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# Quarterly Report

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

To: Financial Services Commission  
Korea Exchange

14 November 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 November 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.

## H. 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, 1229 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

#### (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 September 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 30 September 2023.

### Share Capital Overview

(As of 30 September 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	-

\*) The total number of shares that can be issued by the Company 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]

### ① Purpose and Necessity of the 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.

### ② Proposer of the Business Purpose Amendment

This amendment to the business purpose was proposed at the 4th Board of Directors meeting in 2021 (held on 11 May 2021).

### ③ Impact of the Amendment on the Company's Core Business, etc.

#### **Business Purpose 1: Design, manufacture, design services, sales, maintenance, and related ancillary services for semiconductors, semiconductor manufacturing equipment, and application components**

As a system semiconductor company focusing on the design, manufacture, and sales of core components driving display panels, the amendment reinforces the existing business purpose and prepares for potential new business ventures.

#### **Business Purpose 2: Design, manufacture, design services, sales, maintenance, and related ancillary services for materials, parts, modules, and accessories related to electronics, electricity, displays, and machinery**

The amendment addresses market trends transitioning from LCD to OLED and the broader shift in the display industry to proactively adapt to changes.

**Business Purpose 5: Real estate trading and leasing business**

The addition of real estate trading aims to proactively prepare for the expansion of the Company's core businesses.

**Business Purpose 6: All businesses and investments incidental to the above items**

The addition of investment purposes aims to proactively prepare for the expansion of the Company's core 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 91.52% of the total sales for the third quarter of 2023 (89.0% in the third quarter of 2022). Exports represented 99.37% of the Company's total sales during the third quarter of 2023 (99.2% in the third quarter 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 September 2023]

(Unit: Hundred Million KRW)

Business sector	Product	Product details	Key products	Q3 2023		2022		2021	
				Sales	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
Semi-conductor	System IC	Panel driver IC and others	Driver - IC	12,709	91.52	18,977	89.54	16,683	87.86
			Driver - IC, etc.	1,178	8.48	2,216	10.46	2,305	12.14
Total				13,887	100.00	21,193	100.00	18,988	100.00

### 3. Raw Materials and Infrastructure

#### A. Major Raw Materials

[As of 30 September 2023]

(Unit: Hundred Million KRW)

Raw material	Purchased amount	Major supplier
Wafer, etc.	8,385	TSMC, SK hynix system ic(Wuxi), LG Innotek Co., Ltd., etc.
Processing cost, etc.	2,244	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 September 2023]

(Unit: Hundred Million KRW)

Business sector	Sales type	Product	Q3 2023	2022	2021	
Semi-conductor	Products and others	System IC	Exports	13,799	20,901	18,816
			Domestic	88	292	172
Total			Total	13,887	21,193	18,988

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

#### (1) Sales and Mass Production Support Organizations

As of 30 September 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 quarter, 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 729.8 billion (KRW 997.0 billion in the third quarter of 2022) and KRW 408.2 billion (KRW 299.4 billion in the third quarter of 2022).

## C. Order Status

The display driver chips produced by the Company vary in type depending on the size and characteristics of the display panel. Due to the nature of major panel manufacturers' procurement policies, orders are typically placed on a rolling basis for required quantities approximately every 10 weeks, with additional orders being placed as needed.

## 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 September 2023 includes cash and cash equivalents, short-term financial instruments, trade receivables, and other receivables, totaling up to KRW 446.1 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 reviews securing additional credit lines from financial institutions 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 September 2023 and 31 December 2022 are as follows:

(Unit: Hundred Million KRW)

Category	30 September 2023		31 December 2022	
	USD	JPY	USD	JPY
Assets in foreign currency	1,224.8	0.7	1,598.2	-
Liabilities in foreign currency	1,246.9	0.8	783.8	8.2

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

(Unit: Hundred Million KRW)

Category	30 September 2023	31 December 2022
	(If 5% changed)	(If 5% changed)
USD	±1.1	±40.7
JPY	±0.9	±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 40.9% as of 30 September 2023.

## E. Transaction of Derivatives

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

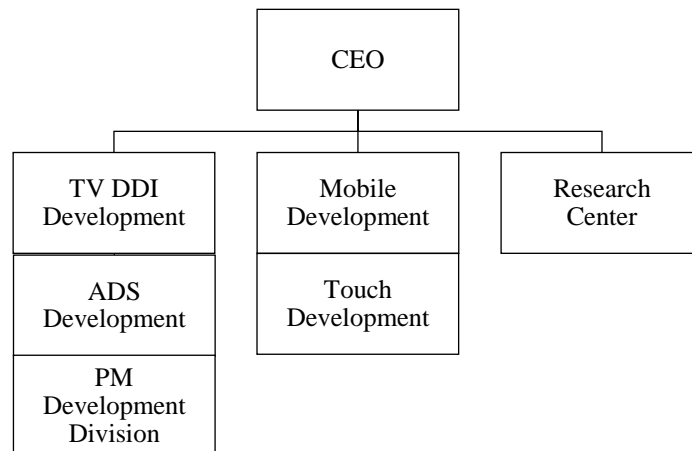
## 6. Major Contracts and Research

### 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		Q3 2023	2022	2021
Total R&D expenses		1,726	2,108	1,714
(Government subsidies)		-	-	(0.4)
Total R&D expenses after deducting government subsidies		1,726	2,108	1,714
Accounting	Selling and administrative expenses	1,726	2,108	1,714
	Manufacturing cost	-	-	-
	Development expenses (intangible assets)	-	-	-
R&D expenses/sales ratio [R&D expenses ÷ current sales × 100]		12.4%	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 September 2023, the Group holds 1,101 domestic patents and 1,537 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, DDI (Display Driver IC), 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 Display Driver IC market, which is one of the Company’s main products, sustained growth is anticipated after 2023 due to the creation of new demand driven by mid- to long-term changes in panel form factors.

**[DDI Market Size]**

(Unit: Billion USD)

Category	2021	2022	2023(E)	2024(E)	2025(E)	2026(E)	2027(E)
DDI	11.9	10.3	8.9	9.2	9.5	9.8	10.2

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	245.9	251.4	256.2	259.3	261.7
Monitor	173.9	159.3	144.7	146.3	151.2	151.6	153.9
Notebook	291.6	217.2	191.0	196.1	219.9	220.8	227.8
Tablet	279.5	256.4	252.6	259.4	264.3	268.2	275.6
Auto	187.8	193.1	200.0	209.5	218.2	227.6	234.0
<b>Large Panel Total</b>	<b>1,210.3</b>	<b>1,087.7</b>	<b>1,034.1</b>	<b>1,062.6</b>	<b>1,109.9</b>	<b>1,127.5</b>	<b>1,153.1</b>
Smartphone	1,721.6	1,382.9	1,327.5	1,401.9	1,440.4	1,477.3	1,512.7
Smartwatch	196.4	214.1	218.5	231.5	247.5	264.5	278.9
VR / AR	11.4	12.8	15.1	21.3	29.3	38.4	49.5
<b>Small Panel Total</b>	<b>1,929.5</b>	<b>1,609.8</b>	<b>1,561.1</b>	<b>1,654.8</b>	<b>1,717.2</b>	<b>1,780.1</b>	<b>1,841.1</b>

### 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 market for OLED TV display ICs is currently small due to LG Display and Samsung Display being the only companies mass-producing OLED TV panels. However, with Chinese panel manufacturers making aggressive facility investments backed by significant capital, continuous growth is expected in the future. Unlike LCD products, OLED TV display ICs require not only driving technology but also panel compensation technology, which is a critical factor. Companies with competitiveness in this area are expected to lead the market.

IT products are enhancing value by incorporating new features, such as higher resolution and touch panels, particularly among premium brands.

### 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 first quarter 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	Q3 2023	2022	2021
	30 September 2023	31 December 2022	31 December 2021
[Current assets]	1,033,453	1,009,649	1,031,063
• Quick assets	494,049	527,093	829,946
• Inventories	539,404	482,556	201,117
[Non-current assets]	279,016	279,969	141,468
• Tangible assets	109,899	122,180	57,942
• Intangible assets	72,661	63,799	50,216
• Other non-current assets	96,456	93,990	33,310
Total assets	1,312,469	1,289,618	1,172,531
[Current liabilities]	369,903	324,402	363,583
[Non-current liabilities]	11,296	14,856	8,616
Total liabilities	381,199	339,258	372,199
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Other capital items]	( 1,058 )	(782)	15
[Retained earnings]	847,853	866,667	715,842
[Non-controlling interest]	-	-	-
Total equities	931,270	950,360	800,332
	(01 January 2023 ~ 30 September 2023)	(01 January 2022 ~ 31 December 2022)	(01 January 2021 ~ 31 December 2021)
Sales	1,388,698	2,119,345	1,898,846
Operating profit	61,886	310,624	369,622
Net income	54,297	233,693	296,424
Owners of the Parent	54,297	233,693	296,424
Non-controlling interest	-	-	-
Net earnings per share (KRW)	3,338	14,368	18,225
Net diluted earnings per share (KRW)	3,338	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 first quarter 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	Q3 2023	2022	2021
	30 September 2023	31 December 2022	31 December 2021
[Current assets]	1,028,112	1,006,089	1,028,631
• Quick assets	488,708	523,533	827,514
• Inventories	539,404	482,556	201,117
[Non-current assets]	275,628	276,313	140,903
• Tangible assets	106,630	117,624	55,552
• Intangible assets	72,526	63,621	50,060
• Other non-current assets	96,472	95,068	35,291
Total assets	1,303,740	1,282,402	1,169,534
[Current liabilities]	370,367	324,485	363,973
[Non-current liabilities]	10,090	13,107	8,491
Total liabilities	380,457	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]	839,189	860,716	712,976
Total equities	923,283	944,810	797,070
Evaluation method for investment shares in subsidiaries, associates, joint ventures	Cost method	Cost method	Cost method
	(01 January 2023 ~ 30 September 2023)	(01 January 2022 ~ 31 December 2022)	(01 January 2021 ~ 31 December 2021)
Sales	1,388,698	2,119,345	1,898,846
Operating profit	60,149	309,046	368,630
Net income	51,584	230,608	294,898
Net earnings per share (KRW)	3,172	14,179	18,132
Net diluted earnings per share (KRW)	3,172	14,179	18,132

## 2. Consolidated Financial Statements

### Statement of Financial Position

As of 30 September 2023

As of 31 December 2022

(Unit: KRW)

	30 September 2023	31 December 2022
<b>Assets</b>		
Current assets	1,033,453,141,561	1,009,649,198,828
Cash and cash equivalents	182,207,200,836	188,365,134,297
Short-term financial instruments	80,527,450,151	130,501,257,585
Trade receivables	161,260,073,503	143,347,796,852
Other payables	8,912,783,756	30,339,286,252
Other current assets	61,142,074,026	34,539,288,607
Inventories	539,403,559,289	482,556,435,235
Non-current assets	279,015,846,949	279,969,343,305
Long-term other receivables	13,156,382,527	15,729,501,307
Investment in associates and joint ventures	43,674,009,634	39,730,521,788
Tangible assets	98,792,256,987	105,170,569,415
Licensed assets	11,106,442,472	17,009,677,694
Intangible assets	72,660,508,076	63,798,898,823
Other non-current assets	8,865,159,556	10,161,318,572
Defined benefit assets	11,197,110,645	18,301,443,497
Deferred tax assets	19,563,977,052	10,067,412,209
<b>Total assets</b>	<b>1,312,468,988,510</b>	<b>1,289,618,542,133</b>
<b>Liabilities</b>		
Current liabilities	369,902,708,005	324,401,670,974
Trade payables	224,336,013,605	196,211,140,403
Other payables	99,787,572,085	68,951,899,343
Other current liabilities	29,197,582,373	10,732,740,461
Lease liabilities	6,199,903,063	8,158,860,041
Current tax liabilities	10,381,636,879	40,347,030,726
Non-current liabilities	11,296,281,957	14,856,222,405
Other non-current payables	1,804,440,000	2,001,160,000
Other non-current liabilities	5,319,513,848	5,127,321,699

Lease liabilities	4,172,328,109	7,727,740,706
Total liabilities	381,198,989,962	339,257,893,379
Equity		
Equity attributable to owners of the Parent	931,269,998,548	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	(1,058,466,009)	(781,710,611)
Retained earnings	847,853,144,057	866,667,038,865
Non-controlling interest	0	0
Total equities	931,269,998,548	950,360,648,754
Total equities and liabilities	1,312,468,988,510	1,289,618,542,133

### Income Statement

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 2022

(Unit: KRW)

	Q3 2023		Q3 2022	
	3 Months	Cumulative	3 Months	Cumulative
Revenue (Sales)	412,765,017,097	1,388,697,843,466	478,638,916,678	1,662,882,878,307
COGS	283,659,312,529	1,011,575,550,863	320,113,580,148	1,093,540,466,197
Gross profit	129,105,704,568	377,122,292,603	158,525,336,530	569,342,412,110
Selling and administrative expenses	114,177,818,066	315,236,631,942	98,100,795,841	271,410,398,540
Operating profit (loss)	14,927,886,502	61,885,660,661	60,424,540,689	297,932,013,570
Finance income	2,707,600,261	10,449,140,522	4,024,793,159	9,048,337,951
Finance costs	6,067,325,822	16,198,624,099	3,655,095,892	7,577,098,210
Other non-operating income	8,407,801,072	28,042,710,840	13,591,247,680	30,353,282,744
Other non-operating expenses	5,335,816,707	19,222,566,159	20,817,309,145	36,826,742,909
Equity method gains and losses	1,967,047,295	1,686,639,866	(54,590,964)	105,956,639
Income before income taxes	16,607,192,601	66,642,961,631	53,513,585,527	293,035,749,785
Income tax expenses	2,688,133,599	12,345,763,490	12,437,410,899	71,666,388,468
Net income	13,919,059,002	54,297,198,141	41,076,174,628	221,369,361,317
Attribution of net income (loss)				
Equity attributable to owners of the Parent	13,919,059,002	54,297,198,141	41,076,174,628	221,369,361,317
Non-controlling interests	0	0	0	0
Earnings per share				
Basic earnings per share (Unit: KRW)	856	3,338	2,526	13,611
Diluted earnings per share (Unit: KRW)	856	3,338	2,526	13,611

## Comprehensive Income Statement

From 01 January to 2023 to 30 September 2023  
From 01 January to 2022 to 30 September 2022

(Unit: KRW)

	Q3 2023		Q3 2022	
	3 Months	Cumulative	3 Months	Cumulative
Net income (loss)	13,919,059,002	54,297,198,141	41,076,174,628	221,369,361,317
Other comprehensive income	524,860,495	(198,498,347)	4,282,110,143	10,625,517,145
Items not reclassified to profit or loss:	210,462,436	237,730,925	3,614,054,221	10,472,748,989
Remeasurements of defined benefit plans	50,988,562	78,257,051	3,614,054,221	10,472,748,989
Equity method capital changes	159,473,874	159,473,874	0	0
Items that may be reclassified to profit or loss:	314,398,059	(436,229,272)	668,055,922	152,768,156
Gain (loss) on overseas business translation	131,088,076	79,730,571	328,192,913	502,487,800
Equity method capital changes	183,309,983	(515,959,843)	339,863,009	(349,719,644)
Total comprehensive income	14,443,919,497	54,098,699,794	45,358,284,771	231,994,878,462
Attribution of total comprehensive income				
Equity attributable to owners of the Parent	14,443,919,497	54,098,699,794	45,358,284,771	231,994,878,462
Non-controlling interests	0	0	0	0

## Statement of Changes in Equity

From 01 January to 2023 to 30 September 2023  
From 01 January to 2022 to 30 September 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	221,369,361,317	221,369,361,317	0	221,369,361,317
	Defined benefit plans	0	0	0	10,472,748,989	10,472,748,989	0	10,472,748,989
	Gain (loss) on overseas business translation	0	0	502,487,800	0	502,487,800	0	502,487,800
	Equity method capital changes	0	0	(349,719,644)	0	(349,719,644)	0	(349,719,644)
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 September 2022	8,132,150,000	76,343,170,500	107,463,705	725,276,289,750	944,500,366,709	0	944,500,366,709	
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	54,297,198,141	54,297,198,141	0	54,297,198,141
	Defined benefit plans	0	0	0	78,257,051	78,257,051	0	78,257,051
	Gain (loss) on overseas business translation	0	0	79,730,571	0	79,730,571	0	79,730,571
	Equity method capital changes	0	0	(356,485,969)	0	(356,485,969)	0	(356,485,969)
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 September 2023	8,132,150,000	76,343,170,500	(1,058,466,009)	847,853,144,057	931,269,998,548	0	931,269,998,548	

## Statement of Cash Flows

From 01 January to 2023 to 30 September 2023  
From 01 January to 2022 to 30 September 2022

(Unit: KRW)

	Q3 2023	Q3 2022
Operating cash flows	41,367,208,777	66,815,423,311
Cash flows from operating activities	85,723,426,803	166,711,905,914
Net income	54,297,198,141	221,369,361,317
Adjustments	78,906,822,512	118,660,686,120
Change to equities/liabilities on sales operations	(47,480,593,850)	(173,318,141,523)
Interest received	7,804,528,901	7,161,025,787
Interest paid	(355,200,502)	(292,107,187)
Income taxes paid	(51,805,546,425)	(106,765,401,203)
Cash flows from investing activities	30,447,012,596	247,330,241,039
Receipt of dividends	196,950,000	0
Increase in short-term financial instruments	(50,018,426,080)	(130,000,000,000)
Decrease in short-term financial instruments	100,000,000,000	470,000,000,000
Increase in other receivables	(348,262,980)	(6,021,910,776)
Decrease in other receivables	2,100,701,861	2,331,475,735
Acquisition of tangible assets	(25,372,302,132)	(53,299,435,135)
Disposal of tangible assets	19,487,632,600	2,700,000
Acquisition of intangible assets	(12,712,230,673)	(10,312,538,785)
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	(79,674,808,656)	(92,450,877,146)
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Repayment of lease liabilities	(6,485,458,656)	(4,623,657,146)
Net increase in cash and cash equivalents	(7,860,587,283)	221,694,787,204
Beginning cash and cash equivalents	188,365,134,297	135,613,700,789
Effects of exchange rate changes on cash and cash equivalents	1,702,653,822	947,276,757
Ending Cash and cash equivalents	182,207,200,836	358,255,764,750

### 3. Notes to the Consolidated Financial Statements

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 2022

LX Semicon Co., Ltd. and its Subsidiaries

#### 1. The Company 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 September 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 September 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	100.00%	

The consolidated financial statements as of 30 September 2023 comprise the equity interests of the Parent and its subsidiaries (hereinafter referred to as the “Group”).

##### (2) Overview of Subsidiaries as of 30 September 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%	100%
LX Semicon China Co., Ltd.	China	Semiconductor manufacturing and designing	December	100%	100%
LX Semicon China Co., Ltd.	Japan	Semiconductor manufacturing and designing	December	100%	100%

(3) Summarized Financial Information of Subsidiaries

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

(Unit: KRW)						
Company name	30 September 2023			Q3 2023		
	Assets	Liabilities	Equity	Sales	Net Income	Total comprehensive income
LX Semicon U.S.A., Inc	1,317,825,182	112,692,921	1,205,132,261	2,821,841,440	211,162,672	275,251,494
LX Semicon China Co., Ltd.	7,544,888,242	1,207,910,386	6,336,977,856	12,055,154,800	870,087,533	951,636,656
LX Semicon China Co., Ltd.	2,958,451,006	1,752,573,690	1,205,877,316	3,586,961,802	219,173,773	153,266,399

(Unit: KRW)						
Company name	31 December 2022			Q3 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	2,222,681,742	111,038,103	271,441,589
LX Semicon China Co., Ltd.	7,181,245,127	1,795,903,927	5,385,341,200	9,398,467,797	749,904,324	1,105,912,320
LX Semicon China Co., Ltd.	2,846,949,810	1,794,338,893	1,052,610,917	1,330,917,800	(116,761,262)	(130,684,944)

## 2. Standards for Preparing Financial Statements and Significant Accounting Policies

### (1) Standards for Preparing Quarterly 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 the first quarter 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	Q3 2023	Q3 2022
Major customer A	729,758,594,454	996,954,076,067
Major customer B	408,176,690,529	299,443,852,289

#### 5. Financial Instruments

##### (1) Financial Instruments and their Fair Values by Category

The book values of financial instruments by category as of 30 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Book value	Fair value (*3)	Book value	Fair value (*3)
Financial assets:				
Items at FVTOCI				
Trade receivables	135,840,105,703	135,840,105,703	36,817,123,476	36,817,123,476
Items measured at amortized cost				
Cash and cash equivalents	182,207,200,836	182,207,200,836	188,365,134,297	188,365,134,297
Short-term financial instruments	80,527,450,151	80,527,450,151	130,501,257,585	130,501,257,585
Trade receivables	25,419,967,800	25,419,967,800	106,530,673,376	106,530,673,376
Other receivables (*1)	22,069,166,283	22,069,166,283	43,849,965,617	43,849,965,617
Sub-total	310,223,785,070		469,247,030,875	
Lease receivables	-	-	2,218,821,942	2,218,821,942
Total	446,063,890,773		508,282,976,293	
Financial liabilities:				
Items measured at amortized cost				
Trade payables	224,336,013,605	224,336,013,605	196,211,140,403	196,211,140,403
Other payables (*2)	64,400,367,439	64,400,367,439	44,672,049,559	44,672,049,559
Sub-total	288,736,381,044		240,883,189,962	
Lease liabilities	10,372,231,172	(*4)	15,886,600,747	(*4)
Total	299,108,612,216		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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	Interest income (interest expense)		Other income (*)	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Financial assets measured at FVTOCI	-	-	(9,067,389,292)	9,198,933,115
Financial assets measured at amortized cost	8,521,397,637	8,065,682,710	2,650,518,406	10,362,007,697
Lease receivables	18,612,222	52,207,575	-	-
Financial liabilities measured at amortized cost	-	-	(3,886,703,816)	(32,210,805,815)
Lease liabilities	(355,200,502)	(292,107,187)	-	-
Total	8,184,809,357	7,825,783,098	(10,303,574,702)	(12,649,865,003)

(\*) 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 September 2023.

## 6. Cash and Cash Equivalents

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

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Demand deposit	31,907,200,836	79,065,134,297
Term deposit, etc.(*)	150,300,000,000	109,300,000,000
Total	182,207,200,836	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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Term deposit	80,527,450,151	130,501,257,585

## 8. Trade and Other Receivables

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade receivables	161,260,073,503	-	143,347,796,852	-
Receivables	4,070,034,884	-	24,817,795,084	-
Accrued income	3,107,085,875	-	2,371,598,882	-
Loans	1,735,662,997	4,556,629,939	1,790,574,626	6,091,320,171
Deposits	-	8,599,752,588	-	8,778,676,854
Lease receivables	-	-	1,359,317,660	859,504,282
Total	170,172,857,259	13,156,382,527	173,687,083,104	15,729,501,307

## 9. Other Assets

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advanced payments	9,360,431,912	8,083,423,430	8,270,140,223	9,367,236,340
Prepaid expenses, etc.	51,781,642,114	781,736,126	26,269,148,384	794,082,232
Total	61,142,074,026	8,865,159,556	34,539,288,607	10,161,318,572

## 10. Inventories

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

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Products	140,946,479,003	184,831,476,664
Work in process	467,007,087,297	335,608,127,172
Inventory return allowance	144,875,102	165,108,909
Inventory valuation allowance	(68,716,050,163)	(38,095,660,661)
Products	21,168,050	47,383,151
Total	539,403,559,289	482,556,435,235

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Cost of goods sold		
Establishment (return) of inventory valuation allowance	30,620,389,502	1,949,282,935

## 11. Investment of Associates and joint ventures

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

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 September 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	4,576,889,396	49.00	4,403,026,225
FJ Composite Materials Co., LTD	Japan	Development, manufacturing, and sales of composite materials	May	28.70	9,855,700,001	29.98	7,296,459,614
Telechips(*)	Korea	Manufacture of electronic integrated circuit	December	10.93	29,241,420,237	10.93	28,031,035,949
Total						43,262,958,571	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 third quarter of 2023 and 2022 are as follows:

### ① Q3 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 September 2023
Advance Power Device Technologies Co. Ltd	4,403,026,225	-	-	173,863,171	-	4,576,889,396
FJ Composite Materials Co., LTD	7,296,459,614	2,887,050,000	(76,766,051)	296,358,497	(547,402,059)	9,855,700,001
Telechips Inc.	28,031,035,949	-	(196,950,000)	1,216,418,198	190,916,090	29,241,420,237
Total	39,730,521,788	2,887,050,000	(273,716,051)	1,686,639,866	(356,485,969)	43,674,009,634

### ② Q3 2022

(Unit: KRW)					
Company name	1 January 2022	Acquisition	Equity method gains and losses	Gain on valuation of investment stock by the equity method	30 September 2022
Advance Power Device Technologies Co. Ltd	4,229,627,079	-	124,119,838	-	4,353,746,917
FJ Composite Materials Co., LTD	7,438,503,112	-	(18,163,199)	(349,719,644)	7,070,620,269
Telechips Inc.	-	26,770,050,000	-	-	26,770,050,000
Total	11,668,130,191	26,770,050,000	105,956,639	(349,719,644)	38,194,417,186

## 12. Tangible Assets

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning book value	105,170,569,415	50,262,602,385
Acquisition	15,735,953,082	53,719,122,553
Disposal	(14,144,250,096)	(3,192)
Depreciation	(9,640,299,580)	(12,849,440,161)
Other adjustments	1,670,284,166	131,613,627
Ending book value	98,792,256,987	91,263,895,212

## 13. Intangible Assets

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning book value	63,798,898,823	50,215,624,104
Acquisition	14,849,113,390	10,637,048,797
Disposal	(102,849,472)	(1,557,247,551)
Depreciation	(5,887,553,834)	(5,201,402,242)
Other adjustments	2,899,169	13,012,481
Ending book value	72,660,508,076	54,107,035,589

#### 14. Lease

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning amount	17,009,677,694	7,679,130,585
Acquisition	1,252,022,795	16,694,798,081
Decrease (Termination of contract)	(216,698,393)	(136,407,492)
Depreciation	(6,880,919,957)	(4,997,398,665)
Other increase or decrease	(57,639,667)	73,446,794
Ending amount	11,106,442,472	19,313,569,303

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Depreciation on licensed assets	6,880,919,957	4,997,398,665
Interest expense on lease liabilities	355,200,502	292,107,187
Expenses related to short-term leases and small assets lease	1,193,326,195	1,397,002,406

(3) The Group's total cash outflows due to leases for the third quarter of 2023 and 2022 are KRW 8,034 million and KRW 6,313 million, respectively.

## 15. Trade and Other Payables

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Non-current	Non-current
Trade payables	224,336,013,605	-	196,211,140,403	-
Payables	59,613,603,131	-	59,103,275,904	-
Accrued expenses	40,173,968,954	-	9,848,623,439	-
Deposits	-	1,804,440,000	-	2,001,160,000
Total	324,123,585,690	1,804,440,000	265,163,039,746	2,001,160,000

## 16. Other Liabilities

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advances customers	11,595,882,113	-	5,395,555,618	-
Withholdings	2,497,816,722	-	4,199,152,896	-
Provisions	15,103,883,538	2,498,715,452	1,138,031,947	2,502,515,452
Long-term employee salary liabilities	-	2,820,798,396	-	2,624,806,247
Total	29,197,582,373	5,319,513,848	10,732,740,461	5,127,321,699

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

① Q3 2023

(Unit: KRW)				
Category	1 January 2023	Establishment (reversal)	Paid	30 September 2023
Provision for sales warrant	912,979,618	13,989,103,532	(16,625,290)	14,885,457,860
Provision for return	225,052,329	(6,626,651)	-	218,425,678
Provisions for restoration	2,502,515,452	-	(3,800,000)	2,498,715,452
Total	3,640,547,399	13,982,476,881	(20,425,290)	17,602,598,990

② Q3 2022

(Unit: KRW)				
Category	1 January 2022	Establishment (reversal)	Paid	30 September 2022
Provision for sales warrant	1,578,936,322	(246,620,991)	(273,102,582)	1,059,212,749
Provision for return	557,847,533	(270,467,709)	-	287,379,824
Provisions for restoration	1,031,415,452	1,471,100,000	-	2,502,515,452
Total	3,168,199,307	954,011,300	(273,102,582)	3,849,108,025

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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Gain (loss) on overseas business translation	289,990,016	210,259,445
Gain on valuation of investment stock by the equity method	(967,648,294)	(611,162,325)
Gains or losses on valuation of financial assets measured at FVTOCI	(380,807,731)	(380,807,731)
Total	(1,058,466,009)	(781,710,611)

## 19. Retained Earnings

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

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	843,787,069,057	862,600,963,865
Total	847,853,144,057	866,667,038,865

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning amount	862,600,963,865	711,776,009,032
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Net income	54,297,198,141	221,369,361,317
Remeasurements of defined benefit plans	78,257,051	10,472,748,989
Ending amount	843,787,069,057	855,790,899,338

## 20. Earnings Per Share

### (1) Basic Earnings Per Share

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

(Unit: KRW, Shares)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Earnings per ordinary share	13,919,059,002	54,297,198,141	41,076,174,628	221,369,361,317
Weighted average No. of common shares outstanding	16,264,300	16,264,300	16,264,300	16,264,300
Basic earnings per share	856	3,338	2,526	13,611

② Calculation of weighted average No. of common shares outstanding for Q3 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	92 days/ 92 days	273 days/273 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for Q3 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	92 days/ 92 days	273 days/273 days	16,264,300 shares

### (2) Diluted Earnings Per Share

The Group had no dilutive securities for the third quarter 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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Interest income	2,573,110,899	8,540,009,859	3,112,566,007	8,117,892,415
Gain from foreign exchange rate (financial)	(429)	39,438	2	196
Gain on foreign exchange (financial)	134,489,791	1,909,091,225	912,227,150	930,445,340
Total	2,707,600,261	10,449,140,522	4,024,793,159	9,048,337,951

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Interest expenses	104,390,296	355,200,502	134,575,061	292,107,187
Loss from foreign exchange rate (financial)	-	-	76	8,090
Loss on foreign exchange (financial)	(1,175,514)	(11,801,477)	142,729,467	158,082,192
Loss on disposal of trade receivables	5,964,111,040	15,855,225,074	3,377,791,288	7,126,900,741
Total	6,067,325,822	16,198,624,099	3,655,095,892	7,577,098,210

## 22. Other Non-Operating Income and Expenses

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Profit on foreign exchange (non-financial)	5,389,666,026	21,089,516,831	14,003,331,693	27,296,073,477
Profit on foreign currency conversion (non-financial)	260,315,511	1,580,214,985	(446,313,099)	2,992,140,158
Gain on disposal of tangible assets	2,756,629,022	5,348,916,055	535,234	4,037,707
Miscellaneous profits	1,190,513	24,062,969	33,693,852	61,031,402
Total	8,407,801,072	28,042,710,840	13,591,247,680	30,353,282,744

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Loss on foreign exchange (non-financial)	4,980,334,261	17,380,632,991	14,237,423,611	26,953,518,701
Loss on foreign currency conversion (non-financial)	233,162,136	1,658,380,593	6,520,220,473	9,630,014,450
Loss on disposal of tangible assets	-	1,384	2	192
Loss on disposal of intangible assets	65,196,888	102,849,472	59,576,653	157,247,551
Donations	53,049,200	54,764,100	-	73,179,570
Miscellaneous losses	4,074,222	25,937,619	88,406	12,782,445
Total	5,335,816,707	19,222,566,159	20,817,309,145	36,826,742,909

### 23. Operating Profit

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Sales	412,765,017,097	1,388,697,843,466	478,638,916,678	1,662,882,878,307
Products	412,128,479,875	1,385,905,686,273	471,878,935,845	1,652,745,504,271
Others	636,537,222	2,792,157,193	6,759,980,833	10,137,374,036
COGS	283,659,312,529	1,011,575,550,863	320,113,580,148	1,093,540,466,197
Cost of goods sold	282,748,169,576	1,009,104,427,081	316,468,513,217	1,087,809,343,129
Others	911,142,953	2,471,123,782	3,645,066,931	5,731,123,068
Selling and administrative expenses	114,177,818,066	315,236,631,942	98,100,795,841	271,410,398,540
Salary and bonuses	20,416,938,208	60,573,361,161	18,624,107,426	52,387,999,523
Retirement benefits	1,063,725,653	3,206,576,572	954,421,010	2,895,062,586
Employee benefits	4,597,085,252	12,890,723,377	4,441,700,953	11,811,384,278
Travel	841,093,191	2,444,085,586	625,188,250	1,422,729,436
Paid rent	728,492,257	2,206,576,102	712,066,858	2,167,055,063
Service fees	8,729,880,707	25,442,764,371	10,503,066,857	25,322,559,482
Depreciation	3,250,785,338	10,326,795,221	3,348,718,332	8,298,556,570
Amortization of intangible assets	865,864,782	2,614,341,206	675,507,479	1,937,450,294
Establishment (reversal) of provision for sales guarantee	13,092,306,600	13,989,103,532	(552,598,334)	(246,620,991)
Ordinary R&D expenses	57,531,688,335	172,622,408,287	55,610,041,266	155,607,796,620
Others	3,059,957,743	8,919,896,527	3,158,575,744	9,806,425,679
Operating profit	14,927,886,502	61,885,660,661	60,424,540,689	297,932,013,570

## 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Present value of defined benefit obligation	73,424,888,829	68,723,266,014
Fair value of plan assets	(84,621,999,474)	(87,024,709,511)
Defined benefit obligations (assets)	(11,197,110,645)	(18,301,443,497)

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning defined benefit obligation	68,723,266,014	66,233,664,676
Current service cost	7,799,757,441	6,874,713,885
Interest cost	2,602,450,344	1,358,473,911
Remeasurement (before tax):		
Financial assumption	-	(14,135,591,976)
Transfers between associates	127,639,280	971,073,388
Retirement benefit payment	(5,828,224,250)	(3,508,172,070)
Ending defined benefit obligation	73,424,888,829	57,794,161,814

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning balance of plan assets	87,024,709,511	65,613,017,567
Interest income	3,326,977,638	1,259,373,744
Plan assets remeasurement (before tax)	101,764,696	(319,300,434)
Payment of severance payment form plan assets	(5,734,361,128)	(3,507,791,440)
Others	(97,091,243)	50,072,754
Ending balance of plan assets	84,621,999,474	63,095,372,191

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Current service cost	7,799,757,441	6,874,713,885
Net interest cost	(724,527,294)	99,100,167
Others	97,091,243	(50,072,754)
Total	7,172,321,390	6,923,741,298

## 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 quarter of 2023 and 2022 were 18.5% and 24.4%, respectively.

## 26. Statement of Cash Flow

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Income tax expenses	12,345,763,490	71,666,388,468
Depreciation	16,521,219,537	17,846,838,827
Establishment (reversal) of inventory valuation allowance	30,620,389,502	1,949,282,935
Reversal (establishment) for returned product recovery rights	20,233,807	180,768,975
Loss on disposal of inventories	9,048,934,524	10,523,306,413
Establishment (reversal) of provisions for returns	(6,626,651)	(270,467,709)
Gain on disposal of tangible assets	(5,348,916,055)	(4,037,707)
Loss on disposal of tangible assets	1,384	192
Loss on disposal of intangible assets	102,849,472	157,247,551
Amortization of intangible assets	5,887,553,834	5,201,402,242
Retirement benefits	7,172,321,390	6,923,741,298
Gain on foreign currency translation	(3,489,306,210)	(3,922,585,498)
Loss on foreign currency translation	1,646,579,116	9,788,096,642
Interest income	(8,540,009,859)	(8,117,890,285)
Interest expenses	355,200,502	292,107,187
Establishment (reversal) of provision for sales guarantee	13,989,103,532	(246,620,991)
Long-term employee benefits	263,392,149	(327,836,522)
Equity method gains and losses	(1,686,639,866)	(105,956,639)
Loss on disposal of trade receivables	-	7,126,900,741
Others	4,778,914	-
Total	78,906,822,512	118,660,686,120

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Trade receivables	(16,524,423,859)	5,938,156,217
Other payables	(3,184,100,419)	(18,614,927,500)
Other current assets	(1,054,424,810)	(31,821,382,258)
Inventories	(96,536,681,887)	(259,860,030,458)
Trade payables	26,989,874,053	77,578,989,228
Other current liabilities	4,495,489,401	3,668,081,887
Other payables	37,804,609,735	45,907,686,178
Non-current other payables	-	2,001,160,000
Long-term employee salary liabilities	(67,400,000)	(80,700,000)
Net defined benefit obligations	33,776,158	970,692,758
Lease receivables	562,687,778	994,132,425
Total	(47,480,593,850)	(173,318,141,523)

(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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Transfer for construction in progress	12,002,051,755	34,026,786,263
Transfer for intangible assets in progress	5,778,068,192	2,061,013,791
Increase in right-of-use assets due to restoration obligations	-	1,471,100,000
Increase (decrease) in payables relating to acquisition of tangible assets	(9,636,349,050)	419,687,418
Increase (decrease) in payables relating to acquisition of intangible assets	2,136,882,717	324,510,012
Recognition of lease liabilities and licensed assets under the lease agreement	1,252,022,795	15,223,698,081
Reclassification of lease liabilities to current liabilities	2,354,429,275	9,618,655,058
Reclassification of lease receivables to current receivables	570,314,176	1,016,631,043
Reclassification of loans to current loans	1,106,705,107	1,142,223,136

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

① Q3 2023

(Unit: KRW)				
Category	1 January 2023	Cash flow from financial activities	Non-cash transaction	30 September 2023
Dividends payable	-	(73,189,350,000)	73,189,350,000	-
Lease liabilities	15,886,600,747	(6,485,458,656)	971,089,081	10,372,231,172

② Q3 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	(4,623,657,146)	15,161,134,086	18,042,132,736

27. Restricted Financial Instruments

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

(Unit: KRW)			
Items	Category	30 September 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 September 2023 and 31 December 2022 are as follows:

Type of special relationship	30 September 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 (*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	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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)						
Special relationship	Name	Details	Q3 2023		Q3 2022	
			3 months	Cumulative	3 months	Cumulative
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Sales expenses	-	56,733,504	40,285,227	104,732,997
		Dividend income	76,766,051	76,766,051	-	-
	Telechips Inc.	Dividend income	-	196,950,000	-	-
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	Sales expenses	832,097,000	2,776,857,000	11,173,000	11,173,000
Other large corporate group affiliates(*)	LX Hausys Co., Ltd.	Sales expenses	19,300,000	208,500,000	-	1,379,533,243
		Acquisition of tangible and intangible assets	-	-	-	1,170,054,257
	LX Pantos Co., Ltd.	Sales expenses	1,091,282,721	3,590,114,520	-	2,648,362,055
	LX MDI Co., Ltd.	Sales expenses	289,276,800	1,253,465,480	-	-
	LX International Co., Ltd.	Sales expenses	30,978,300	30,978,300	-	-
	LX INTERNATIONAL JAPAN LTD.	Sales expenses	3,197,690	41,860,629	-	4,647,333
	LG CNS Co., Ltd.	Sales expenses	-	-	-	2,982,071,802
		Acquisition of tangible and intangible assets	-	-	-	1,328,911,400
	D&O Co., Ltd.	Sales expenses	-	-	-	1,530,391,236
		Acquisition of tangible and intangible assets	-	-	-	413,700,000
	S&I Corp.	Sales expenses	-	-	-	721,786,300
	LG Management Development Institute	Sales expenses	-	-	-	468,762,000
	LG Display (China) Co., Ltd.	Sales	-	-	-	11,845,896,102
	LG Display (Guangzhou) Co., Ltd.	Sales	-	-	-	277,535,172,867
	LG Display Vietnam Haiphong Co. Ltd.	Sales	-	-	-	129,005,911,232

LG Display Yantai	Sales	-	-	-	21,360,454,279
LG Display High-Tech (China) Co., Ltd.	Sales	-	-	-	18,556,438
LG Display (Nanjing) Co., Ltd.	Sales	-	-	-	41,702,811,192
LG Display Co., Ltd.	Sales	-	-	-	241,683,107,009
LG Electronics Indonesia	Sales	-	-	-	1,063,817,806
LG Electronics USA Inc.	Sales	-	-	-	2,110,470,138
LG. Electronics Co., Ltd.	Sales	-	-	-	6,509,289,131
	Sales expenses	-	-	-	3,324,593,936
	Acquisition of tangible and intangible assets	-	-	-	95,350,000
LG Innotek Co., Ltd.	Sales	-	-	-	700,000,000
	Sales expenses	-	-	-	24,494,558,720
LG U Plus Co., Ltd.	Sales expenses	-	-	-	108,397,044
Biztech Partners Co., Ltd.	Sales expenses	-	-	-	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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)					
Category	Name	30 September 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.	72,854,265	-	-	26,178,448
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	401,943,000	-	-	-
Other corporations belonging to the large conglomerate group	LX Hausys Co., Ltd.	-	15,950,000	-	942,232,840
	LX Pantos Co., Ltd.	-	1,091,680,324	-	-
	LX MDI Co., Ltd.	-	53,261,200	-	-
	LX International Co., Ltd.	-	34,393,260	-	-
	LX INTERNATIONAL JAPAN LTD.	-	3,057,173	-	-

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

(Unit: KRW)					
Category	Name	Q3 2023		Q3 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	-
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	2,887,050,000	-	-
	Telechips Inc.	-	-	-	19,260,300,000
Total		24,212,358,000	2,887,050,000	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	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Short-term salaries	3,183,527,037	9,655,893,567	1,822,494,040	7,650,050,778
Retirement benefits	372,264,715	1,152,699,744	358,034,072	1,035,100,480
Total	3,555,791,752	10,808,593,311	2,180,528,112	8,685,151,258

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 September 2023 and 31 December 2022.

## 29. Commitments and Contingencies

(1) The Group is receiving payment and payment guarantee of 557 Million KRW from Seoul Guarantee Insurance as of 30 September 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 September 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	Suhyp 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 September 2023 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Factoring	Korea Eximbank	-	380,000,000
Factoring	BNP Paribas	-	830,000,000
Factoring	MUFG Bank	100,000,000,000	220,000,000
Factoring	ING Bank	-	95,000,000

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

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

## 4. Financial Statements

### Statement of Financial Position

As of 30 September 2023

As of 31 December 2022

(Unit: KRW)

	30 September 2023	31 December 2022
<b>Assets</b>		
Current assets	1,028,111,402,772	1,006,088,865,246
Cash and cash equivalents	179,036,455,632	186,352,407,000
Short-term financial instruments	80,000,000,000	130,000,000,000
Trade receivables	161,260,073,503	143,347,796,852
Other payables	8,910,440,057	30,218,862,758
Other current assets	59,500,874,291	33,613,363,401
Inventories	539,403,559,289	482,556,435,235
Non-current assets	275,628,378,469	276,313,175,716
Long-term other receivables	12,432,993,188	15,013,066,616
Investments in subsidiaries	3,532,122,045	3,532,122,045
Investment in associates and joint ventures	40,902,873,000	38,015,823,000
Tangible assets	97,474,649,783	103,418,994,751
Licensed assets	9,155,437,779	14,204,693,929
Intangible assets	72,525,586,247	63,621,254,908
Other non-current assets	8,865,159,556	10,161,318,572
Net defined benefit assets	11,197,110,645	18,301,443,497
Deferred tax assets	19,542,446,226	10,044,458,398
<b>Total assets</b>	<b>1,303,739,781,241</b>	<b>1,282,402,040,962</b>
<b>Liabilities</b>		
Current liabilities	370,367,190,660	324,485,362,868
Trade payables	224,336,013,605	196,211,140,403
Other payables	101,196,016,491	70,217,680,214
Other current liabilities	29,188,857,887	10,742,259,927
Lease liabilities	5,370,453,543	7,057,098,646
Current tax liabilities	10,275,849,134	40,257,183,678
Non-current liabilities	10,089,594,055	13,106,438,967
Other non-current payables	1,804,440,000	2,001,160,000
Other non-current liabilities	5,319,513,848	5,127,321,699
Lease liabilities	2,965,640,207	5,977,957,268
<b>Total liabilities</b>	<b>380,456,784,715</b>	<b>337,591,801,835</b>
<b>Equity</b>		
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	839,188,483,757	860,715,726,358
<b>Total equities</b>	<b>923,282,996,526</b>	<b>944,810,239,127</b>
<b>Total equities and liabilities</b>	<b>1,303,739,781,241</b>	<b>1,282,402,040,962</b>

## Income Statement

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 2022

(Unit: KRW)

	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Sales	412,765,017,097	1,388,697,843,466	478,638,916,678	1,662,882,878,307
COGS	283,659,312,529	1,011,575,550,863	320,113,580,148	1,093,540,466,197
Gross profit	129,105,704,568	377,122,292,603	158,525,336,530	569,342,412,110
Selling and administrative expenses	114,787,573,462	316,973,775,405	98,580,997,515	272,425,667,438
Operating profit	14,318,131,106	60,148,517,198	59,944,339,015	296,916,744,672
Finance income	2,780,843,404	10,665,764,046	3,991,451,432	8,993,504,090
Finance costs	6,045,292,693	16,130,206,181	3,643,871,145	7,560,183,359
Other non-operating income	8,406,992,149	28,019,717,646	13,588,884,776	30,325,442,442
Other non-operating expenses	5,335,726,964	19,212,269,216	20,817,222,203	36,826,040,752
Income before income taxes	14,124,947,002	63,491,523,493	53,063,581,875	291,849,467,093
Income tax expenses	2,570,764,083	11,907,673,145	12,326,439,179	71,330,243,580
Net income	11,554,182,919	51,583,850,348	40,737,142,696	220,519,223,513
Earnings per share				
Basic earnings per share (Unit: KRW)	710	3,172	2,505	13,558
Diluted earnings per share (Unit: KRW)	710	3,172	2,505	13,558

## Comprehensive Income Statement

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 2022

(Unit: KRW)

	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Net income (loss)	11,554,182,919	51,583,850,348	40,737,142,696	220,519,223,513
Other comprehensive income	50,988,562	78,257,051	3,614,054,221	10,472,748,989
Items not reclassified to profit or loss:	50,988,562	78,257,051	3,614,054,221	10,472,748,989
Remeasurements of defined benefit plans	50,988,562	78,257,051	3,614,054,221	10,472,748,989
Total comprehensive income	11,605,171,481	51,662,107,399	44,351,196,917	230,991,972,502

## Statement of Changes in Equity

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 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	97,015,425,701	97,015,425,701
	Remeasurement elements of defined benefit plans	0	0	0	0	0
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(87,827,220,000)	(87,827,220,000)
30 September 2022		8,132,150,000	76,343,170,500	(380,807,731)	856,140,425,470	940,234,938,239
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	51,583,850,348	51,583,850,348
	Remeasurement elements of defined benefit plans	0	0	0	78,257,051	78,257,051
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(73,189,350,000)	(73,189,350,000)
30 September 2023		8,132,150,000	76,343,170,500	(380,807,731)	839,188,483,757	923,282,996,526

## Statement of Cash Flows

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 2022

(Unit: KRW)

	Q3 2023	Q3 2022
Operating cash flows	38,974,486,006	65,779,247,584
Cash flows from operating activities	82,910,373,713	165,331,247,442
Net income	51,583,850,348	220,519,223,513
Adjustments	78,341,823,194	117,341,512,073
Change to equities/liabilities on sales operations	(47,015,299,829)	(172,529,488,144)
Interest received	7,752,644,115	7,152,758,289
Interest paid	(274,981,107)	(267,327,811)
Income taxes paid	(51,413,550,715)	(106,437,430,336)
Cash flows from investing activities	30,614,468,939	247,426,280,650
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	470,000,000,000
Increase in other receivables	(330,000,000)	(5,510,904,739)
Decrease in other receivables	2,100,701,861	2,331,475,735
Acquisition of tangible assets	(25,245,767,521)	(52,909,261,993)
Disposal of tangible assets	19,487,632,600	2,700,000

Acquisition of intangible assets	(12,707,998,001)	(10,219,304,353)
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	(78,810,481,845)	(91,976,084,074)
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Repayment of lease liabilities	(5,621,131,845)	(4,148,864,074)
Net increase in cash and cash equivalents	(9,221,526,900)	221,229,444,160
Beginning cash and cash equivalents	186,352,407,000	133,729,223,245
Effects of exchange rate changes on cash and cash equivalents	1,905,575,532	715,853,551
Ending Cash and cash equivalents	179,036,455,632	355,674,520,956

## 5. Notes on Financial Statements

From 01 January to 2023 to 30 September 2023

From 01 January to 2022 to 30 September 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 September 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 Quarterly 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 Q3 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 book values of financial instruments by category as of 30 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Book value	Fair value(*3)	Book value	Fair value(*3)
Financial assets:				
Items at FVTOCI				
Trade receivables	135,840,105,703	135,840,105,703	36,817,123,476	36,817,123,476
Items measured at amortized cost				
Cash and cash equivalents	179,036,455,632	179,036,455,632	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	25,419,967,800	25,419,967,800	106,530,673,376	106,530,673,376
Other receivables(*1)	21,343,433,245	21,343,433,245	43,013,107,432	43,013,107,432
Sub-total	305,799,856,677		465,896,187,808	
Lease receivables	-	-	2,218,821,942	2,218,821,942
Total	441,639,962,380		504,932,133,226	
Items measured at amortized cost				
Trade payables	224,336,013,605	224,336,013,605	196,211,140,403	196,211,140,403
Other payables(*2)	66,170,337,016	66,170,337,016	46,324,196,774	46,324,196,774
Sub-total	290,506,350,621		242,535,337,177	
Lease liabilities	8,336,093,750	(*4)	13,035,055,914	(*4)
Total	298,842,444,371		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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	Interest income (interest expense)		Other income (*)	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Financial assets measured at FVTOCI	-	-	(9,067,389,292)	9,198,933,115
Financial assets measured at amortized cost	8,467,860,241	8,059,488,157	2,635,565,084	10,305,505,994
Lease receivables	18,612,222	52,207,575	-	-
Financial liabilities measured at amortized cost	-	-	(3,886,703,816)	(32,210,805,815)
Lease liabilities	(274,981,107)	(267,327,811)	-	-
Total	8,211,491,356	7,844,367,921	(10,318,528,024)	(12,706,366,706)

(\*) 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 September 2023.

## 5. Cash and Cash Equivalents

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

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Demand deposit	28,736,455,632	77,052,407,000
Term deposit, etc.(*)	150,300,000,000	109,300,000,000
Total	179,036,455,632	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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade receivables	161,260,073,503	-	143,347,796,852	-
Receivables	4,070,034,884	-	24,698,056,644	-
Accrued income	3,104,742,176	-	2,370,913,828	-
Loans	1,735,662,997	4,556,629,939	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	170,170,513,560	12,432,993,188	173,566,659,610	15,013,066,616

## 8. Other Assets

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advanced payments	9,331,133,351	8,083,423,430	8,234,130,310	9,367,236,340
Prepaid expenses, etc.	50,169,740,940	781,736,126	25,379,233,091	794,082,232
Total	59,500,874,291	8,865,159,556	33,613,363,401	10,161,318,572

## 9. Inventories

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

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Products	140,946,479,003	184,831,476,664
Work in process	467,007,087,297	335,608,127,172
Provisions for returns	144,875,102	165,108,909
Inventory valuation allowance	(68,716,050,163)	(38,095,660,661)
Products	21,168,050	47,383,151
Total	539,403,559,289	482,556,435,235

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Cost of goods sold		
Establishment (reversal) of inventory valuation allowance	30,620,389,502	1,949,282,935

## 10. Investments in Subsidiaries, Associates and Joint ventures

(1) The investment in associates and joint ventures as of 30 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 September 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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	Q3 2023	Q3 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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning book value	103,418,994,751	48,275,114,268
Acquisition cost during the period	15,609,418,471	53,328,949,411
Disposal cost during the period	(14,144,250,096)	(3,000)
Depreciation	(9,065,647,507)	(12,288,283,125)
Other adjustments	1,656,134,164	-
Ending book value	97,474,649,783	89,315,777,554

## 12. Intangible Assets

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning book value	63,621,254,908	50,060,179,549
Acquisition cost during the period	14,844,880,718	10,543,814,365
Disposal cost during the period	(102,849,472)	(1,557,247,551)
Depreciation	(5,837,699,907)	(5,153,047,078)
Ending book value	72,525,586,247	53,893,699,285

### 13. Lease

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning net amount	14,204,693,929	7,276,251,793
Acquisition	1,077,147,224	13,366,014,370
Disposal	(150,322,020)	(73,030,638)
Depreciation	(5,976,081,354)	(4,479,463,122)
Ending net amount	9,155,437,779	16,089,772,403

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Depreciation on licensed assets	5,976,081,354	4,479,463,122
Interest expense on lease liabilities	274,981,107	267,327,811
Expenses related to short-term leases and small assets lease	156,450,357	405,024,468

(3) The Group's total cash outflows due to leases for the third quarter of 2023 and 2022 are 6,053 million KRW and 4,821 million KRW, respectively.

#### 14. Trade and Other Payables

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Trade payables	224,336,013,605	-	196,211,140,403	-
Payables	61,383,572,708	-	60,755,423,119	-
Accrued expenses	39,812,443,783	-	9,462,257,095	-
Deposits	-	1,804,440,000	-	2,001,160,000
Total	325,532,030,096	1,804,440,000	266,428,820,617	2,001,160,000

#### 15. Other Liabilities

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

(Unit: KRW)				
Category	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Advances customers	11,595,881,192	-	5,395,555,618	-
Withholdings	2,489,093,157	-	4,208,672,362	-
Provisions	15,103,883,538	2,498,715,452	1,138,031,947	2,502,515,452
Long-term employee salary liabilities	-	2,820,798,396	-	2,624,806,247
Total	29,188,857,887	5,319,513,848	10,742,259,927	5,127,321,699

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

① Q3 2023

(Unit: KRW)				
Category	1 January 2023	Establishment (reversal)	Paid	30 September 2023
Provision for sales warrant	912,979,618	13,989,103,532	(16,625,290)	14,885,457,860
Provision for return	225,052,329	(6,626,651)	-	218,425,678
Provisions for restoration	2,502,515,452	-	(3,800,000)	2,498,715,452
Total	3,640,547,399	13,982,476,881	(20,425,290)	17,602,598,990

② Q3 2022

(Unit: KRW)				
Category	1 January 2023	Establishment (reversal)	Paid	30 September 2022
Provision for sales warrant	1,578,936,322	(246,620,991)	(273,102,582)	1,059,212,749
Provision for return	557,847,533	(270,467,709)	-	287,379,824
Provisions for restoration	1,031,415,452	1,471,100,000	-	2,502,515,452
Total	3,168,199,307	954,011,300	(273,102,582)	3,849,108,025

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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	835,122,408,757	856,649,651,358
Total	839,188,483,757	860,715,726,358

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning amount	856,649,651,358	708,909,597,968
Payment of dividends	(73,189,350,000)	(87,827,220,000)
Net income	51,583,850,348	220,519,223,513
Remeasurements of defined benefit plans	78,257,051	10,472,748,989
Ending amount	835,122,408,757	852,074,350,470

## 19. Earnings Per Share

### (1) Basic Earnings Per Share

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

(Unit: KRW, Shares)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Earnings per ordinary share	11,554,182,919	51,583,850,348	40,737,142,696	220,519,223,513
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	710	3,172	2,505	13,558

② Calculation of weighted average No. of common shares outstanding for Q3 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	92 days/ 92 days	273 days/273 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for Q3 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	92 days/ 92 days	273 days/273 days	16,264,300 shares

### (2) Diluted Earnings Per Share

The Company had no dilutive securities for the third quarter 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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Interest income	2,565,590,291	8,486,472,463	3,109,738,940	8,111,695,732
Gain from foreign exchange rate (financial)	76,766,051	273,716,051	-	-
Gain on foreign exchange (financial)	138,487,062	1,905,575,532	881,712,492	881,808,358
Total	2,780,843,404	10,665,764,046	3,991,451,432	8,993,504,090

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Interest expenses	82,485,533	274,981,107	123,276,523	267,327,811
Loss on foreign exchange (financial)	(1,303,880)	-	142,803,334	165,954,807
Loss on disposal of trade receivables	5,964,111,040	15,855,225,074	3,377,791,288	7,126,900,741
Total	6,045,292,693	16,130,206,181	3,643,871,145	7,560,183,359

## 21. Other Non-Operating Income and Expenses

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Profit on foreign exchange (non-financial)	5,389,666,026	21,089,516,831	14,003,331,693	27,296,073,477
Profit on foreign currency conversion (non-financial)	260,315,511	1,580,214,985	(446,313,099)	2,992,140,158
Gain on disposal of tangible assets	2,756,638,557	5,348,039,411	-	3,502,473
Miscellaneous profits	372,055	1,946,419	31,866,182	33,726,334
Total	8,406,992,149	28,019,717,646	13,588,884,776	30,325,442,442

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Loss on foreign exchange (non-financial)	4,980,155,583	17,380,229,705	14,237,423,611	26,953,518,701
Loss on foreign currency conversion (non-financial)	233,162,136	1,658,380,593	6,520,220,473	9,630,014,450
Loss on disposal of tangible assets	-	1,384	-	-
Loss on disposal of intangible assets	65,196,888	102,849,472	59,576,653	157,247,551
Donations	53,049,200	54,764,100	-	73,179,570
Miscellaneous losses	4,163,157	16,043,962	1,466	12,080,480
Total	5,335,726,964	19,212,269,216	20,817,222,203	36,826,040,752

## 22. Operating Profit

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Sales	412,765,017,097	1,388,697,843,466	478,638,916,678	1,662,882,878,307
Products	412,128,479,875	1,385,905,686,273	471,878,935,845	1,652,745,504,271
Others	636,537,222	2,792,157,193	6,759,980,833	10,137,374,036
COGS	283,659,312,529	1,011,575,550,863	320,113,580,148	1,093,540,466,197
Cost of goods sold	282,748,169,576	1,009,104,427,081	316,468,513,217	1,087,809,343,129
Others	911,142,953	2,471,123,782	3,645,066,931	5,731,123,068
Selling and administrative expenses	114,787,573,462	316,973,775,405	98,580,997,515	272,425,667,438
Salary and bonuses	17,842,260,717	53,049,030,781	16,547,309,636	46,580,524,966
Retirement benefits	1,062,465,685	3,198,972,002	953,645,317	2,812,390,865
Employee benefits	3,889,227,488	10,712,383,076	3,820,391,078	10,167,615,368
Travel	539,596,192	1,565,622,858	462,224,510	1,042,665,517
Paid rent	384,565,747	1,173,729,223	362,327,321	1,160,592,258
Service fees	14,950,054,882	43,282,635,413	15,298,945,618	37,698,843,934
Depreciation	2,811,406,595	8,847,304,545	2,923,620,478	7,219,463,990
Amortization of intangible assets	849,489,467	2,564,487,279	658,060,400	1,889,095,130
Establishment (reversal) of provision for sales guarantee	13,092,306,600	13,989,103,532	(552,598,334)	(246,620,991)
Ordinary R&D expenses	56,670,633,172	170,653,613,810	55,328,164,453	155,136,881,974
Others	2,695,566,917	7,936,892,886	2,778,907,038	8,964,214,427
Operating profit	14,318,131,106	60,148,517,198	59,944,339,015	296,916,744,672

### 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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)		
Category	30 September 2023	31 December 2022
Present value of defined benefit obligation	73,424,888,829	68,723,266,014
Fair value of plan assets	(84,621,999,474)	(87,024,709,511)
Defined benefit obligations (assets)	(11,197,110,645)	(18,301,443,497)

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning defined benefit obligation	68,723,266,014	66,233,664,676
Current service cost	7,799,757,441	6,874,713,885
Interest cost	2,602,450,344	1,358,473,911
Remeasurement (before tax):		
Financial assumption	-	(14,135,591,976)
Transfers between associates	127,639,280	971,073,388
Retirement benefit payment	(5,828,224,250)	(3,508,172,070)
Ending defined benefit obligation	73,424,888,829	57,794,161,814

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Beginning balance of plan assets	87,024,709,511	65,613,017,567
Interest income	3,326,977,638	1,259,373,734
Plan assets remeasurement (before tax)	101,764,696	(319,300,434)
Payment of severance payment form plan assets	(5,734,361,128)	(3,507,791,440)
Others	(97,091,243)	50,072,765
Ending balance of plan assets	84,621,999,474	63,095,372,192

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Current service cost	7,799,757,441	6,874,713,885
Net interest cost	(724,527,294)	99,100,177
Others	97,091,243	(50,072,765)
Total	7,172,321,390	6,923,741,297

#### 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 third quarter 2023 and 2022 were 18.8% and 24.4%, respectively.

## 25. Statement of Cash Flows

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Income tax expenses	11,907,673,145	71,330,243,580
Depreciation	15,041,728,861	16,767,746,247
Establishment (reversal) of inventory valuation allowance	30,620,389,502	1,949,282,935
Reversal (establishment) for returned product recovery rights	20,233,807	180,768,975
Establishment (reversal) of provisions for returns	9,048,934,524	10,523,306,413
Loss on disposal of inventories	(6,626,651)	(270,467,709)
Gain on disposal of tangible assets	(5,348,039,411)	(3,502,473)
Loss on disposal of tangible assets	1,384	-
Loss on disposal of intangible assets	102,849,472	157,247,551
Amortization of intangible assets	5,837,699,907	5,153,047,078
Retirement benefits	7,172,321,390	6,923,741,298
Gain on foreign currency translation	(3,485,790,517)	(3,873,948,516)
Loss on foreign currency translation	1,658,380,593	9,795,969,257
Interest income	(273,716,051)	-
Interest expenses	(8,486,472,463)	(8,111,693,602)
Establishment (reversal) of provision for sales guarantee	274,981,107	267,327,811
Long-term employee benefits	13,989,103,532	(246,620,991)
Equity method gains and losses	263,392,149	(327,836,522)
Loss on disposal of trade receivables	-	7,126,900,741
Others	4,778,914	-
Total	78,341,823,194	117,341,512,073

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

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Trade receivables	(16,539,360,190)	5,797,571,051
Other payables	(3,302,742,849)	(18,532,656,102)
Other current assets	(576,203,366)	(31,320,071,152)
Inventories	(96,536,681,887)	(259,860,030,458)
Trade payables	26,989,874,053	77,578,989,228
Other current liabilities	4,476,946,369	3,665,659,761
Other payables	37,943,804,105	46,255,764,345
Non-current other payables	-	2,001,160,000
Long-term employee salary liabilities	(67,400,000)	(80,700,000)
Net defined benefit obligations	33,776,158	970,692,758
Lease receivables	562,687,778	994,132,425
Total	(47,015,299,829)	(172,529,488,144)

(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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)		
Category	Q3 2023	Q3 2022
Transfer for construction in progress	12,002,051,755	34,026,786,263
Transfer for intangible assets in progress	5,778,068,192	2,061,013,791
Increase in right-of-use assets due to restoration obligations	-	1,471,100,000
Increase (decrease) in payables relating to acquisition of tangible assets	(9,636,349,050)	419,687,418
Increase (decrease) in payables relating to acquisition of intangible assets	2,136,882,717	324,510,012
Recognition of lease liabilities and licensed assets under the lease agreement	1,077,147,224	11,894,914,370
Reclassification of lease liabilities to current liabilities	1,686,645,103	8,242,617,198
Reclassification of lease receivables to current receivables	570,314,176	1,016,631,043
Reclassification of Loans to current loans	1,106,705,107	1,142,223,136

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

① Q3 2023

(Unit: KRW)				
Category	1 January 2023	Cash flow from financial activities	Non-cash transaction	30 September 2023
Dividends payable	-	(73,189,350,000)	73,189,350,000	-
Lease liabilities	13,035,055,914	(5,621,131,845)	922,169,681	8,336,093,750

② Q3 2022

(Unit: KRW)				
Category	1 January 2022	Cash flow from financial activities	Non-cash transaction	30 September 2022
Dividends payable	-	(87,827,220,000)	87,827,220,000	-
Lease liabilities	7,098,769,810	(4,148,864,074)	11,821,078,259	14,770,983,995

26. Restricted Financial Instruments

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

(Unit: KRW)			
Items	Category	30 September 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 September 2023 and 31 December 2022 are as follows:

Type of special relationship	30 September 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 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 third quarter of 2023 and 2022 are as follows:

(Unit: KRW)						
Special relationship	Name	Details	Q3 2023		Q3 2022	
			3 months	Cumulative	3 months	Cumulative
Subsidiaries	LX Semicon U.S.A., Inc	Sales expenses	895,472,683	2,843,665,785	833,532,821	2,245,301,287
	LX Semicon China Co., Ltd.	Sales expenses	4,408,973,036	12,779,671,937	3,548,736,570	9,981,566,212
	LX Semicon Japan Co., Ltd.	Sales expenses	1,412,770,820	3,560,609,683	862,576,528	1,304,668,491
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Sales expenses	-	56,733,504	40,285,227	104,732,997
		Dividend income	76,766,051	76,766,051	-	-
	Telechips Inc.	Dividend income	-	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	19,300,000	208,500,000	-	1,379,533,243
		Acquisition of tangible and intangible assets	-	-	-	1,170,054,257
	LX Pantos Co., Ltd.	Sales expenses	1,091,282,721	3,590,114,520	-	2,648,362,055
	LX MDI Co., Ltd.	Sales expenses	289,276,800	1,253,465,480	-	-
	LX International Co., Ltd.	Sales expenses	30,978,300	30,978,300	-	-
	LX INTERNATIONAL JAPAN LTD.	Sales expenses	3,197,690	41,860,629	-	4,647,333
	LG CNS Co., Ltd.	Sales expenses	-	-	-	2,982,071,802
		Acquisition of tangible and	-	-	-	1,328,911,400

	intangible assets				
D&O Co., Ltd.	Sales expenses	-	-	-	1,530,391,236
	Acquisition of tangible and intangible assets	-	-	-	413,700,000
S&I Corp.	Sales expenses	-	-	-	721,786,300
LG Management Development Institute	Sales expenses	-	-	-	468,762,000
LG Display (China) Co., Ltd.	Sales	-	-	-	11,845,896,102
LG Display (Guangzhou) Co., Ltd.	Sales	-	-	-	277,535,172,867
LG Display Vietnam Haiphong Co. Ltd.	Sales	-	-	-	129,005,911,232
LG Display Yantai	Sales	-	-	-	21,360,454,279
LG Display High-Tech (China) Co., Ltd.	Sales	-	-	-	18,556,438
LG Display (Nanjing) Co., Ltd.	Sales	-	-	-	41,702,811,192
LG Display Co., Ltd.	Sales	-	-	-	241,683,107,009
LG Electronics Indonesia	Sales	-	-	-	1,063,817,806
LG Electronics USA Inc.	Sales	-	-	-	2,110,470,138
	Sales	-	-	-	6,509,289,131
LG. Electronics Co., Ltd.	Sales expenses	-	-	-	3,324,593,936
	Acquisition of tangible and intangible assets	-	-	-	95,350,000
LG Innotek Co., Ltd.	Sales	-	-	-	700,000,000
	Sales expenses	-	-	-	24,494,558,720
LG U Plus Co., Ltd.	Sales expenses	-	-	-	108,397,044
Biztech Partners Co., Ltd.	Sales expenses	-	-	-	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 September 2023 and 31 December 2022 are as follows:

(Unit: KRW)					
Category	Name	30 September 2023		31 December 2022	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Subsidiaries	LX Semicon U.S.A., Inc	-	325,623,363	-	358,048,951
	LX Semicon China Co., Ltd.	-	1,451,579,379	-	1,458,676,311
	LX Semicon Japan Co., Ltd.	-	551,956,218	-	264,003,933
Associates and joint ventures	FJ Composite Materials Co., Ltd.	72,854,265	-	-	26,178,448
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	401,943,000	-	-	-
Other corporations belonging to the large conglomerate group	LX Hausys Co., Ltd.	-	15,950,000	-	942,232,840
	LX Pantos Co., Ltd.	-	1,091,680,324	-	-
	LX MDI Co., Ltd.	-	53,261,200	-	-

	LX International Co., Ltd.	-	34,393,260	-	-
	LX INTERNATIONAL JAPAN LTD.	-	3,057,173	-	-

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

(Unit: KRW)					
Category	Name	Q3 2023		Q3 2022	
		Dividends received	Cash contribution, etc.	Dividends paid	Cash contribution, etc.
Companies exercising significant influence on the Company	LX Semicon Japan 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	-	-
	Telechips Inc.	-	-	-	19,260,300,000
Total		24,212,358,000	2,887,050,000	29,054,829,600	898,374,000

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

(Unit: KRW)				
Category	Q3 2023		Q3 2022	
	3 months	Cumulative	3 months	Cumulative
Short-term salaries	3,183,527,037	9,655,893,567	1,822,494,040	7,650,050,778
Retirement benefits	372,264,715	1,152,699,744	358,034,072	1,035,100,480
Total	3,555,791,752	10,808,593,311	2,180,528,112	8,685,151,258

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 September 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 September 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 September 2023 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Purchase foreign exchange	Shinhan Bank	-	26,000,000
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 September 2023 are as follows:

(Unit: KRW, USD)		
Category	Financial institutions	Foreign currency
Factoring	Korean Eximbank	380,000,000
Factoring	BNP Paribas	130,000,000
Factoring	MUFG Bank	220,000,000
Factoring	ING Bank	95,000,000

(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 [Statute of Limitations on Dividend Payment Claims]

- 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	Q3 2023	2022	2021
Face value per share (KRW)		500	500	500
(Consolidated) Current net profit (Million KRW)		54,297	233,693	296,424
(Individual) Current net profit (Million KRW)		51,584	230,608	294,898
(Consolidated) earnings per share (KRW)		3,338	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

#### 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 September 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 September 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 September 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 September 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 September 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 September 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 September 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 September 2023]

(Unit: Million KRW, %)

Category	Account title	Amount of receivables	Allowance for bad debts	Allowance setting rate
Q3 2023	Trade receivables	161,260	-	0.0
	Other payables	8,913	-	0.0
	Non-current other receivables	13,156	-	0.0
	Total	183,329	-	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 September 2023]

(Unit: Million KRW)

Category	Q3 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 chance 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 September 2023

[As of 30 September 2023]

(Unit: Million KRW)

Category	Elapsed period		Total
	Within 6 months	Over 6 months	
Trade receivables	161,260	-	161,260
Total	161,260	-	161,260
Ratio (%)	100.00	-	100.00

## C. Inventory Status

### (1) Status on Inventories Per Business Division

[As of 30 September 2023]

(Unit: Million KRW)

Business sector	Items	Q3 2023	2022	2021	Remarks
Semiconductor	Inventories	539,404	482,556	201,118	-
Total		539,404	482,556	201,118	-
Portion of inventory over gross assets (%) [Total inventories ÷ Total assets as of 31 December × 100]		41.1	37.4	17.2	-
Inventory turnover ratio (Collection) [Cost of goods sold ÷ {(Beginning inventory + Ending inventory) ÷ 2}]		2.6	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 September 2023 are as follows:

[As of 30 September 2023]

(Unit: Million KRW)

Items	Acquisition cost	Holding amount	Valuation allowance	Balance as of 30 September
Inventories	608,120	608,120	(68,716)	539,404

## 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)	135,840,105,703	-	-	-	135,840,105,703
Sub-total	135,840,105,703	-	-	-	135,840,105,703
Financial assets not measured at fair value:					
Cash and cash equivalents	182,207,200,836	-	-	-	182,207,200,836
Short-term financial instruments	80,527,450,151	-	-	-	80,527,450,151
Trade receivables	25,419,967,800	-	-	-	25,419,967,800
Other receivables (*2)	22,069,166,283	-	-	-	22,069,166,283
Sub-total	310,223,785,070	-	-	-	310,223,785,070
Total	446,063,890,773	-	-	-	446,063,890,773
Financial liabilities not measured at fair value:					
Trade payables	224,336,013,605	-	-	-	224,336,013,605
Other payables (*2, 3)	64,400,367,439	-	-	-	64,400,367,439
Total	288,736,381,044	-	-	-	288,736,381,044

(\*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**

“Management analysis and opinions by directors” are not included in quarterly or semi-annual reports in accordance with corporate disclosure form preparation standards (they will be included in the annual report)

## 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
Q3 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
Q3 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	210	1,745
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
Q3 2023	Aug. 2023	Tax advisory services	Aug. 2023 ~	12	-
	Aug. 2023	Transfer pricing review	Aug. 2023 ~	10	-
	Dec. 2022	Tax advisory services	Dec. 2022 ~ Mar. 2023	5	Samil PwC (prior to the conclusion of the audit contract)
	Jul. 2022	Tax advisory services	Jul. 2022 ~ Mar. 2023	13	Samil PwC (prior to the conclusion of 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	-	-

\*1) Jung Seong-Wook, an external director, was appointed at the 24th annual general meeting of shareholders in 2023, with 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	Reported	-	-	-	-	-	-	-	
			2. Report on the operation status of the internal accounting management system	Reported	-	-	-	-	-	-		
			3. Report on the operational status of the compliance control system	Reported	-	-	-	-	-	-		
		Approved	1. Approval of the 24th financial statements and business report	Approved	Agreed	Agreed	Before appointed (Appointed in Mar. 2023)	Agreed	Before appointed (Appointed in Mar. 2023)	Agreed	Agreed	Agreed
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		
2	22.02.2023	Reported	1. Report on the evaluation result of the operation status of the internal accounting management system	Reported	-	-	-	-	-	-	-	
		Approved	1. Approval of convocation and purpose of the 24th ordinary general meeting of shareholders	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	
			2. Approval of financial institution credit limit agreement	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	
3	23.03.2023	Reported	1. Report on the results of the Finance Committee meeting	Reported	-	-	-	-	-	-	-	
		Approved	1. Appointment of the chairman of the board of directors	Approved	Agreed	after resigning (Resigned in Mar. 2023)	Agreed	Term expiry (Retired in Mar. 2023)	Agreed	Agreed	Agreed	Agreed
			2. Appointment of representative director	Approved	Agreed	after resigning (Resigned in Mar. 2023)	Agreed	Term expiry (Retired in Mar. 2023)	Agreed	Agreed	Agreed	Agreed
			3. Approval of revisions to executive officer personnel management regulations	Approved	Agreed	after resigning (Resigned in Mar. 2023)	Agreed	Term expiry (Retired in Mar. 2023)	Agreed	Agreed	Agreed	Agreed
			4. Approval of payment of performance incentives for executive officers	Approved	Agreed	after resigning (Resigned in Mar. 2023)	Agreed	Term expiry (Retired in Mar. 2023)	Agreed	Agreed	Agreed	Agreed
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			
4	20.04.2023	Reported	1. Report on business performance in the 1Q, 2023	Reported	-	-	-	-	-	-	-	
		2. Report on disciplinary action results for executive officers	Reported	-	-	-	-	-	-	-	-	
5	26.07.2023	Approved	1. Approval of the election of the ESG Committee	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	
		Reported	1. Approval of self-transactions with affiliates (*)	Reported	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	
Approved	2. Appointment of a compliance officer		Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed		
	1. Approval of investment for in-house etching process related to the heat dissipation substrate business	Approved	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.

(\*) Agenda Item 1 Approval: Voting rights of Director Roh Jin-Seo restricted.

## 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) Activities of the Committee Within the BOD

#### - Finance Committee

No.	Date held	Agenda	Passed or not	Name of director		
				Son Bo-Ik (Attendance: 100%)	Choi Sung-Kwan (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 (Attendance: 100%)	Wi Kwang-Woo (Attendance: 100%)	Jung Seong-Wook (Attendance: 100%)	Shin Yeong-Soo (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	-	-	-	-
2	24.07.2023	Approved	1. Approval of limit on total amount of transactions with related parties	Approved	Agreed	Agreed	Agreed	Agreed

## 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 September 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	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 director	Wi Kwang-Woo	He is currently a professor at the department of business 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.	BOD	Business for overall management, Chairman of the Audit Committee		Not applicable	3 yrs.	Reap. (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		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		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: 3

Department	No. of staff	Position (service years)	Work period	Major activities
Legal affairs team	3	2 senior managers 1 junior manager (Average 1.1 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

\*) 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 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	-	Appointment of new external auditor

		Shin Yeong-Soo		
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
26.07.2023	Legal team Management diagnosis team Internal accounting part	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Plan for inspecting the operation of the ICFR Report on the internal audit department's performance for the third quarter of 2023 and plans for the second half

## 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		
			Y/N	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	-

5	26.07.2023	Report	1. Report on business performance in the 1Q, 2023	Reported	-	-	-	-
		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	3	2 senior managers 1 junior manager (average 1.1 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 4.0 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 of Compliance Officers (Including Major Experience)

Name	Date of Birth	Major career	Date of appointment
Yang Hee Hyang	Sep. 1981	- Bachelor of Laws, Korea University - Lawyer (Korea) - Lawyer at Law Firm Roadmap - Legal Team, National Credit Union Federation of Korea	26 Jul. 2023

\*) The compliance officer Yang Hee Hyang, 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	3	2 senior manager, 1 junior manager (average 1.1 years)	Important matters related to the operation of the compliance control criteria

## 3. General Meeting of Shareholders, etc.

### A. Voting System

#### Status of Voting System

(As of 30 September 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

There were no exercises of minority shareholder rights during the reporting period.

### C. Competition over Management Right

There were no management control disputes during the reporting period.

## D. Voting Rights

(As of 30 September 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"> <li>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」</li> <li>When the Company issues new shares via stock option according to Article 542-3 of the 「Commercial Act」</li> <li>Primary distribution to the members of the Employee Stock Ownership Association within 20% of the total number of shares issued</li> <li>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</li> <li>In the case of collecting new shares or having the acquirers take over the shares to be listed in the security market or KOSDAQ</li> <li>When the Company issues new shares for foreigners investment based on the reasons of management according to the Foreigners Investment Promotion Act</li> <li>When issuing new shares according to the issuance of depository receipts(DR) within 50% of the total number of shares issued</li> </ol> <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 <a href="https://www.lxsemicon.com">https://www.lxsemicon.com</a> . 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.

(1) Summary of Minutes of Shareholders Meeting

Date	Agenda	Resolution
2022 Ordinary general meeting of shareholders (23 March 2023)	1. Approval of the 2023 consolidated financial statements and financial statements 2. Approval of amendment to the Articles of Incorporation 3. Appointment of directors 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	Approved Approved Approved Approved Approved Approved
2022 Extraordinary general meeting of shareholders (23 September 2022)	1. Approval of KOSDAQ conditional delisting and KOSPI transfer	Approved
2021 Ordinary general meeting of shareholders (22 March 2022)	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	Approved Approved Approved Approved Approved
The first extraordinary general meeting of shareholders in 2021 (25 June 2021)	1. Approval of amendment to the Articles of Incorporation	Approved
2020 Ordinary general meeting of shareholders (18 March 2022)	1. Approval of the 2020 consolidated financial statements and financial statements 2. Approval of amendment to the Articles of Incorporation 3. Appointment of directors 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	Approved Approved Approved Approved Approved Approved
2019 Ordinary general meeting of shareholders (26 March 2020)	1. Approval of the 2019 consolidated financial statements and financial statements 2. Appointment of directors 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	Approved Approved Approved Approved Approved

## VII. Shareholders

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

(As of 30 September 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

#### (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

(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 financial statements as of 31 December 2022.

\*2) for the financial status as of 30 September 2023, refer to the business report of LX Holdings Co., Ltd. To be disclosed within November 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 September 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., LX MDI Co., Ltd., and LX Ventures 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 September 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 September 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	1,107,276	6.81	-
Employee stock ownership association		3,474	0.02	-

### (2) Status of Minority Shareholders

(As of 30 September 2023)

(Unit: Shares)

Category	Shareholders			Shares hold			Remarks
	Minority shareholders	Total shareholders	Ratio (%)	Minority shares	Total No. of shares issued	Ratio (%)	
Minority shareholders	52,210	52,216	99.99	8,798,691	16,264,300	54.10	-

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

### (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					
		April	May	June	July	August	September
Share price	Max.	107,900	116,200	123,000	123,700	102,300	91,800
	Min.	98,400	101,200	112,400	98,000	87,300	81,300
	Average	104,260	108,040	118,129	114,657	92,759	85,637
Volume of transaction	Maximum (Days)	817,631	352,845	292,883	530,422	167,261	144,544
	Minimum (Days)	105,822	67,790	72,156	77,610	44,993	40,147
	Total (Month)	5,894,190	3,038,723	3,031,389	4,013,042	1,877,544	1,542,365

※ 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 September 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.

\*6) Lee Jae-Deok, an executive director, retired on 30 September 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

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

\*2) Korea Glass Industrial Co., Ltd. changed its name to LX Glass Co., Ltd. as of 1 October.

## B. Status of Employees, etc.

(As of 30 September 2023)

(Unit: Hundred 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	1,232	0	37	13	1,269	5.00	82,262	65				
Total	Female	274	0	18	11	292	3.65	13,259	45	3	40	43	
Total		1,506	0	55	24	1,561	4.75	95,521	61				

### [Status of remuneration for non-registered executives]

(As of 30 September 2023)

(Unit: Million KRW)

Category	No. of persons	Total annual salary	Average salary per person	Remarks
Unregistered director	18	5,341	297	Including performance bonus

## **2. Remuneration to Executives**

“Remuneration to Executives” is not included in quarterly or semi-annual reports in accordance with corporate disclosure form preparation standards (it will be included in the semi-annual and annual report).

## IX. Affiliates

### 1. Corporate Group and Affiliates

#### A. Affiliates (Summary)

- Name of Corporate Group: LX

- Affiliated Company Name: LX Semicon Co., Ltd. (Corporate Registration Number: 160111-0089395)

The LX Group was designated as a conglomerate subject to restrictions on cross-shareholding under the Monopoly Regulation and Fair Trade Act on May 1, 2023. As of September 30, the LX Group comprises a total of 16 domestic affiliates (4 listed companies and 12 unlisted companies).

(As of 30 September 2023)

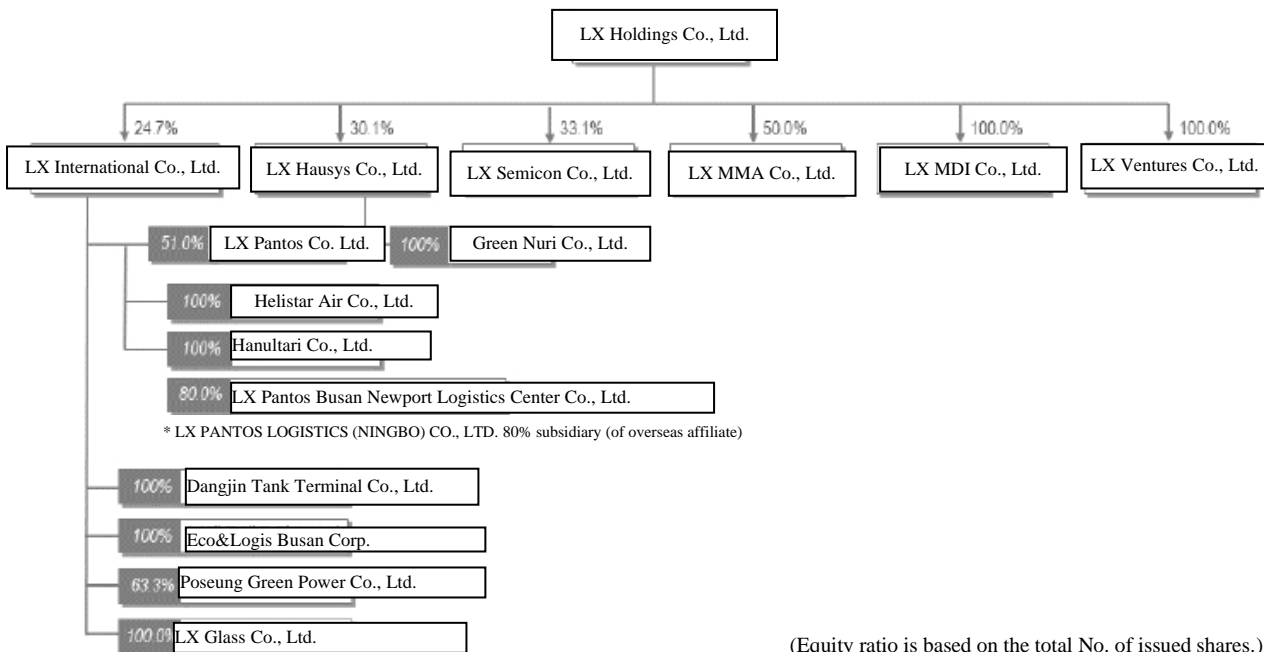
(Unit: Companies)

Name of corporate group	No. of affiliates		
	Listed	Unlisted	Total
LX	4	12	16

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

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

(As of 30 September 2023)



### 2. Affiliates Directly or Indirectly Influencing Management

Company name	Details
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LX Holdings Co., Ltd.	Holding company
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### 3. Concurrent Positions Between the Company and Affiliates

[As of 30 September 2023]

Name	Position	Status of additional positions		
		Name of concurrent company	Position	(Non) Regular
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.

\*2) Korea Glass Industrial Co., Ltd. changed its name to LX Glass Co., Ltd. as of 1 October.

### 4. Status of Investment in Other Companies (Summary)

(As of 30 September 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**

There were no changes during the current quarter. For related details, please refer to the 2023 semi-annual report submitted on 14 August 2023.

## 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 September 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.

<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).

<Sanctions from the korea exchange, etc.>

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

Sixteen 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.

#### ① Domestic Corporations

(As of 30 September 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	12	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
LX Ventures Co., Ltd.	110111-8680814		

\*) Korea Glass Industrial Co., Ltd. changed its name to LX Glass Co., Ltd. as of October 1.

② 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 September 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	153,823	8,472

\*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 30 September 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.