788	-	60,755,423,119	-
Accrued expenses	32,312,294,293	-	9,462,257,095	-
Deposits	-	1,813,940,000	-	2,001,160,000
Total	291,794,553,884	1,813,940,000	266,428,820,617	2,001,160,000

15. Other Liabilities

(1) The details of other liabilities as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advances customers	12,189,524,815	-	5,395,555,618	-
Withholdings	1,088,259,183	-	4,208,672,362	-
Provisions	1,958,522,031	2,498,715,452	1,138,031,947	2,502,515,452
Long-term employee salary liabilities	-	2,737,936,833	-	2,624,806,247
Total	15,236,306,029	5,236,652,285	10,742,259,927	5,127,321,699

(2) The changes in the provisions for the first half of 2023 and 2022 are as follows:

① H1 2023

(Unit: KRW)				
Category	1 January 2023	Establishment (reversal)	Paid	30 June 2023
Provision for sales warrant	912,979,618	880,171,642	-	1,793,151,260
Provision for return	225,052,329	(59,681,558)	-	165,370,771
Provisions for restoration	2,502,515,452	-	(3,800,000)	2,498,715,452
Total	3,640,547,399	820,490,084	(3,800,000)	4,457,237,483

② H1 2022

(Unit: KRW)				
Category	1 January 2023	Establishment (reversal)	Paid	30 June 2022
Provision for sales warrant	1,578,936,322	305,977,343	(219,873,205)	1,665,040,460
Provision for return	557,847,533	(200,167,348)	-	357,680,185
Provisions for restoration	1,031,415,452	1,471,100,000	-	2,502,515,452
Total	3,168,199,307	1,576,909,995	(219,873,205)	4,525,236,097

The Group recognizes warranty expense in the provision for product warranties as expected to be borne by the Group related to sales guarantee for the products and recognizes the corresponding transferred amount in selling and administrative expenses. On the other hand, the Group recognizes the amount corresponding to the portion of revenue to be canceled at the time of product return as allowance liability for return and deduction to sales in accordance with the K-IFRS 1115.

16. Capital and Capital Surplus

(1) The details of capital as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
No. of authorized shares	50,000,000 shares	50,000,000 shares
Amount per share	500	500
No. of shares issued	16,264,300 shares	16,264,300 shares
Capital	8,132,150,000	8,132,150,000

(2) The details of capital surplus as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Paid-in capital in excess of par value	66,560,617,129	66,560,617,129
Other capital surplus	9,782,553,371	9,782,553,371
Total	76,343,170,500	76,343,170,500

17. Other Capital Items

The details of other capital items as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Gains or losses on valuation of financial assets measured at FVTOCI	(380,807,731)	(380,807,731)

18. Retained Earnings

(1) The details of current retained earnings as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	823,517,237,276	856,649,651,358
Total	827,583,312,276	860,715,726,358

(2) The changes in the unappropriated retained earnings for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning amount	856,649,651,358	708,909,597,968
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Net income	40,029,667,429	179,782,080,817
Remeasurements of defined benefit plans	27,268,489	6,858,694,768
Ending amount	823,517,237,276	807,723,153,553

19. Earnings Per Share

(1) Basic Earnings Per Share

① The calculations of basic earnings per share as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW, Shares)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Earnings per ordinary share	5,380,984,004	40,029,667,429	82,766,655,116	179,782,080,817
Weighted average No. of common shares outstanding	16,264,300 shares	16,264,300 shares	16,264,300 shares	16,264,300 shares
Basic earnings per share	331	2,461	5,089	11,054

② Calculation of weighted average No. of common shares outstanding for H1 2023.

No. of shares issued (1)	No. of treasury shares (2)	No. of outstanding ordinary shares (1-2)	Weight		Weighted average No. of common shares outstanding
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	91 days/ 91 days	181 days/181 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for H1 2022.

No. of shares issued (1)	No. of treasury shares (2)	No. of outstanding ordinary shares (1-2)	Weight		Weighted average No. of common shares outstanding
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	91 days/ 91 days	181 days/181 days	16,264,300 shares

(2) Diluted Earnings Per Share

The Group had no dilutive securities for the first half of 2023 and 2022; therefore, diluted earnings per share are the same as basic earnings per share.

20. Finance Income and Costs

(1) The details of financial income for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Interest income	3,187,398,218	5,920,882,172	2,441,122,686	5,001,956,792
Gain from foreign exchange rate (financial)	196,950,000	196,950,000	-	-
Gain on foreign exchange (financial)	145,224,244	1,767,088,470	95,866	95,866
Total	3,529,572,462	7,884,920,642	2,441,218,552	5,002,052,658

(2) The details of financial expenses for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Interest expenses	92,473,275	192,495,574	105,193,917	144,051,288
Loss on foreign exchange (financial)	1,303,880	1,303,880	17,955,408	23,151,473
Loss on disposal of trade receivables	4,530,016,953	9,891,114,034	2,416,878,607	3,749,109,453
Total	4,623,794,108	10,084,913,488	2,540,027,932	3,916,312,214

21. Other Non-Operating Income and Expenses

(1) The details of other non-operating income for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Profit on foreign exchange (non-financial)	6,878,851,623	15,699,850,805	9,737,509,890	13,292,741,784
Profit on foreign currency conversion (non-financial)	(1,020,527,129)	1,319,899,474	2,014,711,640	3,438,453,257
Gain on disposal of tangible assets	3,246,428	2,591,400,854	996,459	3,502,473
Miscellaneous profits	807,422	1,574,364	48,594	1,860,152
Total	5,862,378,344	19,612,725,497	11,753,266,583	16,736,557,666

(2) The details of other non-operating expenses for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Loss on foreign exchange (non-financial)	5,647,129,143	12,400,074,122	8,659,449,430	12,716,095,090
Loss on foreign currency conversion (non-financial)	523,673,512	1,425,218,457	1,851,568,576	3,109,793,977
Loss on disposal of tangible assets	384	1,384	-	-
Loss on disposal of intangible assets	28,034,067	37,652,584	29,618,844	97,670,898
Donations	-	1,714,900	73,179,570	73,179,570
Miscellaneous losses	10,866,139	11,880,805	7,656,929	12,079,014
Total	6,209,703,245	13,876,542,252	10,621,473,349	16,008,818,549

22. Operating Profit

The main items and amounts included in operating profit calculation for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Sales	454,467,665,509	975,932,826,369	599,159,232,237	1,184,243,961,629
Products	452,715,615,731	973,777,206,398	596,514,635,520	1,180,866,568,426
Others	1,752,049,778	2,155,619,971	2,644,596,717	3,377,393,203
COGS	343,318,796,622	727,916,238,334	397,006,346,529	773,426,886,049
Cost of goods sold	341,896,169,062	726,356,257,505	395,515,061,822	771,340,829,912
Others	1,422,627,560	1,559,980,829	1,491,284,707	2,086,056,137
Selling and administrative expenses	103,891,642,345	202,186,201,943	92,981,391,395	173,844,669,923
Salary and bonuses	17,612,566,403	35,206,770,064	15,858,959,445	30,033,215,330
Retirement benefits	1,077,254,342	2,136,506,317	890,429,214	1,858,745,548
Employee benefits	3,306,983,967	6,823,155,588	3,816,184,060	6,347,224,290
Travel	589,112,017	1,026,026,666	384,986,689	580,441,007
Paid rent	375,636,217	789,163,476	312,812,157	798,264,937
Service fees	13,782,912,968	28,332,580,531	12,303,781,260	22,399,898,316
Depreciation	2,970,654,811	6,035,897,950	2,567,979,163	4,295,843,512
Amortization of intangible assets	835,899,574	1,714,997,812	639,689,373	1,231,034,730
Establishment (reversal) of provision for sales guarantee	1,169,793,237	896,796,932	229,619,171	305,977,343
Ordinary R&D expenses	59,800,910,007	113,982,980,638	52,114,229,406	99,808,717,521
Others	2,369,918,802	5,241,325,969	3,862,721,457	6,185,307,389
Operating profit	7,257,226,542	45,830,386,092	109,171,494,313	236,972,405,657

23. Defined Benefit Obligations

The Company pays retirement benefits to employees in a lump sum, which are determined according to the wage level and number of years of service upon retirement, and this is classified as a defined benefit plan. Such retirement benefit can be withdrawn before the resignation of the employee as interim settlement when the legal requirements apply, and the number of years of service for calculating severance pay after the interim settlement is newly calculated from the time of settlement.

(1) The details of defined benefit obligations as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 June 2023	31 December 2022
Present value of defined benefit obligation	70,716,577,594	68,723,266,014
Fair value of plan assets	(84,328,598,796)	(87,024,709,511)
Defined benefit obligations (assets)	(13,612,021,202)	(18,301,443,497)

(2) The changes in the present value of defined benefit obligations for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning defined benefit obligation	68,723,266,014	66,233,664,676
Current service cost	5,199,838,294	4,583,142,590
Interest cost	1,734,966,896	905,649,274
Remeasurement (before tax):		
Financial assumption	-	(9,251,055,855)
Transfers between associates	(21,052,570)	971,073,388
Retirement benefit payment	(4,920,441,040)	(2,841,020,290)
Ending defined benefit obligation	70,716,577,594	60,601,453,783

(3) The changes in fair value of plan assets for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Beginning balance of plan assets	87,024,709,511	65,613,017,567
Interest income	2,217,985,092	883,463,539
Plan assets remeasurement (before tax)	35,459,674	(202,645,871)
Payment of severance payment form plan assets	(4,876,271,888)	(2,840,639,660)
Others	(73,283,593)	
Ending balance of plan assets	84,328,598,796	63,453,195,575

(4) Expenses recognized in the current profit or loss regarding the defined benefit plans for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Current service cost	5,199,838,294	4,583,142,590
Net interest cost	(483,018,196)	22,185,735
Others	73,283,593	
Total	4,790,103,691	4,605,328,325

24. Income Tax Expenses

Income tax expenses were calculated by adjusting the current income tax expenses for adjustments recognized during the current period related to prior-period taxes, deferred tax expenses arising from the occurrence and reversal of temporary differences, and income tax expenses related to items recognized outside of profit or loss. The average effective tax rates for the first half 2023 and 2022 were 18.9% and 24.7%, respectively.

25. Statement of Cash Flows

(1) The details of reconciliation of income and expenses during business activities for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Income tax expenses	9,336,909,062	59,003,804,401
Depreciation	9,995,602,047	12,034,647,936
Establishment (reversal) of inventory valuation allowance	31,744,471,899	2,798,722,181
Reversal (establishment) for returned product recovery rights	47,251,951	124,349,837
Establishment (reversal) of provisions for returns	3,641,687,622	6,527,626,952
Loss on disposal of inventories	(59,681,558)	(200,167,348)
Gain on disposal of tangible assets	(2,591,400,854)	(3,502,473)
Loss on disposal of tangible assets	1,384	-
Loss on disposal of intangible assets	37,652,584	97,670,898
Amortization of intangible assets	4,509,274,820	3,406,814,295
Retirement benefits	4,790,103,691	4,605,328,325
Gain on foreign currency translation	(3,086,987,944)	(3,438,549,123)
Loss on foreign currency translation	1,426,522,337	3,132,945,450
Interest income	(196,950,000)	-
Interest expenses	(5,920,882,172)	(5,001,954,662)
Establishment (reversal) of provision for sales guarantee	192,495,574	144,051,288
Long-term employee benefits	896,796,932	305,977,343
Equity method gains and losses	180,530,586	(197,663,957)
Loss on disposal of trade receivables	-	3,749,109,453
Others	4,778,914	-
Total	54,948,176,875	87,089,210,796

(2) The changes in assets and liabilities during sales for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Trade receivables	(4,832,317,897)	(118,567,759,103)
Other payables	(4,324,471,412)	(12,183,329,982)
Other current assets	9,876,788,105	(1,309,058,165)
Inventories	(48,627,097,422)	(84,007,910,481)
Trade payables	39,272,678,443	56,793,991,982
Other current liabilities	3,673,556,018	2,126,202,640
Other payables	(2,536,638,964)	(8,823,816,326)
Non-current other payables	-	2,001,160,000
Long-term employee salary liabilities	(67,400,000)	(80,700,000)
Net defined benefit obligations	(65,221,722)	970,692,758
Lease receivables	562,687,778	660,899,247
Total	(7,067,437,073)	(162,419,627,430)

(3) The Group has prepared the cash flows based on operating activities on the cash flow statement using the indirect method. The significant transactions that do not involve cash inflows and outflows for the first half of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	H1 2023	H1 2022
Transfer for construction in progress	11,068,858,948	33,974,741,263
Transfer for intangible assets in progress	3,112,777,043	1,734,972,797
Increase (decrease) in payables relating to acquisition of tangible assets	(9,648,032,042)	661,502,012
Increase (decrease) in payables relating to acquisition of intangible assets	(2,758,368,964)	(106,843,626)
Recognition of lease liabilities and licensed assets under the lease agreement	1,077,147,224	11,852,305,640
Reclassification of lease liabilities to current liabilities	935,764,906	6,386,647,425
Reclassification of lease receivables to current receivables	570,314,176	675,856,328
Reclassification of Loans to current loans	667,002,346	749,483,266

(4) The changes in liabilities arising from financial activities for the first half of 2023 and 2022 are as follows:

① H1 2023

(Unit: KRW)				
Category	1 January 2023	Cash flow from financial activities	Non-cash transaction	30 June 2023
Dividends payable	-	(73,189,350,000)	73,189,350,000	-
Lease liabilities	13,035,055,914	(3,714,183,687)	928,136,919	10,249,009,146

② H1 2022

(Unit: KRW)				
Category	1 January 2022	Cash flow from financial activities	Non-cash transaction	30 June 2022
Dividends payable	-	(87,827,220,000)	87,827,220,000	-
Lease liabilities	7,098,769,810	(2,342,158,104)	11,778,469,529	16,535,081,235

26. Restricted Financial Instruments

The financial instruments restricted for use as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)			
Items	Category	30 June 2023	31 December 2022
Long-term other receivables	Checking deposit	2,000,000	2,000,000

27. Related Parties

(1) The details of related parties as of 30 June 2023 and 31 December 2022 are as follows:

Type of special relationship	30 June 2023	31 December 2022
Subsidiaries	LX Semicon U.S.A., Inc	LX Semicon U.S.A., Inc
	LX Semicon China Co., Ltd.	LX Semicon China Co., Ltd.
	LX Semicon Japan Co., Ltd.	LX Semicon Japan Co., Ltd.
Associates and joint ventures	Advanced Power Device Technology Co., Ltd.	Advanced Power Device Technology Co., Ltd.
	FJ Composite Materials Co., Ltd.	FJ Composite Materials Co., Ltd.
	Telechips Inc.	Telechips Inc.(*1)
Companies exercising significant influence on the Group (*3)	LX Holdings Co., Ltd.	LX Holdings Co., Ltd.
Others	LX Holdings Co., Ltd. and joint ventures	LX Holdings Co., Ltd. and joint ventures
	Large corporate group affiliates(*2)	Large corporate group affiliates(*2)

(*1) Acquired a 10.93% ratio in Telechips Inc. As of the Ending of the previous period.

(*2) As LX Holdings Co., Ltd. was separated from LG Corporate Group based on the Monopoly Regulation and Fair Trade Act on 21 June 2022, the Group was excluded from LG affiliates, which was large corporate groups, and affiliates of LX Holdings Co., Ltd. are equivalent to affiliates of large corporate groups. Additionally, LX Holdings Co., Ltd. and its subsidiaries were designated as a large business group on 25 April 2023.

(2) The details of specially related parties with the Group for the first half of 2023 and 2022 are as follows:

(Unit: KRW)						
Special relationship	Name	Details	H1 2023		H1 2022	
			3 months	Cumulative	3 months	Cumulative
Subsidiaries	LX Semicon U.S.A., Inc	Sales expenses	918,795,941	1,948,193,102	714,786,504	1,411,768,466
	LX Semicon China Co., Ltd.	Sales expenses	4,113,387,018	8,370,698,901	3,275,918,390	6,432,829,642
	LX Semicon Japan Co., Ltd.	Sales expenses	1,165,271,806	2,147,838,863	442,091,963	442,091,963
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Sales expenses	3,088,297	56,733,504	64,447,770	64,447,770
	Telechips Inc.	Dividend income	196,950,000	196,950,000	-	-
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	Sales expenses	949,637,406	1,944,760,000	-	-
Other large corporate group affiliates(*)	LX Hausys Co., Ltd.	Sales expenses	-	189,200,000	1,379,533,243	1,379,533,243
		Acquisition of tangible and intangible assets	-	-	1,170,054,257	1,170,054,257
	LX Pantos Co., Ltd.	Sales expenses	1,098,732,632	2,498,831,799	1,334,977,566	2,648,362,055
	LX MDI Co., Ltd.	Sales expenses	601,940,680	964,188,680	-	-
	LX INTERNATIONAL JAPAN LTD.	Sales expenses	36,032,300	40,271,542	3,849,098	4,647,333
	LG CNS Co., Ltd.	Sales expenses	-	-	1,649,207,077	2,982,071,802
		Acquisition of tangible and intangible assets	-	-	392,075,300	1,328,911,400
	D&O Co., Ltd.	Sales expenses	-	-	1,228,496,481	1,530,391,236
		Acquisition of tangible and intangible assets	-	-	289,590,000	413,700,000
	S&I Corp.	Sales expenses	-	-	468,688,800	721,786,300

LG Management Development Institute	Sales expenses	-	-	239,237,000	468,762,000
LG Display (China) Co., Ltd.	Sales	-	-	5,750,668,365	11,845,896,102
LG Display (Guangzhou) Co., Ltd.	Sales	-	-	137,305,283,387	277,535,172,867
LG Display Vietnam Haiphong Co. Ltd.	Sales	-	-	36,507,200,311	129,005,911,232
LG Display Yantai	Sales	-	-	7,352,179,773	21,360,454,279
LG Display High-Tech (China) Co., Ltd.	Sales	-	-	11,402,532	18,556,438
LG Display (Nanjing) Co., Ltd.	Sales	-	-	13,364,397,762	41,702,811,192
LG Display Co., Ltd.	Sales	-	-	122,142,131,916	241,683,107,009
LG Electronics Indonesia	Sales	-	-	501,840,144	1,063,817,806
LG Electronics USA Inc.	Sales	-	-	1,352,239,478	2,110,470,138
LG Electronics Co., Ltd.	Sales	-	-	1,781,907,876	6,509,289,131
	Sales expenses	-	-	1,635,915,626	3,324,593,936
	Acquisition of tangible and intangible assets	-	-	-	95,350,000
LG Innotek Co., Ltd.	Sales	-	-	-	700,000,000
	Sales expenses	-	-	13,759,987,082	24,494,558,720
LG U Plus Co., Ltd.	Sales expenses	-	-	61,143,545	108,397,044
Biztech Partners Co., Ltd.	Sales expenses	-	-	72,498,000	164,996,000
Hi-Teleservice Co., Ltd.	Sales expenses	-	-	-	302,273
LG Chem Co., Ltd.	Acquisition of tangible and intangible assets	-	-	-	(746,875)

(*1) The previous period includes transactions conducted before the Group was excluded from being a part of the large-scale LG business group.

(3) The receivables and payables of related parties as of 30 June 2023 and 31 December 2022 are as follows:

(Unit: KRW)					
Category	Name	30 June 2023		31 December 2022	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Subsidiaries	LX Semicon U.S.A., Inc	-	293,135,453	-	358,048,951
	LX Semicon China Co., Ltd.	-	1,327,327,710	-	1,458,676,311
	LX Semicon Japan Co., Ltd.	-	327,523,501	-	264,003,933
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	-	-	26,178,448
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	174,440,000	-	-	-
Other corporations belonging to the large conglomerate group	LX Pantos Co., Ltd.	-	694,085,895	-	942,232,840
	LX MDI Co., Ltd.	-	189,466,200	-	-

(4) The details of major fund transactions with the related parties for the first half of 2023 and 2022 are as follows:

(Unit: KRW)					
Category	Name	H1 2023		H1 2022	
		Dividends received	Cash contribution, etc.	Dividends paid	Cash contribution, etc.
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	24,212,358,000	-	29,054,829,600	-
Subsidiaries	LX Semicon Japan Co., Ltd.	-	-	-	898,374,000
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	2,887,050,000	-	-
Total			24,212,358,000	2,887,050,000	29,054,829,600

(5) The details of the compensation for major management for the first half of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	H1 2023		H1 2022	
	3 months	Cumulative	3 months	Cumulative
Short-term salaries	3,164,875,007	6,472,366,530	3,007,765,826	5,827,556,738
Retirement benefits	395,135,205	780,435,029	204,805,810	677,066,408
Total	3,560,010,212	7,252,801,559	3,212,571,636	6,504,623,146

The Company's key management personnel include registered directors (including external directors) and members of the audit committee.

(6) The Company has no security and guarantee details providing to or provided by special interest parties as of 30 June 2023 and 31 December 2022.

28. Commitments and Contingencies

(1) The Company is receiving payment and payment guarantee of 557 Million KRW from Seoul Guarantee Insurance as of 30 June 2023.

(2) The Company has a credit limit contract with some financial institutions such as Shinhan Bank, and the Company's credit limit details as of 30 June 2023 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Purchase foreign exchange	Shinhan Bank	-	16,000,000
Purchase foreign exchange	NH Bank	-	15,000,000
Purchase foreign exchange	Mizuho Bank	-	60,000,000
Borrowing limit	K-Eximbank	200,000,000,000	-
Borrowing limit	MUFG Bank	150,000,000,000	-
Borrowing limit	Hana Bank	100,000,000,000	-
Borrowing limit	Suhyup Bank	50,000,000,000	-

(3) The Company has an export receivable transfer transaction agreement with the financial institutions in relation to the collection of trade receivables as follows: the limit details of the Company as of 30 June 2023 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Factoring	Korean Eximbank	-	380,000,000
Factoring	BNP Paribas	-	130,000,000
Factoring	MUFG Bank	100,000,000,000	220,000,000

(4) The Company has no details of providing collateral for financial assets as of 31 December 2023.

(5) The Company has no ongoing litigation or disputes as of 31 December 2023.

6. Dividends

A. Dividends

The Company, pursuant to its Articles of Incorporation, is distributing dividends by the decisions of the board of directors and resolutions of general meeting of shareholders. In order to enhance shareholder value and expand shareholder return, the Company plans to maintain an appropriate level of dividend policy in the future by using the free cash flow that comprehensively considers investment, cash flow, financial structure, and dividend stability. Moreover, Article 55 and 57 of the Company's Articles of Incorporation provides profit dividend and the prescription of extinction for rights of dividend payment claim.

Article 55 of the Articles of Incorporation [Profit Distribution]

- ① Dividends may be distributed in cash or property other than cash.
- ② When distributing dividends in the form of shares, if the Company has issued multiple classes of shares, dividends may also be distributed in a different class of shares by resolution of the general meeting of shareholders.
- ③ The dividends under paragraph 1 shall be paid to shareholders or registered pledgees recorded in the register of shareholders as of the end of each fiscal year.

Article 57 [Extinctive Prescription of Claims for the Payment of Dividend]

- ① The right to claim payment of dividends shall lapse if not exercised within five years.
- ② Dividends resulting from the expiration of the statute of limitations under paragraph 1 shall revert to the Company.

B. Dividends over the Recent Three Fiscal Years

Major Dividends Indexes

Category	Type of shares	H1 2023	2022	2021
Face value per share (KRW)		500	500	500
(Consolidated) Current net profit (Million KRW)		40,378	233,693	296,424
(Individual) Current net profit (Million KRW)		40,030	230,608	294,898
(Consolidated) earnings per share (KRW)		2,483	14,368	18,225
Total dividends in cash (Million KRW)		-	73,189	87,827
Total amount of dividends (Million KRW)		-	-	-
(Consolidated) Cash dividend (%)		-	31.3	29.6
Cash dividend rate (%)	Common shares	-	5.7	3.4
	Preferred shares	-	-	-
Share dividend rate (%)	Common shares	-	-	-
	Preferred shares	-	-	-
Dividend in cash per share (KRW)	Common shares	-	4,500	5,400
	Preferred shares	-	-	-
Share allocation per share (shares)	Common shares	-	-	-
	Preferred shares	-	-	-

*1) (Consolidated) current net income is attributable to the parent's interest in the consolidated net income, and (consolidated) earnings per share is the basic earnings per share of common share for the Parent interest in the consolidated net income.

*2)(Consolidated) cash dividend payout ratio is the percentage of the total cash dividend amount to the parent interest in consolidated net income.

Past Dividend History

(Unit: times,%)

No. of consecutive dividends		Average dividend yield	
Quarterly (intermediate) dividends	Settlement dividend	Last 3 years	Last 5 years
-	13	3.9	3.2

*) The number of consecutive dividends from the 12th to the 24th fiscal year is a total of 13 times.

7. Financing by Issuance of Securities

7-1. Performance of Financing by Issuance of Securities

[Issuance of Equity Securities, etc.]

A. Status of Issuance and Reduction of Equity Securities

The Company has no issuances of equity securities during the reporting period.

(1) Status of Capital Increase (Decrease)

(As of 30 June 2023)

(Unit: KRW, Shares)

Issuance of shares Date of share issue (decrease)	Issue (decrease) type	Details of issued (decreased) shares				
		Types	Qty.	Par value per share	Issued (decreased) price per share	Remarks
-	-	-	-	-	-	-

B. Debt Securities that may Convert to Equity Securities

The Company has no issuances of debt securities during the reporting period.

(1) Issuance Performance of Debt Securities

[Issuance of Debt Securities, etc.]

(As of 30 June 2023)

(Unit: KRW, %)

Issuer	Type of securities	Method of issue	Date of issue	Total (electronic registration)	Interest rate	Rating (rating institution)	Maturity	Repayment	Undertaking company
-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(2) Outstanding Balance of Corporate Paper

(As of 30 June 2023)

(Unit: KRW)

Remaining to maturity		10 days or less	10 – 30 days	30-90 days	90-180 days	180 days - 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding Balance	Public offering	-	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-

(3) Outstanding Balance of Short-Term Bonds

(As of 30 June 2023)

(Unit: KRW)

Remaining to maturity		10 days or less	10 – 30 days	30-90 days	90-180 days	180 days - 1 year	Total	Limit of issue	Remaining limit
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

(4) Outstanding Balance of Corporate Bonds

(As of 30 June 2023)

(Unit: KRW)

Remaining to maturity		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Total
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

(5) Outstanding Balance of Hybrid Securities

(As of 30 June 2023)

(Unit: KRW)

Remaining to maturity		1 year or less	1-5 years	5-10 years	10-15 years	15-20 years	20-30 years	Over 30 years	Total
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

(6) Outstanding Balance of Conditional Capital Securities

(As of 30 June 2023)

(Unit: KRW)

Remaining to maturity		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	10-20 years	20-30 years	Over 30 year	Total
Outstanding balance	Public offering	-	-	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

7-2. Performance in the Use of Funds Raised Through the Issuance of Securities

The Company has no instances of raising funds through the issuance of securities during the reporting period.

8. Other Financial Matters

A. Cautions such as reparation of financial statements

(1) If the (Consolidated) Financial Statements are Reprepared, the Reasons for the Repreparation, the Contents and the Impact on the (Consolidated) Financial Statements

The Company has no relevant matters as of the reporting date.

(2) Merger, Division, Asset Transfer, Business Transfer

The Company has no relevant matters as of the reporting date.

B. Establishment of Allowance for Bad Debts

(1) Provision for Allowance for Allowance for Bad Debts by Account Title

[As of 30 June 2023]

(Unit: Million KRW,%)

Category	Account title	Amount of receivables	Allowance for bad debts	Allowance setting rate
H1 2023	Trade receivables	148,902	-	0.0
	Other payables	8,711	-	0.0
	Non-current other receivables	13,592	-	0.0
	Total	171,205	-	0.0
2022	Trade receivables	143,348	-	0.0
	Other payables	30,339	-	0.0
	Non-current other receivables	15,730	-	0.0
	Total	189,417	-	0.0
2021	Trade receivables	175,265	-	0.0
	Other payables	20,460	-	0.0
	Non-current other receivables	12,361	-	0.0
	Total	208,086	-	0.0

*) The consolidated subsidiaries of the Company have no record of establishing allowance for bad debts.

(2) Changes in Allowance for Bad Debts

The changes in the allowance for bad debts from trade receivables in the year are as follows:

[As of 30 June 2023]

(Unit: Million KRW)

Category	H1 2023	2022	2021
1. Total allowance for bad debts as of 1 January	-	-	-
2. Net recognition as bad debts(①+②±③)	-	-	-
① Amount processed as bad debts (receivables written off)	-	-	-
② Recollected receivables	-	-	-
③ Other increases/decreases	-	-	-
3. Amount in reflection of allowance for bad debts	-	-	-
4. Total allowance for bad debts as of 31 December	-	-	-

*) The consolidated subsidiaries of the Company have no change of establishing allowance for bad debts.

(3) Policy on Establishing the Allowance for Bad Debts over the Trade Receivables

The assumed bad debt amounts are set to allowances for bad debts in parallel use of the individual analysis method and age analysis for the balances of trade receivables.

- Establish 100% of allowance for bad debts to receivables with the age of a year or longer as a result of analysis on the age of receivables.
- The experience ratio of bad debts is calculated and established on the basis of the accrued bad debts in reality on the average balance of receivables in the past 3 years.

(4) Outstanding Amount of Trade Receivables by their Elapsed Duration as of 30 June 2023

[As of 30 June 2023]

(Unit: Million KRW)

Category	Elapsed period		Total
	Within 6 months	Over 6 months	
Trade receivables	148,902	-	148,902
Total	148,902	-	148,902
Ratio (%)	148,902	-	148,902

C. Inventory Status

(1) Status on Inventories Per Business Division

[As of 30 June 2023]

(Unit: Million KRW)

Business sector	Items	H1 2023	2022	2021	Remarks
Semiconductor	Inventories	495,750	482,556	201,118	-
Total		495,750	482,556	201,118	-
Portion of inventory over gross assets (%) [Total inventories ÷ Total assets as of 31 December × 100]		39.3	37.4	17.2	-
Inventory turnover ratio (Collection) [Cost of goods sold ÷ {(Beginning inventory + Ending inventory) ÷ 2}]		3.0	4.2	7.4	-

(2) Due Diligence Results on Inventories

① Date of due diligence

Due diligence on inventories is carried out twice a year on the basis at the end of June and December.

② Method of due diligence

Examination with samples is carried out for some items with less importance although total quantity shall be examined in principle.

The external auditor shall be present in the due diligence of inventory, take samples and check out the existence of inventories.

③ Status of long-term stagnant inventory, etc.

Loss due to obsolescence evaluation of inventories is determined, and the evaluation details of inventories as of 30 June 2023 are as follows:

[As of 30 June 2023]

(Unit: Million KRW)

Items	Acquisition cost	Holding amount	Valuation allowance	Balance as of 30 June
Inventories	565,590	565,590	(69,840)	495,750

D. Status of Order Contracts

The Company has no relevant matters as of the reporting date.

E. Details of Fair Value Assessment

The book value and fair values of financial assets and financial liabilities including the hierarchy system of fair values are as follows:

(Unit: Million KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Trade receivables (*1)	60,571	-	-	-	60,571
Sub-total	60,571	-	-	-	60,571
Financial assets not measured at fair value:					
Cash and cash equivalents	202,071	-	-	-	202,071
Short-term financial instruments	80,522	-	-	-	80,522
Trade receivables	88,330	-	-	-	88,330
Other receivables (*2)	22,304	-	-	-	22,304
Sub-total	393,227	-	-	-	393,227
Total	393,227	-	-	-	393,227
Financial liabilities not measured at fair value:					
Trade payables	236,513	-	-	-	236,513
Other payables (*2, 3)	25,272	-	-	-	25,272
Total	261,785	-	-	-	261,785

(*1) Since the book value is a reasonable approximation of the fair value, the fair value hierarchy and measurement method have been excluded in the disclosure.

(*2) Lease receivables and lease liabilities are excluded.

(*3) Employee-related liabilities and other obligations not included in financial liabilities are excluded.

IV. Management Analysis and Opinions by Directors

The Company does not include this item in quarterly or semi-annual reports in accordance with corporate disclosure form preparation standards.

V. Audit Opinions and Related Matters

1. Matters Concerning External Audit

A. Name and Audit Opinion of Auditor

Fiscal year	Auditor	Opinion	Special remarks	Key audit matters
H1 2023	Samil PWC Accountings	Not applicable	Not applicable	Evaluation of inventories
2022	Anjin Accounting Corp.	Appropriate	Not applicable	Evaluation of inventories
2021	Anjin Accounting Corp.	Appropriate	Not applicable	Evaluation of inventories

B. Audit Service Contract Status

(Unit: Million KRW, Hour(S))

Fiscal year	Auditor	Contents	Audit contract details		Actual performance details	
			Remuneration	Hours	Remuneration	Hours
H1 2023	Samil PWC Accountings	Quarterly and semi-annual review Audit of separate and consolidated financial statements Audit of the internal control over financial reporting	280	3,200	140	1,038
2022	Anjin Accounting Corp.	Quarterly and semi-annual review Audit of separate and consolidated financial statements Audit of the internal control over financial reporting	460	3,948	460	3,497
2021	Anjin Accounting Corp.	Quarterly and semi-annual review Audit of separate and consolidated financial statements Audit of the internal control over financial reporting	420	3,818	420	3,575

C. Non-Audit Service Contracts with Auditor

(Unit: Million KRW)

Fiscal year	Contract date	Services	Period	Remuneration	Remarks
H1 2023	Dec. 2022	Tax advisory services	Dec. 2022 ~ Mar. 2023	5	Samil PWC Accountings (Contracts before signing the audit contract)
	Jul. 2022	Tax advisory services	Jul. 2022 ~ Mar. 2023	13	Samil PWC Accountings (Contracts before signing the audit contract)
2022	Mar. 2022	Implementation of agreed procedures for verification of financial information written in the application for independent management accreditation	One week from the date of contract	0	- Financial information target period: 2021 - Service compensation is included in the 2020 contract price.
2021	Dec. 2021	Implementation of agreed procedures for verification of financial information written in the application for independent management accreditation	One week from the date of contract	3	- Financial information target period: 2019~2020

D. Internal Audit and Accounting Auditor Discussions on Stakeholder Impact in Financial Statements

Category	Date	Attendees	Method	Details of major discussion
1	27 January 2022	Company: 3 members of the Audit Committee Auditor: executive director	Face to face	Report on the Ending-of-year audit results, and operation evaluation results internal accounting management system
2	31 May 2022	Company: 3 members of the Audit Committee Auditor: Executive director	Written	Report on annual audit plan, key audit items
3	31 Dec. 2022	Company: 3 members of the audit committee Auditor: executive director	Written	Report on year-Ending audit plan, report on key audit matters
4	26 January 2023	Company: 3 members of the Audit Committee Auditor: executive director	Face to face	Report on the Ending-of-year audit results, and operation evaluation results internal accounting management system
5	26 July 2023	Company: 3 members of the Audit Committee Auditor: executive director	Face to face	Report on annual audit plan and progress

E. Auditors Opinion on Subsidiaries

There is no subsidiary which has received any audit opinion other than appropriate from auditor during the current period.

F. Change of Auditors

As the designated audit period expired in 2020-2022, the Audit Committee appointed Samil PWC Accountings as the 25th fiscal year auditor.

2. Internal Accounting Management System

A. Status of Operation of Internal Accounting Management System

(1) Report by the Internal Accounting Manager

Fiscal year	Reporting date	Details	Remarks
2022	26 January 2023	The Company's internal accounting control system as of 31 December 2022 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
2021	27 January 2022	The Company's internal accounting control system as of 31 December 2021 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
2020	27 January 2021	The Company's internal accounting control system as of 31 December 2021 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-

(2) Overall Opinions Represented in the Audit Report by Auditor

Fiscal year	Auditor	Details	Points to note
2022	Anjin Accounting Corp.	The Company's internal accounting control system as of 31 December 2022 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	Not applicable
2021	Anjin Accounting Corp.	The Company's internal accounting control system as of 31 December 2021 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	Not applicable
2020	Anjin Accounting Corp.	The Company's internal accounting control system as of 31 December 2021 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	Not applicable

VI. Board of Directors and Corporate Governance

1. Board of Directors

A. Overview of the Structure of Board of Directors

As of the reporting date, the board of directors comprises of 2 full time directors, 1 uncategorized non-executive director and 3 external directors. executive director and 3 independent directors. Our representative director Shon Bo-Ik also takes charge of the chairman of the board of directors and he was elected as chairman in accordance with Article 5 of the Board of Directors Regulations. with regard to the history and roles of each director, please refer to VIII. Executives and Employees - 1. Executives and Employees.

The Audit Committee, Finance Committee, and ESG Committee have been established and are in operation in the board of directors.

Name of committee	Configuration	Name of director	Purpose and authority
Audit Committee	3 external directors	Wi Kyung-Woo (chairperson) Jung Seong-Wook Shin Yeong-Soo	- Purpose To perform the internal monitoring function for the management and to enhance the transparency of accounting information - Authority Supervision authority, including investigation of the company's business and property status, and request for business reports to the management
Finance Committee	2 internal directors	Son Bo-Ik (chairperson) Kim Hun	- Purpose To improve management efficiency through prompt decision-making on matters entrusted by the board of directors, matters requiring prior review for discussion by the board of directors, and other daily financial matters - Authority Deliberation and resolution of matters entrusted to the Finance Committee by the Board of Directors and other daily management matters
ESG Committee	1 internal director 3 external directors	Son Bo-Ik Wi Kyung-Woo (chairperson) Jung Seong-Wook Shin Yeong-Soo	- Purpose To realize sustainable growth by realizing ESG management for the environment, society, and governance and strengthening the company's internal control on internal transactions - Authority Deliberation, resolution and supervision of overall internal transactions, including ESG management and transactions between affiliates

*) Jung Seong-Wook, an external director, was appointed as a member of the ESG Committee at the 4th board of directors meeting in 2023.

External Directors and their Changes

(Unit: Person(s))

No. of directors	No. of external directors	Changes in external directors		
		Appointment	Dismissal	Early retirement
6	3	1	-	-

*) Jung Seong-Wook, an external director, was appointed at the 24th general meeting of shareholders in 2023 and has a term of three years.

B. Major Resolutions

No.	Date held	Agenda	Passed or not	Name of director								
				Son Bo-Ik	Choi Sung-Kwan	Kim Hun	Yoon Il-Go	Jung Seong-Wook	Shin Yeong-Soo	Wi Kwang-Woo	Roh Jin-Seo	
				(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	
Agreed or not												
1	26.01.2023	Reported 1. Report on the business performance and annual performance for the 4Q, 2022 2. Report on the operation status of the internal accounting management system 3. Report on the operational status of the compliance control system	Reported	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-		
				-	-	-	-	-	-	-		
	Approved	1. Approval of the 24th financial statements and business report 2. Approval of occupational safety and health plans	Approved	Agreed	Agreed	Before appointed (Appointed in Mar. 2023)	Agreed	Before appointed (Appointed in Mar. 2023)	Agreed	Agreed	Agreed	
Agreed				Agreed	Agreed		Agreed		Agreed	Agreed		
2	22.02.2023	Reported	Reported	-	-	-	-	-	-	-		
		Approved	1. Approval of convocation and purpose of the 24th ordinary general meeting of shareholders 2. Approval of financial institution credit limit agreement	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	
	Agreed				Agreed	Agreed			Agreed	Agreed		
3	23.03.2023	Reported	Reported	-	-	-	-	-	-	-		
		Approved	1. Appointment of the chairman of the board of directors 2. Appointment of representative director 3. Approval of revisions to executive officer personnel management regulations 4. Approval of payment of performance incentives for executive officers 5. Approval of execution of remuneration for directors	Approved	Agreed	after resigning (Resigned in Mar. 2023)	Agreed	Term expiry (Retired in Mar. 2023)	Agreed	Agreed	Agreed	
					Agreed		Agreed		Agreed	Agreed		
					Agreed		Agreed		Agreed	Agreed		
					Agreed		Agreed		Agreed	Agreed		
					Agreed		Agreed		Agreed	Agreed		
Agreed	Agreed	Agreed	Agreed									
4	20.04.2023	Reported	Reported	-	-	-	-	-	-	-		
		Approved	1. Report on business performance in the 1Q, 2023 2. Report on disciplinary action results for executive officers 1. Approval of the election of the ESG Committee	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	
	Agreed				Agreed		Agreed		Agreed			

*1) Son Bo-Ik was reappointed at the 24th ordinary general meeting of Shareholders and has a term of three years.

*2) Kim Hun was appointed at the 24th ordinary general meeting of shareholders and has a term of three years.

*3) Jung Seong-Wook, an external director and a member of the Audit Committee, was appointed at the 24th general meeting of shareholders in 2023 and has a term of three years.

*4) Jeong Yeon-Chae, an executive director resigned on 23 March 2023.

*5) Yoon Il-Goo, an external director resigned on 23 March 2023.

C. Committee Within the BOD

(1) Composition of Committee Within the BOD

Name of committee	Configuration	Name of director	Purpose and authority
Finance Committee	2 internal directors	Son Bo-Ik (chairperson) Kim Hun	- Purpose To Improve management efficiency through prompt decision-making on matters entrusted by the board of directors, matters requiring prior review for discussion by the board of directors, and other daily financial matters - Authority Deliberation and resolution of matters entrusted to the Finance Committee by the Board of Directors and other daily management matters
ESG Committee	1 internal director 3 external directors	Son Bo-Ik Wi Kyung-Woo (chairperson) Jung Seong-Wook Shin Yeong-Soo	- Purpose To realize sustainable growth by realizing ESG management for the environment, society, and governance and strengthening the company's internal control on internal transactions - Authority Deliberation, resolution and supervision of overall internal transactions, including ESG management and transactions between affiliates

*1) The Audit Committee has been excluded in accordance with the corporate disclosure form preparation standards.

*2) External director, Jung Seong-Wook was appointed as a member of the ESG Committee at the 4th board of directors meeting in 2023.

(2) Activities of the Committee Within the BOD

[Finance Committee]

No.	Date held	Agenda	Passed or not	Name of director		
				Son Bo-Ik	Choi Sung-Kwan	
				(Attendance: 100%)	(Attendance: 100%)	
Agreed or not						
1	13.01.2023	Approved	1. Establishment of Siheung business site	Approved	Agreed	Agreed
2	13.03.2023	Approved	1. Abolition of Ilsan business site	Approved	Agreed	Agreed

[ESG Committee]

No.	Date held	Agenda	Passed or not	Name of director				
				Son Bo-Ik	Wi Kwang-Woo	Jung Seong-Wook	Shin Yeong-Soo	
				(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	(Attendance: 100%)	
Agreed or not								
1	07.06.2023	Reported	Reported	1. Report on the publication of sustainability management report	-	-	-	-
				2. Report on the evaluation result of the ESG materiality	-	-	-	-
				3. Report on carbon neutral roadmap	-	-	-	-

D. Independence of Directors

The directors are elected at the shareholders' meeting, and the candidates for the directors to be elected at the shareholders' meeting are appointed by the board of directors meeting and submitted to the general meeting shareholders as an agenda. If there is a shareholder's proposal pursuant to the relevant laws and regulations related to the election of directors, the Board of Directors shall submit it to the general meeting of shareholders within the legal scope.

As the total assets as of the Ending of the current fiscal year are less than KRW 2 trillion, the Company has no obligation to establish a recommendation committee for independent directors. in order to secure fairness and obligation to establish a recommendation committee for independent directors.

The six directors elected in accordance with these procedures as of 30 June 2023 are as follows:

Job title	Name	Background of appointment	Recommended by	Field of activity (business in charge)	Transactions with the Company Transactions	Relationship with the largest or major shareholders	Term of office	Consecutive term or not (No. of consecutive terms)
Internal director	Son Bo-Ik	He served as the head of the SIC Center at LG Electronics, as the leading authority in the field of system semiconductors. Based on his abundant experience and competence, he was appointed as the CEO of LX Semicon from 2017 and has excellent capabilities in the overall operation of the Company, such as continuing the Company's growth. Therefore, he was appointed as the internal director.	BOD	CEO, board chairman, member of ESG	N/A	Registered executive of a subsidiary (LX Semicon)	3 yrs.	Reap. (2)
Internal director	Kim Hun	He has performed overall financial and business management at LG Co., Ltd. and LX International Co., Ltd. for a long time, and is expected to be appointed as the company's CFO in 2022 and be able to contribute to the company's development in the major decision-making process based on his diverse experience in overall management. Appointed as internal director.	BOD	CFO, internal accounting manager		Registered executive of a subsidiary (LX Semicon)	3 yrs.	-
Other non-executive director	Roh Jin-Seo	He was appointed as other non-executive director since he has long-standing management and planning experience at LG and LG Electronics, and based on sufficient experience and knowledge in related fields and experience in justice management, he is expected to contribute to development of the Company through his stable performance of his work.	BOD	Business for overall management		Registered executive of the largest shareholder (LX Holdings)	3 yrs.	-
External	Wi	He is currently a professor at the department of business	BOD	Business for overall		Not applicable	3 yrs.	Reap.

director	Kwang-Woo	administration at SMWU, and is expected to contribute to the Company's development by providing advice on overall management and a lot of experience from the perspective of a financial expert.		management, Chairman of the Audit Committee, Chairman of ESG committee			(1)
External director	Shin Yeong-Soo	He is a PhD in electronic engineering at Seoul National Uni., and is currently serving as a professor in the department of electronic engineering at KAIST. He was appointed as an external director because he was judged to be able to contribute to the Company's business development based on his knowledge and experience in the semiconductor business field.	BOD	Business for overall management, Audit Committee member, ESG member	Not applicable	3 yrs.	Reap. (1)
External director	Jung Seong-Wook	He is currently working in the Department of Electrical and Electronic Engineering at Yonsei University. He was appointed as an external director with his practical experience working as an engineer at leading global semiconductor companies and outstanding expertise in the overall semiconductor industry, he is expected to be able to appropriately perform his role as an external director, including strengthening the expertise of the company's decision-making and advising on the company's business..	BOD	Business for overall management, audit committee member, ESG member	Not applicable	3 yrs.	-

*1) Son Bo-Ik was reappointed at the 24th ordinary general meeting of Shareholders and has a term of three years.

*2) Kim Hun was appointed at the 24th ordinary general meeting of shareholders and has a term of three years.

*3) Jung Seong-Wook was appointed at the 24th ordinary general meeting of shareholders and has a term of three years.

■ Authorities of the Board of Directors

1) The board of directors decides important corporate issues pursuant to Chapter 5 of the Articles of Incorporation.

2) The board of directors shall review and decide the following issues pursuant to Article 393-2 of the Commercial Act:

- Proposal of issues requiring the approval of the general meeting of shareholders
- Appointment and dismissal of the CEO
- Establishment of the committee and the appointment and dismissal of its members
- Matters determined by the Articles of Incorporation

E. Professionalism of External Directors

(1) Job Performance Support Organizations for External Directors

- CFO legal team
- Main tasks: Support for the operation of the board of directors and the performance of duties of external directors
- Team staff: 4

Department	No. of staff	Position (service years)	Work period	Major activities
Legal affairs team	4	3 senior managers 1 junior manager (Average 1.3 years)	Average 1 year	Pre-explanation of the board agenda for external directors, perform tasks such as support for requests necessary for the performance of external director duties, and establishment of external director workshops and seminar training schedules

*1) The number of years of service is calculated based on the number of years of service at the Company.

(2) Training for External Directors

– Status of Education Implementation for Independent Directors

Date	Organizer	Participating external directors	Reason for absence	Details
17.04.2019	LG Management Development Institute Co., Ltd.	Wi Kwang-Woo	Education for new external directors	Activities of the board of directors and major items related to company management
10.05.2019	Financial, IR and business management team	Wi Kwang-Woo	Education for new external directors	Major items related to company management
22.08.2019	Financial, IR and lead product planning team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Company's main product presentation

– Status of Workshop Implementation of External Directors

Date	Organizer	Participating independent directors	Reason for absence	Details
27.01.2021	Finance team Accounting management team Integrity management team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Report on the internal audit department's performance and plan, progress of external audits, and matters related to key audit issues
26.02.2021	Finance team Accounting management team Integrity management team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Evaluation results of the operation status of the internal control over financial reporting (ICFR), evaluation result of the ICFR, and audit report from the Audit Committee
11.05.2021	Finance team Accounting management team Management improvement team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Operation schedule of the ICFR, evaluation plan of the ICFR, and support of the Audit Committee in 2021
22 Oct. 2021	Finance team Accounting management team Management improvement team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Report on ICFR design evaluation results and internal audit department performance
22 Oct. 2021	Samil PWC Accountings (external training)	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Review of major issues on ICFR operation status and ICFR certification trend
27.01.2022	Finance team Accounting management team Management improvement team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Report on internal audit department business performance and plan; External audit progress and key audit items
18.02.2022	Finance/IR team Accounting management team Management improvement team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Evaluation results of the operation status of the ICFR, evaluation result of the ICFR, and audit report from the audit committee
17.08.2022	Finance/IR team Accounting management team Management improvement team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Inspection plan of the internal accounting control system operation status, operation plan of 2022 ICFR, performance report of internal audit department, and result report of evaluation on ICFR design
06.12.2022	Samil PWC Accountings (external training)	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Roles of the Audit Committee for fraud prevention, compliance control, and the responsibilities of external directors
06.01.2023	Legal team Financial accounting team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Appointment of new external auditor
26.01.2023	Legal team Management diagnosis team Financial accounting team Internal accounting part	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Report on internal audit department work performance and plan, report on external auditor's audit progress and key audit items, report on ICFR operation status
22.02.2023	Legal team Management diagnosis team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Evaluation results of the operation status of the ICFR, evaluation result of the ICFR, and audit report from the Audit Committee

2. Audit System

A. Audit Committee

(1) Personal Information of Audit Committee Members and Status as External Directors

Name	External director Y/N	Career Information	Accounting and financial experts		
			Yes or No	Type of expert	Related career
Wi Kwang-Woo	Y	BA in Economics, SNU MA Business Administration, UCLA PhD Business Administration, UCLA Prof. of Business Administration, SMWU (1997~present) President of the Korean Financial Association (2021~present) External director of Mirae Asset Life Insurance (2020~Present)	Y	Accounting and finance degree holders	BA in Economics, SNU MA in Business Administration, UCLA PhD Business Administration, UCLA (Current) Prof. of Business Administration, SMWU (1997~present) President of the Korean Financial Association (2021~present) External director of Mirae Asset Life Insurance (2020~Present)
Shin Yeong-Soo	Y	BE in Electronic Engineering, SNU ME in Electronic Engineering, SNU PhD in Electronic Engineering, SNU Research Staff Member, IBM T. J. Watson Research Center, Yorktown Heights, NY, USA (2001~2004) Advisory Prof. of LG Electronics Future Technology Forum (2011~2014), Prof. of KAIST Electrical and Electronic Engineering (2004~Present) KAIST ICT chair Professor (2021~present) IEEE Fellow (2017~present)	-	-	-
Jung Seong-Wook	Y	BE in Dept. of Electronic Engineering, Yonsei Uni. ME in Dept. of Electronic Engineering, Yonsei Uni. PhD in Engineering, Univ. of Illinois at Urbana Champaign Senior researcher, Semiconductor Division, Samsung Electronics Co., Ltd. (1989-2001) T-RAM Inc., San Jose, Principal Engineer(2001-2003) Qualcomm Inc., San Diego, Principal Engineer/Manager(2003~2006) Prof. of College of Engineering, Yonsei Uni. (2006~present) Director, Korea Institute of Electrical and Electronics Engineers (2016~2018) Dean of College of Engineering, Yonsei Uni. (2016~2018) Chairman of establishment for the Dept. of System Semiconductor Engineering, Yonsei Uni.(2019~2021) Dean of Dept. of System Semiconductor Engineering, Yonsei Uni. (2021~2022) Dean of Director of Engineering Research Institute, Yonsei Uni. (2021~2022)	-	-	-

*) Jung Seong-Wook, an external director and a member of the Audit Committee, was appointed on 23 March 2023 and has a term of three years.

(2) Independence of the Members of the Audit Committee

The three members of the Audit Committee (three persons) are all external directors who do not have any reasons for disqualification in accordance with the Commercial Act. They are maintaining their independence and the appointment of the members has been made after a thoroughly review by the board of directors and the final approval by the general meeting of shareholders.

The Company is complying with the procedures set forth in the Commercial Act and other relevant laws. Also, the organization, authority, and the scope of works are clearly stated in the relevant rules in order to carry out the auditory works.

Main contents of election criteria	Whether selection criteria are satisfied	Related laws
Consisting of three directors	Satisfied (3 people)	Article 415-2 (2) of the Commercial Act
Two thirds or more independent directors as members	Satisfied (all members are independent directors)	
One or more members as an accounting or financial expert	Satisfied (Wi Kyung-Woo)	Article 542-11 (2) of the Commercial Act
Independent director as the representative of the Audit Committee	Satisfied	
Other disqualification requirements (related parties with the largest shareholder)	Satisfied (Not applicable)	Article 542-11 (3) of the Commercial Act

Audit Committee	Background of appointment	Recommended by	Deal with the Company	Relationship with the largest or major shareholders
Wi Kwang-Woo	Appointed as an expert in finance and accounting, judged as the right person	BOD	Not applicable	Not applicable
Shin Yeong-Soo	Appointed as a semiconductor expert, judged as the right person	BOD	Not applicable	Not applicable
Jung Seong-Wook	Appointed as a semiconductor expert, judged as the right person	BOD	Not applicable	Not applicable

(3) Activities of the Audit Committee

No.	Date held	Agenda	Approved Y/N	External director				Remarks
				Wi Kwang-Woo (Attendance: 100%)	Yoon Il-Go (Attendance: 100%)	Shin Yeong-Soo (Attendance: 100%)	Jung Seong-Wook (Attendance: 100%)	
1	06.01.2023	Approved	1. Approval of establishing Audit Committee guidelines	Approved	Agreed	Agreed	Agreed	-
2	26.01.2023	Report	1. Report on the business performance and annual performance for the 4Q, 2022	Reported	-	-	-	Before appointed (Appointed in Mar. 2023)
		2. Report on the operation status of the internal accounting management system	-		-	-		
3. Report on the 24th financial statements and business report	-	-	-					
4. Report on the progress of the audit by an outside auditor	-	-	-					
		Approved	1. Appointment of external auditors	Approved	Agreed	Agreed	Agreed	-
3	22.02.2023	Approved	1. Approval of the evaluation report by the Audit Committee on the operation status of the internal accounting management system	Approved	Agreed	Agreed	Agreed	-
			2. Approval of the Audit Committee's evaluation opinion on the operation status of the internal monitoring system		Agreed	Agreed	Agreed	
			3. Approval of the audit report by the Audit Committee for financial statements and business reports		Agreed	Agreed	Agreed	
4	20.04.2023	Report	1. Report on business performance in the 1Q, 2023	Reported	-	Term expiry (Retired in Mar. 2023)	-	-
		Approved	1. Confirmation of external auditor audit activities in 2022	Approved	Agreed	Agreed	Agreed	-

(4) Training Implementation for the Audit Committee

Date	Organizer	Participating Audit Committee	Reason for absence	Details
26.11.2020	Samil PWC Accountings	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	The role and responsibility of the Audit Committee due to the contents of changes and responses to the advancement of the internal accounting management system and the expansion of the internal accounting management system.
22.10.2021	Samil PWC Accountings	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Review of major issues on internal accounting management system operation status and internal accounting management system certification trend
06.12.2022	Samil PWC Accountings	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Roles of the Audit Committee for fraud prevention, compliance control, and the responsibilities of external directors

(5) Status of Support Organizations for the Audit Committee

Dept. (team) name	No. of employees (persons)	Position (service years)	Major activities
Legal affairs team	4	3 senior managers 1 junior manager (average 1.3 years)	Support for the operation and job performance of the Audit Committee and establishment of the Audit Committee workshops and seminar training schedules
Management diagnosis/improvement team	2	2 senior managers (average 3.8 years)	Support for internal accounting audit

*) The number of years of service is calculated based on the number of years of service at the Company.

B. Compliance Officers

(1) Personal Information and Major Experience of Compliance Officers

Name	Date of Birth	Major career	Date of appointment
Shin Dong-Hyup	Sep. 1981	- BE in Electrical and Electronic Engineering, Yonsei Uni. - MA in Laws, School of Law, Hankuk Uni. of Foreign Studies - Lawyer (Korea) - Lawyer at Jungbu Law Firm (Limited Liability) - Legal Team, LX Semicon Co., Ltd.	27 Jan. 2022

*) The compliance officer Shin Dong-Hyup, as a lawyer, and has met the compliance control standards and requirements of a Compliance Officer pursuant to Clause 5 of Article 542-13 of the Commercial Act.

(2) Major Activities and Results of the Compliance Officer

As a result of evaluating the effectiveness of the compliance control standards and checking compliance with them, the compliance control standards have been created and adhered to in accordance with all laws and regulations and control standards for compliance.

Checking on	Details	Check results
Always	Ensure that matters specified by the Commercial Act are stipulated in the compliance control standards	Details compliance control standards - Appropriately established in accordance with the requirements of the Commercial Act and standard compliance control criteria.
	Ensure that compliance control systems, procedures, instruments, training and compliance support matters are effectively established	Evaluation and management system of legal risks - Formalizing legal risks and preparing detailed check items by type in progress
		Independent business performance system of compliance support officer - Compliance officers are appointed by the board of directors, and their tenure is guaranteed.
		Sanctions system for violations - Relevant contents are appropriately reflected in the employment rules and disciplinary regulations.
	Compliance check and reporting system - Relevant contents are appropriately reflected in the employment rules and disciplinary regulations.	

Ensure that the categorization of risky actions, compliance check, matters relating to the compliance officer are effectively implemented	Compliance check and reporting system - Preparing to carry out the regular annual compliance check and prepare and operate a process to report to the board of directors.
---	--

(3) Status of Support Organizations for the Compliance Officer

Dept. (team) name	No. of employees (persons)	Position (service years)	Major activities
Legal affairs team	4	2 senior manager, 1 junior manager (average 1.3 years)	Important matters related to the operation of the compliance control criteria

3. General Meeting of Shareholders, etc.

A. Voting System

(As of 30 June 2023)

Type of voting system	Concentrated voting system	Written voting system	Electronic voting system
Introduction	Exclusion	Not introduced	Introduced
Implementation	-	-	Ordinary general meeting of shareholders in 2020 The first extraordinary general meeting of shareholders in 2021 Ordinary general meeting of shareholders in 2022 Extraordinary general meeting of shareholders in 2022 Ordinary general meeting of shareholders in 2023

*1) The Company implements a voting system by proxy, and the methods of delegation include direct issuance of a written power of attorney, post or fax, posting on the Internet website, etc., and sending it by e-mail.

*2) In accordance with Article 382-2 of the Commercial Act, shareholders who own 3% of the total number of issued stocks may request that the directors be appointed by the intensive voting method. The Company does not stipulate matters concerning the written voting system in the Articles of Incorporation, and the electronic voting system can be implemented by the resolution of the board of directors. It was approved for the implementation of the electronic voting system by the resolution of the first board of directors, which was held on 27 January 2021.

B. Exercise of the Right of the Minority Shareholders

The Company has no applicable information during the reporting period.

C. Competition over Management Right

The Company has no applicable information during the reporting period.

D. Status of Voting Rights

(As of 30 June 2023)

(Unit: Shares)

Category	Type of shares	No. of shares	Remarks
Total No. of shares issued (A)	Common shares	16,264,300	-
	Preferred shares	-	-
No. of shares without voting rights (B)	Common shares	-	-
	Preferred shares	-	-
No. of shares with restricted voting rights based on the Articles of Association laws (C)	Common shares	-	-
	Preferred shares	-	-
No. of shares with restricted voting rights based on other laws (D)	Common shares	-	-
	Preferred shares	-	-
No. of shares with resurrected voting rights (E)	Common shares	-	-
	Preferred shares	-	-
No. of shares with voting rights (F = A - B - C - D + E)	Common shares	16,264,300	-
	Preferred shares	-	-

E. Operations for Shares

Category	Details
Preemptive rights based on the Articles of Association	<p>① Shareholders have the rights to receive new shares in proportion to the number of shares held by themselves.</p> <p>② Despite Clause 1, the Company may distribute new shares in the event of the following.</p> <ol style="list-style-type: none"> 1. When the Company issues new shares via the general capital increase by public offering based on their solution of the board of directors according to Article 165 6 of the 「Act on Capital Market and Financial Investment」 2. When the Company issues new shares via stock option according to Article 542-3 of the 「Commercial Act」 3. Primary distribution to the members of the Employee Stock Ownership Association within 20% of the total number of shares issued 4. When necessary to achieve the management goals such as the introduction of new technology and improvement of the financial structure according to Article 418 of the Commercial Act 5. In the case of collecting new shares or having the acquirers take over the shares to be listed in the security market or KOSDAQ 6. When the Company issues new shares for foreigners investment based on the reasons of management according to the Foreigners Investment Promotion Act 7. When issuing new shares according to the issuance of depository receipts(DR) within 50% of the total number of shares issued <p>③ The handling of odd lots generated from the allocation of shares and new shares based on the abandonment or loss of preemptive rights shall be Decided based on the resolution of the board of directors.</p> <p>④ Pursuant to Section 2, in the event one other than a shareholder assigns a new stock, he/she shall notify the shareholder at least two weeks prior to the date of payment the provisions prescribed in Sections 1,2 and 2(2), 3 and 4 of Article 416 of the Commercial Act.</p>
Settlement date	31 December
Ordinary general meeting of shareholders	Within three months after the closing of each fiscal year
Period closing the shareholders list	1 January ~ 7 January, every year (the closing date of the shareholders list: 31 December, every year)
Type of shares	One share, 5 share, 10 share, 50 share, 100 share, 500 share, 1000 share, and 10,000 share certificates (8 types)
Transfer agent	The Korea Securities Depository / Busan International Finance Center (BIFC), 40, Munhyeon Geumyung Road, Nam gu, Busan, Korea / (Tel) +82 51 519 1500
Public notices	Notices of the Company shall be carried on the website at https://www.lxsemicon.com . When network glitches or other unavoidable factors prevent the posting at its Website, the Company makes notices at the Maeil Economic Daily published in Seoul.

F. Summary of Minutes of Shareholders Meeting

Date	Agenda	Resolution
2022 Ordinary general meeting of shareholders (23 March 2023)	<ol style="list-style-type: none"> 1. Approval of the 2023 consolidated financial statements and financial statements 2. Approval of amendment to the Articles of Incorporation 3. Appointment of directors <ol style="list-style-type: none"> 3-1: Appointment of internal director Son Bo-Ik 3-2: Appointment of internal director Kim Hun 3-3: Appointment of external director Jung Seong-Wook 4. Appointment of a member of the Audit Committee - External director, Jung Seong-Wook 5. Approval of limit of remuneration for directors 	<p>Approved Approved</p> <p>Approved Approved Approved Approved Approved</p>
2022 Extraordinary general meeting of shareholders (23 September 2022)	<ol style="list-style-type: none"> 1. Approval of KOSDAQ conditional delisting and KOSPI transfer 	Approved
2021 Ordinary general meeting of shareholders (22 March 2022)	<ol style="list-style-type: none"> 1. Approval of the 2021 consolidated financial statements and financial statements 2. Appointment of a director - External director, Wi Kyung-Woo 3. Appointment of members of the Audit Committee - External director, Wi Kyung-Woo 4. Approval of limit of remuneration for directors 5. Approval of revision of executive severance pay payment regulations 	<p>Approved Approved Approved Approved Approved</p>
The first extraordinary general meeting of shareholders in 2021 (25 June 2021)	<ol style="list-style-type: none"> 1. Approval of amendment to the Articles of Incorporation 	Approved
2020 Ordinary general meeting of shareholders (18 March 2022)	<ol style="list-style-type: none"> 1. Approval of the 2020 consolidated financial statements and financial statements 2. Approval of amendment to the Articles of Incorporation 3. Appointment of directors <ol style="list-style-type: none"> 3-1: Appointment of internal director, Choi Sung-Kwan 3-2: Appointment of other non-executive director, Noh Jin-Seo 4. Appointment of a member of the Audit Committee (external director Shin Young-Soo) 5. Approval of limit of remuneration for directors 	<p>Approved Approved</p> <p>Approved Approved Approved Approved</p>
2019 Ordinary general meeting of shareholders (26 March 2020)	<ol style="list-style-type: none"> 1. Approval of the 2019 consolidated financial statements and financial statements 2. Appointment of directors <ol style="list-style-type: none"> 2-1: Appointment of internal director, Son Bo-Ik 2-2: Appointment of external director, Yoon Il-Goo 3. Appointment of a member of the Audit Committee (external director Yoon Il-Goo) 4. Approval of limit of remuneration for directors 	<p>Approved</p> <p>Approved Approved Approved Approved</p>

VII. Shareholders

A. Shareholding of the Largest Shareholder and its Special Interest Parties

(As of 30 June 2023)

(Unit: Shares,%)

Name	Relationship	Type of shares	No. of shares owned and the stake				Remarks
			At the beginning		At the end		
			No. of shares	Ratio	No. of shares	Ratio	
LX Holdings Co., Ltd.	Largest shareholder	Common shares	5,380,524	33.08	5,380,524	33.08	-
Son Bo-Ik	Executive of an affiliate	Common shares	2,600	0.02	2,600	0.02	-
Choi Sung-Kwan	Executive of an affiliate	Common shares	1,600	0.01	1,600	0.01	-
Total		Common shares	5,384,724	33.11	5,384,724	33.11	-
		-	-	-	-	-	-

*1) for detailed information regarding changes in management, please refer to VIII. Executives and Employees.

*2) The Company's largest shareholder, LX Holdings Co., Ltd., was established through a spin-off from LG Corporation, with 1 May 2021, as the spin-off date.

B. Major Career and Overview of the Largest Shareholder

Matters relating to the largest shareholder as of the reporting date are as follows:

(1) Basic Information on the Largest Shareholder

Name	No. of investors	Representative director (Representative member)		Business executive (Business executive member)		Largest shareholder (The largest investor)	
		Name	Ratio (%)	Name	Ratio (%)	Name	Ratio (%)
LX Holdings Co., Ltd.	66,135	Koo Bon-Joon	20.37	-	-	Koo Bon-Joon	20.37
		Roh Jin-Seo	-	-	-	-	-

*1) The number of investors is as of 31 December 2022, the date of the recent closing of the shareholder register.

*2) The ratio is based on Common shares as of 31 December 2022.

[Changes of Representative Directors, Business Executives, and Largest Shareholder of Corporations or Organizations]

Date of change	Representative director (Representative member)		Business executive (Business executive member)		Largest shareholder (The largest investor)	
	Name	Ratio (%)	Name	Ratio (%)	Name	Ratio (%)
03 May 2021	Koo Bon-Joon	7.72	-	-	Koo Kwang-Mo	15.95
03 May 2021	Song Chi-Ho	-	-	-	-	-
14 December 2021	Koo Bon-Joon	40.04	-	-	Koo Bon-Joon	40.04
27 December 2021	Koo Bon-Joon	20.37	-	-	Koo Bon-Joon	20.37
29 March 2022	Roh Jin-Seo	-	-	-	-	-

*1) CEOs Koo Bon-Joon and Song Chi-Ho have been newly appointed by the board of directors on 3 May 2021.

*2) The largest shareholder has been changed from CEO Koo Kwang-Mo of LG Corp. To CEO Koo Bon-Joon of LX Holdings Co., Ltd. due to over-the-counter trading on 14 December 2021.

*3) CEO Koo Bon-Joon, CEO of LX Holdings Co., Ltd., gave a stock donation, resulting in a decrease in the ratio on 27 December 2021.

*4) CEO Song Chi-Ho has resigned, and new CEO Roh Jin-Seo was appointed on 29 March 2022.

*5) The ratio is based on common shares.

(2) Financial Status of the Largest Shareholder

The financial status of LX Holdings Co., Ltd., the largest shareholder, as of 31 December 2023 is as follows:

(Unit: Million KRW)

Category	
Name of corporation or organization	LX Holdings Co., Ltd.
Total assets	1,635,041
Total liabilities	23,948
Total equities	1,611,093
Sales	236,918
Operating profit	158,908
Net income	170,140

*1) Based on consolidated financial statements as of 31 December 2022.

*2) for the financial status as of 30 June 2023, refer to the semi-annual business report of LX Holdings Co., Ltd. To be disclosed within August 2023.

(3) Major Contents that may Affect the Stability of the Company's Business Including Business Status

The Company's largest shareholder, LX Holdings Co., Ltd., was established through a spin-off from LG Corp. with the spin-off date being 1 May 2021. As of 30 June 2023, LX Holdings Co., Ltd. is a holding company that controls various business activities through ownership of shares in LX International Co., Ltd., LX Hausys Co., Ltd., LX Semicon Co., Ltd., LX MMA Co., Ltd., and LX MDI Co., Ltd. The primary sources of income for LX Holdings Co., Ltd. include dividend income and trademark royalty income.

C. Changes to the Largest Shareholder

(As of 30 June 2023)

(Unit: Shares,%)

Date of change	Name of the largest shareholder	No. of shares owned	Ratio	Reason for change	Remarks
03.05.2021	LX Holdings Co., Ltd.	5,384,724	33.11	Stock succession due to spin-off of LG Corp.	-

*1) The largest shareholder changed from LG Corp. To LX Holdings Co., Ltd. according to the spin-off of LG Corp., which was the previous largest shareholder (Registered on 3 May 2021).

*2) The number of shares and ownership ratio above are the sum of the shares owned by the largest shareholder and specially related persons at the time of the change of the largest shareholder.

D. Distribution of Shares

(1) Status of Shares Held

(As of 30 June 2023)

(Unit: Shares)

Category	Name of shareholders	No. of shares owned	Ratio (%)	Remarks
5% or higher shareholders	LX Holdings Co., Ltd.	5,380,524	33.08	-
	National Pension Service	1,204,010	7.40	-
Employee stock ownership association		3,474	0.03	-

(2) Status of Minority Shareholders

(As of 30 June 2023)

(Unit: Shares)

Category	Shareholders			Shares hold			Remarks
	Minority shareholders	Total shareholders	Ratio (%)	Minority shares	Total No. of shares issued	Ratio (%)	
Minority shareholders	59,928	59,936	99.99	9,911,366	16,264,300	60.94	-

*1) Shareholders having shares under 1/100 of the total shares issued.

*2) As of the most recent shareholder registry closing date, 31 December 2022.

(3) Share Price and Trading Performance

The share price and trading volume of the common share of the Company over the past six months are as follows:

(Unit: KRW, Shares)

Types		2023					
		January	February	March	April	May	June
Share price	Max.	80,800	97,500	116,500	107,900	116,200	123,000
	Min.	69,800	79,500	87,800	98,400	101,200	112,400
	Average	76,680	91,835	96,464	104,260	108,040	118,129
Volume of transaction	Maximum (Days)	325,257	560,198	1,898,876	817,631	352,845	292,883
	Minimum (Days)	36,639	90,626	78,273	105,822	67,790	72,156
	Total (Month)	2,156,412	4,468,518	6,884,698	5,894,190	3,038,723	3,031,389

※ The maximum and minimum share prices as well as the amount of trade are based on the closing price and the amount of daily transaction of the day.

VIII. Executives and Employees

1. Status of Executives and Employees

A. Status of Executives

(As of 30 June 2023)

(Unit: Shares)

Name	Sex	DOB	Position	Reg.	Regular	Responsibilities	Key Experience	Shares owned		Relation to major shareholder	Service period	Term expiry
								Voting Shares	Non-Voting Shares			
Son Bo-Ik	M	09.1961	Rep. Dir.	Int. Dir.	Reg.	CEO, board chairman, member of ESG	MA in MIT CTO SIC Center Director, LG Electronics Co., Ltd.	2,600	-	Reg. Exec. of a subsidiary (LX Semicon)	01.12.2016 ~present	22.03.2026
Kim Hun	M	05.1969	MD	Int. Dir.	Reg.	CFO, internal accounting manager	(BA) Business Administration, Korea Uni. Indonesia Business Management manager, LX International Co., Ltd.	-	-	Reg. Exec. of a subsidiary (LX Semicon)	15.11.2022 ~present	22.03.2026
Roh Jin-Seo	M	09.1968	Dir.	ONED	Non-Reg.	Business for overall management	MA in MT Strategy division, LG Electronics Co., Ltd.	-	-	Reg. Exec. of the largest shareholder (LX Holdings)	18.03.2021 ~present	17.03.2024
Wi Kwang-Woo	M	07.1962	Dir.	Ext. Dir.	Non-Reg.	Business for overall management Chairman of the Audit Committee, Chairman of ESG committee	PhD. Business Administration, UCLA Prof. of Business Administration, SMWU	-	-	N/A	15.03.2019 ~present	22.03.2025
Shin Yeong-Soo	M	08.1967	Dir.	Ext. Dir.	Non-Reg.	Business for overall management Audit Committee member, ESG member	Ph.D. Department of Electronic Engineering, Seoul National University Prof. of KAIST Electrical and Electronic Engineering	-	-	N/A	16.03.2018 ~present	17.03.2024
Jung Seong-Wook	M	1965.06	Dir.	Ext. Dir.	Non-Reg.	Business for overall management Audit Committee member, ESG member	PhD in Dept. Electronic Engineering, Illinois Univ. (Urbana Champaign) Prof. of Dept. Electrical and Electronic Engineering, Yonsei Uni.	-	-	N/A	23.03.2023 ~present	22.03.2026
Koo Bon-Joon	M	12.1951	CEO	Unreg. Dir.	Reg.	Business for overall management	MA in Business Administrative, Uni. of Chicago Vice chairman of LG Corp.	-	-	Reg. Exec. of the largest shareholder (LX Holdings)	11.05.2021 ~present	-
Na Joon_ho	M	09.1968	ED	Unreg. Dir.	Reg.	Product planning and research and development	Inha University, Department of Electronic Engineering (MA) Memory Research Center, LG Semiconductor	20,636	-	Unreg. Exec. of a subsidiary (LX Semicon)	19.01.2001 ~present	-
Choi Young-cheol	M	07.1970	ED	Unreg. Dir.	Reg.	Product planning and research and development	Cornell Univ. (PhD) Electrical and Computer Engineering Panjit Americas CTO	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.01.2023 ~present	-
Lee Jae-Deok	M	06.1962	ED	Unreg. Dir.	Reg.	R&D	PhD in Physics, Yonsei University Head of Sensor Research Institute, LG Electronics Co., Ltd.	500	-	Unreg. Exec. of a subsidiary (LX Semicon)	03.01.2021 ~present	-
Go Dae-Hyup	M	09.1965	ED	Unreg. Dir.	Reg.	R&D	ME in Electronic Engineering, Seoul National University Head of DTV SoC Development Division, SIC Center, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.07.2015 ~present	-
Na Young-Sun	M	05.1971	MD	Unreg. Dir.	Reg.	Product planning and research and development	(PhD) Electrical and Computer Engineering, Hanyang Uni. SIC Center DIC Business Team, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.07.2015 ~present	-
Woo Young-Jin	M	02.1977	MD	Unreg. Dir.	Reg.	R&D	PhD in Electrical and Electronics Engineering, KAIST Research assistant professor, KAIST	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	10.02.2011 ~present	-
Park Byeong-Hoo	M	05.1965	MD	Unreg. Dir.	Reg.	Product planning and research and development	(BS) Department of Materials Science and Engineering, Korea Uni. Vice president of production technology at LG Display Co., Ltd.	550	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.04.2021 ~present	-
Jeon Hyun-Gyu	M	02.1971	Dir.	Unreg. Dir.	Reg.	R&D	PhD in Electrical and Electronics Engineering, KAIST Electronics and Telecommunications Research Institute (ETRI)	20,691	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.09.2003 ~present	-
Jang, Jae-Ryang	M	05.1968	Dir.	Unreg. Dir.	Reg.	Head of quality management	Master's in Techno-MBA, KAIST SIC Center, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	15.02.2016 ~present	-
Kim Eon Young	M	05.1968	Dir.	Unreg. Dir.	Reg.	Head of production management group	(BS) Electronic Engineering, KIT Display Team, LG Semiconductor	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	15.11.1999 ~present	-
Hwang Gyung-Ha	M	06.1971	Dir.	Unreg. Dir.	Reg.	Head of strategy group	BA in Business Administration, Sogang Uni. Transfer pricing team, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	02.03.2017 ~present	-
Jeong Yong-Ik	M	02.1975	Dir.	Unreg. Dir.	Reg.	R&D	(MA) Dept. Electronic Engineering, Korea Uni. Display Solution Division, Magna Chip Semiconductor LLC	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.06.2006 ~present	-
Lee, Ji-Won	F	11.1976	Dir.	Unreg. Dir.	Reg.	R&D	(Ph.D.) Dept. of Electronic Engineering, Sogang Uni.	200	-	Unreg. Exec. of a subsidiary (LX Semicon)	12.08.2019	-

								SoC development division, in SIC Center, LG Electronics Co., Ltd.				~present	
Lee Min-Ho	M	02.1973	Dir.	Unreg. Dir.	Reg.	Product planning and research and development		MA in Dept. of Electronic Engineering, Hanyang Uni. LSI team in SIC Center, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	17.04.2017 ~present	-
Sagong Yeongjae	M	01.1969	Dir.	Unreg. Dir.	Reg.	SCM manager.		MA in MBA, Aalto Univ SOC production and operation team, SIC center, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	20.02.2018 ~present	-
Han Young-Soo	M	09.1971	Dir.	Unreg. Dir.	Reg.	Head of new business strategy		PhD in Dept. of Electrical Engineering, KAIST Managing Director, Planning Team, LG Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.01.2021 ~present	-
Kim Hyun-Ho	M	09.1976	Dir.	Unreg. Dir.	Reg.	R&D		(MA) electrical and electronic engineering, SNU SIC center, LG Electronics Co., Ltd.	-	-	Unreg. Exec. of a subsidiary (LX Semicon)	01.07.2015 ~present	-

*1) The number of shares owned includes allocations of shares under the employee stock ownership plan to unregistered executives (NA Joon-Ho, Jeon Hyeon-Gyu).

*2) Kim Hun, an internal director, concurrently serves as a director of Advanced Power Device Technology Co., Ltd.

*3) Jeon Hyeon-Gyu, a director concurrently serves as a director of Advanced Power Device Technology Co., Ltd.

*4) Wi Kyung-Woo, an external director, concurrently serves as an external director of Mirae Asset Life Insurance Co., Ltd.

*5) Choi Sung-Kwan, a manager resigned on 23 March 2023.

[Current Status of Executives Holding Concurrent Positions]

Name	Position	Concurrent positions	(Non) Regular
Roh Jin-Seo	Other non-executive director	CEO, LX Holdings Co., Ltd.	Regular
		Other non-executive director, LX Hausys Co., Ltd.	Non-regular
		Other non-executive director, LX MMA Co., Ltd.	Non-regular
		Other non-executive director, LX MDI Co., Ltd.	Non-regular
		Other non-executive director, LX Ventures Co., Ltd.	Non-regular
		Other non-executive director, LX Glass Co., Ltd.	Non-regular

*) He is registered as a non-executive director of LX Ventures Co., Ltd. in July 2023.

B. Status of Employees, etc.

(As of 30 June 2023)

(Unit: Million KRW)

Employees										Non-affiliated worker			Remarks
Business sector	Sex	No. of employees					Average service years	Total annual salary	Average salary per person	Male	Female	Total	
		Employees without defined term		Term based employees		Total							
		Total	(Short term employees)	Total	(Short term employees)								
Total	Male	1,236	0	32	13	1,268	4.80	52,723	42				
Total	Female	277	0	17	11	294	3.52	8,607	29	3	36	39	
Total		1,513	0	49	24	1,562	4.56	61,330	39				

Status of remuneration for non-registered executives

(As of 30 June 2023)

(Unit: Million KRW)

Category	No. of persons	Total annual salary	Average salary per person	Remarks
Unregistered director	18	3,702	206	Including performance bonus

2. Remuneration to Executives

A. Remuneration for All Directors and Auditors

<Remuneration to All Directors and Auditors>

1. Amount Approved by Shareholders' Meeting

(Unit: Million KRW)

Category	No. of persons	Amount approved by shareholders' meeting	Remarks
Registered director	3	-	The amount approved at the general meeting of shareholders is based on the sum of registered executives.
External director	-	-	The amount approved at the general meeting of shareholders is based on the sum of registered executives.
Members of the Audit Committee or auditor	3	-	The amount approved at the general meeting of shareholders is based on the sum of registered executives.
Total	6	5,000	-

*) in accordance with Article 38 of the Articles of Incorporation, the Company pays remuneration for directors in accordance with the 「Executives Retirement Allowance Payment Regulations」 passed a resolution at the general meeting of shareholders. Therefore, severance pay is not included in the remuneration limit approved by the general meeting of shareholders.

2. Amount of Remuneration

(1) All Directors and Auditors

(Unit: Million KRW)

No. of persons	Total amount	Average per capita remuneration	Remarks
5	960	192	-

*) Other non-executive directors (Roh Jin-Seo) has been excluded from the number of executives as of the reporting date.

*2) The total amount of remunerations is based on the income on the Income Tax Act, which has been paid under the qualification of the registered executive by the serving or resigned registered directors, external directors and members of the Audit Committee pursuant to the provisions of Article 159 of the Capital Market and Financial Investment Services Act and Article 168 of the Enforcement Decree of the same Act. It was calculated by including the amount of remuneration for newly appointed or retired directors when they served as unregistered executives during the relevant fiscal year.

(2) Types

(Unit: Million KRW)

Category	No. of persons	Total amount	Average per capita remuneration	Remarks
Registered director (excluding external director and members of the Audit Committee)	2	846	423	-
External director (excluding members of the Audit Committee)	-	-	-	-
Members of the Audit Committee	3	114	38	-
Audit	5	960	192	-

- *1) Other non-executive directors (Roh Jin-Seo) has been excluded from the number of executives as of the reporting date.
- *2) The total amount of remunerations is based on the income on the Income Tax Act, which has been paid under the qualification of the registered executive by the serving or resigned registered directors, external directors and members of the Audit Committee pursuant to the provisions of Article 159 of the Capital Market and Financial Investment Services Act and Article 168 of the Enforcement Decree of the same Act. It was calculated by including the amount of remuneration for newly appointed or retired directors when they served as unregistered executives during the relevant fiscal year.
- *3) The average amount paid per member of the Audit Committee was calculated by dividing the total remuneration by the number of people (4) as of the reporting date.

(3) Standards of Remuneration Payment

The remuneration of directors and auditors is paid within the amount approved by the general shareholders' meeting and in accordance with the standards set by the Board of Directors, taking into account their positions and duties.

Category	Basis	System	Evaluation items for decision making
Registered director (excluding external director and members of the Audit Committee)	Personnel management regulations for executive officers	Base salary, role pay, executive performance payment	- Base salary: Comprehensively considering inflation rate, external competitiveness, financial performance, etc. - Role pay: Comprehensively considering the importance of positions/duties and roles - Executive performance payment: Business and personal performance
External director (excluding members of the Audit Committee)	Standards for payment of compensation to external directors	Fixed monthly payment	- the remuneration of external directors is executed in accordance with the standards set by the Board of Directors, comprehensively considering the company's management performance and external competitiveness, within the limits approved by the general meeting of shareholders.
Members of the Audit Committee	Standards for payment of compensation to external directors	Fixed monthly payment	- the remuneration of external directors is executed in accordance with the standards set by the Board of Directors, comprehensively considering the company's management performance and external competitiveness, within the limits approved by the general meeting of shareholders.

B. Individual Remuneration for Directors and Auditors

<Individual remuneration of directors and auditors who paid 500 Million KRW or more>

1. Individual Remuneration Amount

(Unit: Million KRW)

Name	Position	Total amount	Remuneration not included in the total remuneration
Son Bo-Ik	Representative director	653	-

2. Calculation Standard and Method

(Unit: Million KRW)

Name	Type		Total amount	Calculation standard and method
Son Bo-Ik	Earned income	Salaries	1,098	1. Basic salary - determined by considering the position, etc. in accordance with the executive remuneration regulations determined by the board of directors. - paid about 63.9 Million KRW from January to March and about 65.8 Million KRW from April to December. 2. Role-level - Taking into account the importance of the job and role in general, - paid about 25.6 Million KRW from January to March and about 26.3 Million KRW from April to December.
		Bonuses	107	- Determined by the board of directors based on performance evaluation in accordance with the special bonus rules among the executive remuneration regulations. - It is paid within 0% to 150% of annual salary by evaluating non-metric indicators such as quantitative indicators consisting of the Company's sales and operating profit of the previous period, evaluation of core tasks, and mid-to-long-term priority tasks for future preparation. - Regarding quantitative indicators, the Company achieved sales of KRW 2.1193 trillion and operating profit of KRW 310.6 billion in 2022, with an operating profit margin of 15%. Considering these achievements, and in relation to non-quantitative indicators, no incidents related to internal controls occurred, ensuring smooth operation of the internal control system. This facilitated the spread of compliance management and an ethical management culture. Taking into account these factors, including demonstrating leadership to achieve the company's management objectives, a bonus of 107 Million KRW was calculated and paid out.
		Stock Option exercising profit	-	Not applicable
		Other earned income	1	Paid as welfare benefits, etc. by internal regulations
	Retirement income	-	Not applicable	
	Other income	-	Not applicable	

C. Remuneration Status of the Top 5 Individuals Among the Remuneration Payments of 500 Million or More

<Remuneration status of the top 5 individuals among the remuneration payments of 500 million or more>

1. Individual Remuneration Amount

(Unit: Million KRW)

Name	Position	Total amount	Remuneration not included in the total remuneration
Son Bo-Ik	Representative director	653	-
Koo Bon-Joon	CEO	651	-

2. Calculation Standard and Method

(Unit: Million KRW)

Name	Type		Total amount	Calculation standard and method
Son Bo-Ik	Earned income	Salaries	545	1. Basic salary - Determined by considering the position, etc. in accordance with the executive remuneration regulations determined by the board of directors. - Paid about 63.9 Million KRW from January to March and about 65.8 Million KRW from April to December. 2. Role-level - Taking into account the importance of the job and role in general, - Paid about 25.6 Million KRW from January to March and about 26.3 Million KRW from April to December.
		Bonuses	107	- Determined by the board of directors based on performance evaluation in accordance with the special bonus rules among the executive remuneration regulations. - It is paid within 0% to 150% of annual salary by evaluating non-metric indicators such as quantitative indicators consisting of the Company's sales and operating profit of the previous period, evaluation of core tasks, and mid-to-long-term priority tasks for future preparation. - Regarding quantitative indicators, the Company achieved sales of KRW 2.1193 trillion and

			operating profit of KRW 310.6 billion in 2022, with an operating profit margin of 15%. Considering these achievements, and in relation to non-quantitative indicators, no incidents related to internal controls occurred, ensuring smooth operation of the internal control system. This facilitated the spread of compliance management and an ethical management culture. Taking into account these factors, including demonstrating leadership to achieve the company's management objectives, a bonus of 107 Million KRW was calculated and paid out.
		Stock Option exercising profit	- Not applicable
		Other earned income	1 Paid as welfare benefits, etc. by internal regulations
		Retirement income	- Not applicable
		Other income	- Not applicable
Koo Bon-Joon	Earned income	Salaries	559 1. Basic salary - determined by considering the position, etc. in accordance with the executive remuneration regulations determined by the board of directors. - paid about 91.8 Million KRW from January to March and about 94.6 Million KRW from April to December.
		Bonuses	92 - Determined by the board of directors based on performance evaluation in accordance with the special bonus rules among the executive remuneration regulations. - It is paid within 0% to 150% of annual salary by evaluating non-metric indicators such as quantitative indicators consisting of the Company's sales and operating profit of the previous period, evaluation of core tasks, and mid-to-long-term priority tasks for future preparation. - Regarding quantitative indicators, the Company achieved sales of KRW 2.1193 trillion and operating profit of KRW 310.6 billion in 2022, with an operating profit margin of 15%. Considering these achievements, and in relation to non-quantitative indicators, no incidents related to internal controls occurred, ensuring smooth operation of the internal control system. This facilitated the spread of compliance management and an ethical management culture. Taking into account these factors, including demonstrating leadership to achieve the company's management objectives, a bonus of 92 Million KRW was calculated and paid out.
		Stock Option exercising profit	- Not applicable
		Other earned income	- Not applicable
		Retirement income	- Not applicable
		Other income	- Not applicable

IX. Affiliates

1. Corporate Group and Affiliates

A. Affiliates (Summary)

Fifteen companies, including LX Holdings Co., Ltd., LX International Co., Ltd., LX Semicon Co., Ltd., and LX Hausys Co., Ltd., were designated as a conglomerate subject to restrictions on cross-shareholding under the Monopoly Regulation and Fair Trade Act as of 1 May 2023.

As of the reporting date of the disclosure document, the corporate status of the fifteen companies, including LX Holdings Co., Ltd., can be found in XII. Detailed Table, 2: Status of Affiliates (Summary).

(As of 30 June 2023)

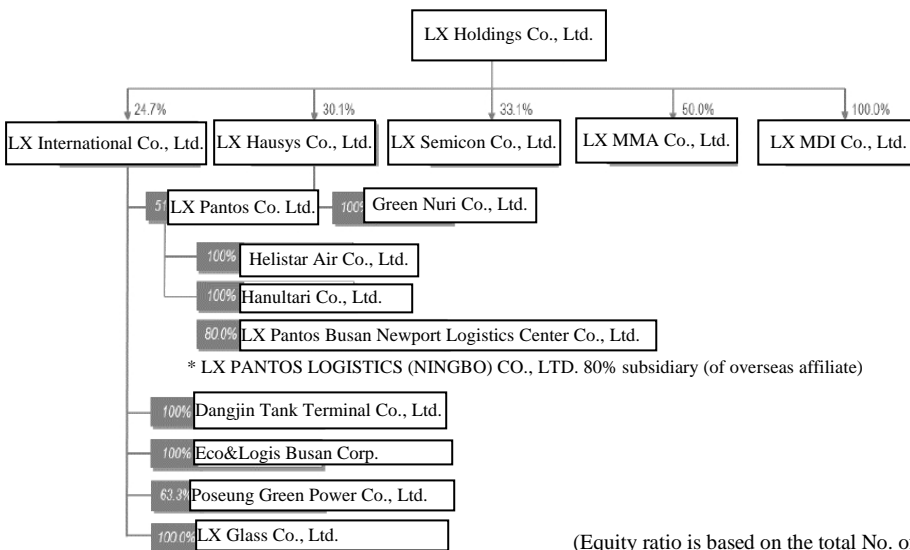
(Unit: Companies)

Name of corporate group	No. of affiliates		
	Listed	Unlisted	Total
LX	4	11	15

※ Refer to Detailed Table - 2. Status of Affiliates (Summary)

B. Diagram to Identify the Control, Dependence and Investment Among Subsidiaries

(As of 30 June 2023)



2. Affiliates Directly or Indirectly Influencing Management

Company name	Details
LX Holdings Co., Ltd.	Holding company

3. Concurrent Positions Between the Company and Affiliates

[As of 30 June 2023]

Name	Position	Status of additional positions		
		Concurrent company name	Position	Regular or not
Roh Jin-Seo	Other non-executive director	LX Holdings Co., Ltd.	Representative director	Regular
		LX Hausys Co., Ltd.	Other non-executive director	Non-regular
		LX MMA Co., Ltd.	Other non-executive director	Non-regular
		LX MDI Co., Ltd.	Other non-executive director	Non-regular
		LX Ventures Co., Ltd.	Other non-executive director	Non-regular
		LX Glass Co., Ltd.	Other non-executive director	Non-regular

*1) He is registered as a non-executive director of LX Ventures Co., Ltd. in July 2023.

4. Status of Investment in Other Companies (Summary)

(As of 30 June 2023)

(Unit: Million KRW)

Purpose of investment	No. of investment company			Total investment amount			
	Listed	Unlisted	Total	Book value as of 1 January	Increase(decrease)		Book value as of 31 December
					Acquisition (disposition)	Assessed profit or loss	
Management participation	1	5	6	41,547	2,887	-	44,434
General investment	-	-	-	-	-	-	-
Simple investment	-	1	1	-	-	-	-
Total	1	6	7	41,547	2,887	-	44,434

※ Refer to Detailed Table - 3. Status of Investment in Other Corporations (Details)

X. Transactions with Large Shareholders

A. Credit granting to Large Shareholders

The Company has no relevant matters as of the reporting date.

B. Transfer or Succession of Assets to or from Large Shareholders

The Company has no relevant matters as of the reporting date.

C. Operational Transactions with Large Shareholders

The Company has no relevant matters as of the reporting date.

D. Transactions with Stakeholders Other Than Major Shareholders

For details, refer to III. Finances - 5. Notes on Financial Statements - 27. Related parties.

XI. Other Matters Necessary for the Protection of Investors

1. Progress and Changes of Disclosure

The Company has no relevant matters as of the reporting date.

2. Contingent Liabilities

A. Important Litigations

As of the reporting date, the Company believes that there are no lawsuits that have the potential to have a significant impact on the company's operations in which the company or its subsidiaries become a party to litigation or lawsuits are filed against the assets of the Company or its subsidiaries.

B. Promissory Note, Notes and Checks as Collateral

(As of 30 June 2023)

(Unit: Sheets, Million KRW)

Submitted to	Sheets	Amount	Remarks
Sheets	-	-	-
Financial institution (Except for banks)	-	-	-
Corporate	-	-	-
Others (individual)	-	-	-

C. Status of Debt Guarantee

The Company has no relevant matters as of the reporting date.

D. Other Contingent Liabilities, etc.

The Company has no relevant matters as of the reporting date.

3. Sanctions, etc.

A. Status of Sanctions

During the reporting period, neither the Company nor any of its employees have been criminally prosecuted or subjected to administrative actions for violating domestic or international financial and tax-related laws, including the Commercial Act, the Financial Investment Services and Capital Markets Act (Capital Market Act), the Act on External Audit of Stock Companies (External Audit Act), and the Monopoly Regulation and Fair Trade Act (Fair Trade Act).

B. Sanctions from the Korea Exchange, etc.

As of the reporting date, there have been no sanctions from the Korea Exchange or the Korea Financial Investment Association.

C. Occurrence and Return of Profits from Short-Term Trading

The Company has no relevant matters as of the reporting date.

4. Post-Reporting Date Events and Other Matters

A. Major Events after the Reporting Date

The Company has no relevant matters as of the reporting date.

B. Post-Merger Information, etc.

The Company has no relevant matters as of the reporting date.

XII. Detailed Tables

1. Consolidated Subsidiaries (Details)

(Unit: Million KRW)

Business name	Established on	Address	Main businesses	Total asset as of 31 December	Basis of controlling relationship	Status as a major subsidiary
LX Semicon U.S.A., Inc	15.10. 2012	2952 BUNKER HILL LN #101 SANTA CLARA, CA 95054	Sales support, etc.	1,088	Control over the investee (Paragraph 5 to 18 of K-IFRS 1110 Consolidated Financial Statements)	N/A
LX Semicon China Co., Ltd.	03.03. 2017	Room 609 Zhongchen Building No.1 Lizezhong 2Road, Wangjing Chaoyangqu, Beijing, 100102, China	Sales support, etc.	7,181	Control over the investee (Paragraph 5 to 18 of K-IFRS 1110 Consolidated Financial Statements)	N/A
LX Semicon Japan Co., Ltd.	03.09. 2021	Otemachi First Square East Tower 11F, 1-5-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan	Sales support, etc.	2,847	Control over the investee (Paragraph 5 to 18 of K-IFRS 1110 Consolidated Financial Statements)	N/A

2. Status of Affiliates (Summary)

Fifteen companies, including LX Holdings Co., Ltd., LX International Co., Ltd., LX Semicon Co., Ltd., and LX Hausys Co., Ltd., were designated as a conglomerate subject to restrictions on cross-shareholding under the Monopoly Regulation and Fair Trade Act as of 1 May 2023.

A. Domestic Corporations

(As of 30 June 2023)

(Unit: Companies)

Listed or not	No. of Companies	Company name	Business Reg. No.
Listed	4	LX Holdings Co., Ltd.	110111-7875359
		LX International Co., Ltd.	110111-0004632
		LX Hausys Co., Ltd.	110111-4071207
		LX Semicon Co., Ltd.	160111-0089395
Unlisted	11	LX MMA Co., Ltd.	206211-0001805
		LX Pantos Co., Ltd.	110111-0208127
		LX Pantos Busan Newport Logistics Center Co., Ltd.	180111-0641133
		Helistar Air Co., Ltd.	120111-0528086
		Dangjin Tank Terminal Co., Ltd.	165011-0011709
		Eco&Logis Busan Corp.	180111-1424877
		Poseung Green Power Co., Ltd.	131311-0143077
		Greennuri Co., Ltd.	230111-0286144
		Hanultari Co., Ltd.	110111-6628337
LX MDI Co., Ltd.	110111-8490932		
LX Glass Co., Ltd.	110111-7324116		

B. Overseas Corporations

No.	Name of affiliate	Country
1	LX Hausys America,Inc.	USA
2	LX Hausys Europe GmbH	Germany
3	LX Hausys India Private Limited	India
4	LX Hausys RUS,LLC.	Russia
5	LX Hausys Trading Co., Ltd.	China
6	LX Hausys Tianjin Co., Ltd.	China
7	LX Hausys (Wuxi) Co., Ltd.	China
8	LX Hausys(Tianjin) Engineering Co., Ltd.	China
9	LX Hausys Canada, Inc.	Canada
10	LX PANTOS LOGISTICS (BEIJING) CO., LTD.	China
11	LX PANTOS SOLUTIONS INDIA PVT. LTD.	India
12	LX PANTOS EGYPT, S.A.E.	Egypt
13	LX PANTOS LOGISTICS (NINGBO) CO., LTD.	China
14	LX PANTOS LOGISTICS (SHANGHAI) CO., LTD.	China
15	LX PANTOS LOGISTICS (HONGKONG) CO., LTD.	China
16	LX PANTOS LOGISTICS TAIWAN CO., LTD.	Taiwan
17	PT. LX PANTOS INDONESIA	Indonesia
18	PT. LX PANTOS JAKARTA	Indonesia
19	LX PANTOS MALAYSIA SDN. BHD.	Malaysia
20	LX PANTOS INDIA PVT. LTD.	India
21	LX PANTOS (CAMBODIA) CO., LTD.	Cambodia
22	LX PANTOS AUSTRALIA PTY LTD.	Australia
23	LX PANTOS HOLDINGS (THAILAND) CO., LTD.	Taiwan
24	LX PANTOS U.K. LTD.	UK
25	LX PANTOS NETHERLANDS B.V.	Netherlands
26	LX PANTOS FRANCE S.A.R.L.	France
27	LX PANTOS POLAND SP. Z O. O.	Poland
28	LX PANTOS GERMANY GMBH	Germany
29	LX PANTOS SPAIN, SLU	Spain
30	LX PANTOS TURKEY LOJISTIK VE TICARET LTD. STL	Turkye
31	LX PANTOS MEXICO S.A. DE C.V.	Mexico
32	LX PANTOS LOGISTICA DO BRASIL LTDA.	Brazil
33	LX PANTOS COLOMBIA S.A.S	Columbia
34	LX PANTOS CHILE SPA	Chile
35	LX PANTOS PANAMA, S.A	Panama
36	LX PANTOS RUS LLC	Russia
37	Pantos Logistics Kazakhstan	Kazakhstan
38	Pantos Logistics UKRAINE LTD.	Ukraine
39	Pantos Logistics L.L.C. (DUBAI)	UAE

40	LX PANTOS ARABIA CO., LTD.	Saudi Arabia
41	LX PANTOS JAPAN INC.	Japan
42	LX PANTOS AMERICA, INC.	USA
43	LX PANTOS SOLUCOES LOGISTICAS DO BRASIL LTDA.	Brazil
44	LX PANTOS SWEDEN AB.	Sweden
45	LX PANTOS HUNGARY KFT.	Hungary
46	PT. Global Investment Institusi	Indonesia
47	Korea Carbon International Co., Ltd.	China
48	LX International Yakutsk	Russia
49	LX International(America) Inc.	USA
50	Bowen Investment(Australia) Pty Ltd	Australia
51	LX International (Shanghai) Corp.	China
52	LX International(Deutschland) GmbH.	Germany
53	LX International (HK) Ltd.	China
54	LX INTERNATIONAL JAPAN LTD.	Japan
55	LX_International(Singapore) Pte. Ltd.	Singapore
56	Philco Resources Ltd.	Malaysia
57	PT. Batubara Global Energy	Indonesia
58	PT. Green Global Lestari	Indonesia
59	PT.LX International Indonesia	Indonesia
60	Resources Investment (H.K) Limited	China
61	Steel Flower Electric Machinery (Tianjin) Co., Ltd.	China
62	Colmineral S.A. de C.V	Mexico
63	PT. Ganda Alam Makmur	Indonesia
64	LX International India Private Limited	India
65	Fertilizer Resources Investment Limited	China
66	PT. Binsar Natorang Energi	Indonesia
67	Haiphong Steel Flower Electrical & Machinery Company Limited	Vietnam
68	LX Semicon U.S.A., Inc	USA
69	LX Semicon China Co., Ltd.	China
70	LX Semicon Japan Co., Ltd.	Japan
71	PT. Tintin Boyok Sawit Makmur Dua	Indonesia
72	PT. Pantos Express Indonesia	Indonesia
73	LX PANTOS SINGAPORE PTE. LTD.	Singapore
74	LX PANTOS VIETNAM CO., LTD.	Vietnam
75	LX PANTOS PHILIPPINES, INC.	Philippines
76	PT. Parna Agromas	Indonesia
77	PT. Grand Utama Mandiri	Indonesia
78	PT. Tintin Boyok Sawit Makmur	Indonesia
79	PT. Green Global Utama	Indonesia
80	PT. Satu Gen Indonesia	Indonesia
81	PT. Energy Metal Indonesia	Indonesia

82	PT. Mega Global Energy	Indonesia
83	PT. Mega Prima Persada	Indonesia
84	KM Resources Inc.	Malaysia
85	LX PANTOS LOGISTICS (NINGBO) CO., LTD.	China
86	LX PANTOS LOGISTICS (SHENZHEN) CO., LTD.	China
87	LX PANTOS ARGENTINA S.A.	Argentina
88	LX PANTOS (THAILAND) CO., LTD.	Taiwan
89	LHC Solar. LLC	USA
90	LX PANTOS USA, INC.	USA
91	LPIC TN LLC	USA
92	PT. SLX Global Healthcare	Indonesia
93	Ordos Lezheng Trading Limited	China
94	BOXLINKS LLC	USA

3. Status of Investment in Other Corporations (Details)

(As of 30 June 2023)

(Unit: Million KRW, thousand shares,%)

Company name	Listed or not	Initial acquisition date	Purpose of investment	Initial acquisition amount	Balance as of 1 January			Increase(decrease)			Balance as of 31 December			Financial status for the most recent fiscal year	
					Qty.	Ratio	Book value	Acquisition (disposition)		Valuation Profit and loss	Qty.	Ratio	Book value	Total assets	Net Income
								Qty.	Amount						
LX Semicon U.S.A., Inc	Unlisted	15.10.2012	Management participation	555	2,000	100	137	-	-	-	2,000	100	137	1,088	192
LX Semicon China Co., Ltd.	Unlisted	03.03.2017	Management participation	674	-	100	2,179	-	-	-	-	100	2,179	7,181	1,033
Advanced Power Device Technology Co., Ltd.	Unlisted	12.03.2018	Management participation	4,410	176	49	4,410	-	-	-	176	49	4,410	9,402	390
LX Semicon Japan Co., Ltd.	Unlisted	03.09.2021	Management participation	317	60	100	1,215	-	-	-	60	100	1,215	2,847	-44
FJ Composite Materials Co., Ltd.	Unlisted	25.11.2021	Management participation	6,836	70	29.98	6,836	15	2,887	-	85	28.7	9,723	23,236	-124
Telechips Inc.	Listed	09.06.2022	Management participation	26,770	1,515	10.93	26,770	-	-	-	1,515	10.93	26,770	106,277	7,031
Daedeok Investment Co., Ltd.	Unlisted	20.05.2011	Simple investment	500	100	6.8	0	-	-	-	100	6.8	0	3,792	-6
Total					3,921	-	41,547	15	2,887	-	3,936	-	44,434	143,398	8,596

*1) LX Semicon U.S.A., Inc, LX Semicon China Co., Ltd. and LX Semicon Japan Co., Ltd. are December-settled corporations, and total assets and net income for the most recent fiscal year are as of 31 December 2023.

*2) Advanced Power Device Technology Co., Ltd. is a December-settlement corporation, and total assets and net profit or loss for the most recent fiscal year are as of 31 March 2023.

*3) FJ Composite Materials Co., LTD. is a May-settlement corporation, and total assets and net profit or loss as of 31 May 2023 are amounts prior to shareholder approval.

*4) Telechips Inc. is a corporation whose accounts are closed in December, so its total assets and net profit and loss for the most recent fiscal year are as of 30 December 2022.

*5) Daedeok Investment Co., Ltd. is a December-settlement corporation, and total assets and net profit or loss for the most recent fiscal year are as of 31 December 2023.

【Confirmation by Expert】

1. Confirmation by Expert

The Company has no relevant matters as of the reporting date.

2. Interests with Expert

The Company has no relevant matters as of the reporting date.