

# Tables of Contents

Quarterly Report.....	1
【Confirmation by Representative Director】 .....	2
I. Company Overview.....	3
1. Company Overview.....	3
2. Company History .....	4
3. Changes in Capital Stock .....	6
4. Share Capital Overview.....	7
5. Articles of Incorporation .....	7
II. Business Activities .....	10
1. Business Overview .....	10
2. Key Products and Services .....	10
3. Raw Materials and Infrastructure .....	10
4. Sales and Orders .....	11
5. Risk Management and Derivative Instruments .....	12
6. Major Contracts and R&D Activities .....	14
7. Other Matters.....	15
III. Finances.....	20
1. Summarized Financial Information.....	20
2. Consolidated Financial Statements .....	22
2-1. Statement of Financial Position .....	22
2-2. Income Statement .....	23
2-3. Comprehensive Income Statement .....	24
2-4. Statement of Changes in Equity.....	24
2-5. Statement of Cash Flows .....	25
3. Notes to the Consolidated Financial Statements .....	26
4. Financial Statements.....	53
5. Notes on Financial Statements .....	57
6. Dividends.....	83
7. Fundraising Through Securities Issuance.....	85
7-1. Fundraising Performance Through Securities Issuance.....	85
7-2. Actual Use of Funds Raised Through the Issuance of Securities .....	86
8. Other Financial Matters.....	87
IV. Management Analysis and Opinions by Directors.....	91
V. Audit Opinions and Related Matters .....	92
1. Matters Concerning External Audit .....	92
2. Internal Accounting Management System .....	94
VI. Board of Directors and Corporate Governance .....	96
1. Board of Directors .....	96
2. Audit System .....	100
3. General Meeting of Shareholders, etc. ....	104
VII. Shareholders .....	107
VIII. Executives and Employees.....	110
1. Status of Executives and Employees.....	110
2. Executives Remuneration.....	112
IX. Affiliates.....	113

X.	Transactions with Large Shareholders .....	115
XI.	Other Matters Necessary for the Protection of Investors .....	116
1.	Progress and Changes of Disclosure .....	116
2.	Contingent Liabilities .....	116
3.	Sanctions, etc.....	117
4.	Post-Reporting Date Events and Other Matters .....	117
XII.	Detailed Tables.....	119
1.	Consolidated Subsidiaries (Details) .....	119
2.	Status of Affiliates (Summary).....	119
3.	Status of Investment in Other Corporations (Details).....	122
<b>【Confirmation by Expert】</b>	.....	123
1.	Confirmation by Expert.....	123
2.	Interests with Expert.....	123

# Quarterly Report

(The 26th Fiscal Year)  
From 01 January 2024 to 31 March 2024

To: Financial Services Commission  
Korea Exchange

16 May 2024

Type of corporation for submission: Listed company

Occurrence of exemption reason: Not applicable

Company name: LX Semicon Co., Ltd.

Representative director: Lee Yun-Tae

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)

16 May 2024

LX Semicon Co., Ltd.

Representative Director Lee Yun-Tae (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 March	
Listed	-	-	-	-	-
Unlisted	3	-	-	3	-
Total	3	-	-	3	-

※ Refer to 오류! 참조 원본을 찾을 수 없습니다. 1. Consolidated Subsidiaries (Details)

#### 1-1. 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	:	<a href="https://www.lxsemicon.com">https://www.lxsemicon.com</a>

## 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 System IC 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 Registration and Designation) and Special Listing of the Company

Share listing (or registered/designated)	Date of share listing (or registration/designation)	Special listing type
Listed on the stock market	03 November 2022	Not Applicable

\*) 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	
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
21 Mar. 2024	OGMS	Representative director Lee Yun-Tae, External director, Han Sang-Beom, and External director Kim Nam-Soo	Non-executive director Roh Jin-Seo	-

\*) 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 – B. Major Career and Overview 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
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)
March 2024	Change of representative director (Son Bo-Ik → <b>Lee Yun-Tae</b> )

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

Date	Major contents
July 2021	Changed the Company name (SILICON WORKS, INC. → LX Semicon U.S.A., Inc)

(3) **LX Semicon China Co., Ltd.**

Date	Major contents
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	Corporation established (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	Relocation of business site (Address change)

### 3. Changes in Capital Stock

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

#### Changes in Capital

(Unit: KRW, Shares)

Types	Category	31 March 2024	31 December 2023	31 December 2022
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 **31 March 2024**.

### Share Capital Overview

(As of 31 March 2024)

(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
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
21.03.2024	The 25th OGMS	Changing the process so that shareholders eligible to receive dividends are determined after the dividend amount is finalized	Implementing an improved dividend procedure aligned with global standards.

## B. Status of Business Purpose

### (1) Status

The business purposes specified in the Articles of Incorporation as of **31 March 2024** are as follows:

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 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.

In the display panel driving components sector, the Company is primarily focused on growing its Driver-IC, Timing Controller (T-Con), and Power Management Integrated Circuit (PMIC) products. Additionally, the Company is pursuing business diversification by developing new growth drivers such as MCU, power semiconductors, and heat-dissipating substrates.

The Company's primary products include Driver ICs and T-Cons, which are used to operate panels. Among these, Driver ICs accounted for 90.3% of the total sales for the first quarter of 2024 (93.4% Q1 2023). Exports represented 99.1% of the Company's total sales in the first quarter of 2024 (99.5% Q1 2023).

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 31 March 2024]

(Unit: KRW Billion)

Business sector	Product	Product details	Key products	Q1 2024		2023		2021	
				Sales	Ratio (%)	Sales	Ratio (%)	Sales	Ratio (%)
Semi-conductor	System IC	Panel driver IC and others	Driver - IC	4,138	90.29	17,485	91.96	18,977	89.54
			Driver - IC, etc.	445	9.71	1,529	8.04	2,216	10.46
Total				4,583	100.00	19,014	100.00	21,193	100.00

### 3. Raw Materials and Infrastructure

#### A. Major Raw Materials

[As of 31 March 2024]

(Unit: KRW Billion)

Raw material	Purchased amount	Major supplier
Wafer, etc.	1,356	TSMC, SK hynix system ic(Wuxi), LG Innotek Co., Ltd., etc.
Processing cost, etc.	763	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 31 March 2024]

(Unit: KRW Billion)

Business sector	Sales type	Product		Q1 2024	2023	2022
Semi-conductor	Products and others	System IC	Exports	4,544	18,909	20,901
			Domestic	40	105	292
Total			Total	4,583	19,014	21,193

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

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

As of 31 March 2024, 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**

Two external customers accounted for 10 percent or more of the Company's total sales. Their sales for the first quarter of 2024 and 2023 were KRW 267.3 billion (KRW 227.2 billion in Q1 2023) and KRW 123.7 billion (KRW 211.5 billion in Q1 2023), respectively.

### **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 31 March 2024 includes cash and cash equivalents, short-term financial instruments, trade receivables, and other receivables, totaling up to KRW 789.8 billion.

## B. Management of Liquidity Risk

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

Separately, to mitigate liquidity risk, the Company maintains proactive communication with financial markets to ensure early liquidity access. Additionally, the Company actively 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 31 March 2024 and 2023 are as follows:

(Unit: KRW Billion)

Category	31 March 2024	31 March 2023
	USD	USD
Assets in foreign currency	98,667.8	108,357.1
Liabilities in foreign currency	95,545.2	31,909.6

The effect of the changes in foreign exchange rate for KRW (before income tax) as of 31 March 2024 and 2023 on the losses and gains are as follows:

(Unit: KRW Billion)

Category	31 March 2024	31 March 2023
	(If 5% changed)	(If 5% changed)
USD	±156.1	±3,822.4

### (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 39.4% as of 31 March 2024.

## E. Transaction of Derivatives

There are no applicable matters as of the report preparation date.

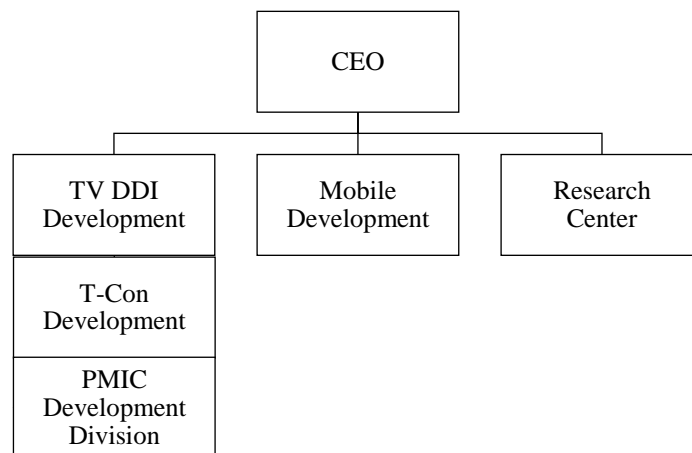
## 6. Major Contracts and R&D Activities

### A. Major Contracts in Management

There are no applicable matters as of the report preparation date.

### B. Research and Development

#### (1) Research and Development Organization



## (2) Research and Development Expenses

(Unit: KRW Billion)

Category		Q1 2024	2023	2022
Total R&D expenses		569	2,198	2,108
(Government subsidies)		-	-	-
Total R&D expenses after deducting government subsidies		569	2,198	2,108
Accounting	Selling and administrative expenses	569	2,198	2,108
	Manufacturing cost	-	-	-
	Development expenses (intangible assets)	-	-	-
R&D expenses/sales ratio [R&D expenses ÷ current sales × 100]		12.4	11.6	9.9

\*) 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 31 March 2024, the Group holds 1,182 domestic patents and 2,012 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 is currently developing a video codec 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]**

<b>(Unit: USD Billion)</b>	<b>2022</b>	<b>2023</b>	<b>2024(E)</b>	<b>2025(E)</b>	<b>2026(E)</b>	<b>2027(E)</b>	<b>2028(E)</b>
DDI	10.3	8.8	8.7	9	9.3	9.7	10.1

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)	2022	2023	2024(E)	2025(E)	2026(E)	2027(E)	2028(E)
TV	261.9	241.2	243.8	244.9	244.8	247.2	247.5
Monitor	159.3	149.1	152.6	154.4	155.5	156.8	156.9
Notebook	217.2	189.1	194.6	213.1	218.3	227.7	233.8
Tablet	256.4	244.4	254.9	257.6	265.1	269.3	277.6
Auto	192.9	205.1	208.8	217.1	225.7	232.1	238.4
<b>Large Panel Total</b>	<b>1,087.60</b>	<b>1,028.80</b>	<b>1,054.60</b>	<b>1,087.10</b>	<b>1,109.40</b>	<b>1,133.00</b>	<b>1,154.20</b>
Smartphone	1,382.90	1,266.90	1,283.50	1,307.00	1,324.20	1,336.00	1,352.80
Smartwatch	214.1	223.1	236.5	256.9	274.6	289.9	299.7
VR / AR	12.8	11.6	13.8	21.5	39	51	67.1
<b>Small Panel Total</b>	<b>1,609.80</b>	<b>1,501.60</b>	<b>1,533.80</b>	<b>1,585.40</b>	<b>1,637.80</b>	<b>1,676.90</b>	<b>1,719.60</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 2024. 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 was approximately 1.4 billion units in 2022, decreasing to around 1.3 billion units in 2023, and it is expected to remain at approximately 1.3–1.4 billion units until 2027. The growth in the smartphone market in developed countries is anticipated to be lower compared to emerging markets, which are driving the overall growth of the smartphone market.

Major global set manufacturers are actively pursuing evolutionary strategies in form factors to generate new demand, which is expected to continuously increase the share of smartphones equipped with P-OLED panels. Currently, domestic panel manufacturers dominate the P-OLED market due to their technological advantage over Chinese panel manufacturers. However, as Chinese companies expand their production capacity, their market share in the P-OLED panel market is expected to gradually rise.

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 2023, the Company ranks 43rd 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 for 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 13% from 2023 to 2030.

The Company has established a business foundation with a focus on securing demand for MCUs primarily in the domestic appliance sector, aiming to expand into external markets. In the automotive sector, the demand for vehicle semiconductors, including power semiconductors, is expected to grow continuously due to the rise of electric vehicles and autonomous driving technologies. In response, the Company is fostering various automotive products such as semiconductors for automotive infotainment displays and next-generation power semiconductors.

The Company plans to build business momentum for sustainable growth by investing in and nurturing new businesses, as well as securing differentiated technologies.

### III. Finances

#### 1. Summarized Financial Information

##### A. Summarized Consolidated Financial Information

The Company's consolidated financial statements for the first quarter of 2024 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 2024 and 2023 have also been prepared in accordance with K-IFRS.

(Unit: KRW Million)

Category	Q1 2024	2023	2022
	31 March 2024	31 December 2023	31 December 2022
[Current assets]	1,064,984	902,886	1,009,649
• Quick assets	828,580	566,995	527,093
• Inventories	236,404	335,891	482,556
[Non-current assets]	311,780	302,179	279,969
• Tangible assets	127,375	125,940	122,180
• Intangible assets	83,058	73,937	63,799
• Other non-current assets	101,347	102,302	93,990
Total assets	1,376,764	1,205,065	1,289,618
[Current liabilities]	369,231	207,337	324,402
[Non-current liabilities]	20,225	20,964	14,856
Total liabilities	389,456	228,301	339,258
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Other components of equity]	-1,263	(1,073)	(782)
[Retained earnings]	904,096	893,362	866,667
[Non-controlling interest]	-	-	-
Total equities	987,308	976,764	950,360
	(01 January 2024 ~ 31 March 2024)	(01 January 2023 ~ 31 December 2023)	(01 January 2022 ~ 31 December 2022)
Sales	458,322	1,901,445	2,119,345
Operating profit	46,236	129,036	310,624
Net income	40,074	101,204	233,693
Owners of the Parent	40,074	101,204	233,693
Non-controlling interest	-	-	-
Net earnings per share (KRW)	2,464	6,222	14,368
Net diluted earnings per share (KRW)	2,464	6,222	14,368
No. of companies included in the consolidation	3	3	3

## B. Summarized Financial Information

The Company's financial statements for the first quarter of 2024 have been prepared in accordance with K-IFRS and reviewed by an external auditor. The comparative financial statements for 2024 and 2023 have also been prepared in accordance with K-IFRS.

(Unit: KRW Million)

Category	Q1 2024	2023	2022
	31 March 2024	31 December 2023	31 December 2022
[Current assets]	1,058,695	897,568	1,006,089
• Quick assets	822,291	561,677	523,533
• Inventories	236,404	335,891	482,556
[Non-current assets]	305,543	298,121	276,313
• Tangible assets	124,421	122,829	117,624
• Intangible assets	82,893	73,795	63,621
• Other non-current assets	98,229	101,497	95,068
Total assets	1,364,238	1,195,688	1,282,402
[Current liabilities]	369,650	208,177	324,485
[Non-current liabilities]	19,347	19,894	13,107
Total liabilities	388,997	228,071	337,592
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Other components of equity]	-381	(381)	(381)
[Retained earnings]	891,147	883,523	860,716
Total equities	975,241	967,617	944,810
Evaluation method for investment shares in subsidiaries, associates, joint ventures	Cost method	Cost method	Cost method
	(01 January 2024 ~ 31 March 2024)	(01 January 2023 ~ 31 December 2023)	(01 January 2022 ~ 31 December 2022)
Sales	458,322	1,901,445	2,119,345
Operating profit	45,627	126,624	309,046
Net income	36,963	97,316	230,608
Net earnings per share (KRW)	2,273	5,983	14,179
Net diluted earnings per share (KRW)	2,273	5,983	14,179

## 2. Consolidated Financial Statements

### 2-1. Statement of Financial Position

As of 31 March 2024

As of 31 December 2023

(Unit: KRW)

	31 March 2024	31 December 2023
<b>Assets</b>		
Current assets	1,064,983,545,656	902,885,508,054
Cash and cash equivalents	314,427,180,021	184,417,149,183
Short-term financial instruments	250,529,152,530	120,514,272,143
Trade receivables	203,127,516,217	204,968,516,437
Other payables	9,472,076,124	3,418,658,323
Other current assets	51,023,372,939	53,675,872,497
Inventories	236,404,247,825	335,891,039,471
Non-current assets	311,780,692,287	302,179,436,683
Long-term other receivables	12,209,484,702	12,768,553,040
Investments in associates and joint ventures	50,713,497,363	47,935,017,586
Tangible assets	107,626,054,965	104,427,738,469
Right-of-use assets	19,749,359,850	21,512,251,346
Intangible assets	83,058,198,326	73,937,288,123
Other non-current assets	9,204,155,616	8,994,436,051
Defined benefit assets	6,955,229,606	9,689,545,632
Deferred tax assets	22,264,711,859	22,914,606,436
Total assets	1,376,764,237,943	1,205,064,944,737
<b>Liabilities</b>		
Current liabilities	369,231,489,836	207,337,013,241
Trade payables	206,844,206,176	97,600,609,220
Other payables	114,034,095,754	44,464,287,526
Other current liabilities	28,079,018,626	32,386,322,421
Lease liabilities	7,621,988,210	7,643,405,206
Current tax liabilities	12,652,181,070	25,242,388,868
Non-current liabilities	20,224,608,129	20,964,194,264
Other non-current payables	2,783,406,400	1,825,320,000
Other non-current liabilities	5,629,523,343	5,657,823,936
Lease liabilities	11,811,678,386	13,481,050,328
Total liabilities	389,456,097,965	228,301,207,505
<b>Equity</b>		
Equity attributable to owners of the Parent	987,308,139,978	976,763,737,232

Capital stock	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500
Other components of equity	(1,263,382,076)	(1,072,918,655)
Retained earnings	904,096,201,554	893,361,335,387
Non-controlling interest	0	0
Total equities	987,308,139,978	976,763,737,232
Total equities and liabilities	1,376,764,237,943	1,205,064,944,737

## 2-2. Income Statement

From 01 January to 2024 to 31 March 2024

From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Q1 2024		Q1 2023	
	3 Months	Cumulative	3 Months	Cumulative
Revenue (Sales)	458,321,584,541	458,321,584,541	521,465,160,860	521,465,160,860
Cost of sales	309,353,016,301	309,353,016,301	384,597,441,712	384,597,441,712
Gross profit	148,968,568,240	148,968,568,240	136,867,719,148	136,867,719,148
Selling and administrative expenses	102,732,558,140	102,732,558,140	97,725,032,279	97,725,032,279
Operating profit (loss)	46,236,010,100	46,236,010,100	39,142,686,869	39,142,686,869
Finance income	4,209,956,548	4,209,956,548	4,393,135,464	4,393,135,464
Finance costs	6,673,925,401	6,673,925,401	5,496,919,122	5,496,919,122
Other non-operating income	7,578,470,565	7,578,470,565	13,760,459,739	13,760,459,739
Other non-operating expenses	4,104,219,882	4,104,219,882	7,676,788,466	7,676,788,466
Equity method profit (loss)	3,473,874,894	3,473,874,894	524,304,238	524,304,238
Income before income taxes	50,720,166,824	50,720,166,824	44,646,878,722	44,646,878,722
Income tax expenses	10,645,690,471	10,645,690,471	8,951,699,151	8,951,699,151
Net income	40,074,476,353	40,074,476,353	35,695,179,571	35,695,179,571
Attribution of net income (loss)				
Equity attributable to owners of the Parent	40,074,476,353	40,074,476,353	35,695,179,571	35,695,179,571
Non-controlling interests	0	0	0	0
Earnings per share				
Basic earnings per share (Unit: KRW)	2,464.0	2,464.00	2,195.0	2,195.0
Diluted earnings per share (Unit: KRW)	2,464.0	2,464.00	2,195.0	2,195.0

## 2-3. Comprehensive Income Statement

From 01 January to 2024 to 31 March 2024  
From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Q1 2024		Q1 2023	
	3 Months	Cumulative	3 Months	Cumulative
Net income (loss)	40,074,476,353	40,074,476,353	35,695,179,571	35,695,179,571
Other comprehensive income	(254,333,607)	(254,333,607)	416,351,580	416,351,580
Items not reclassified to profit or loss:	(234,813,263)	(234,813,263)	0	0
Remeasurements of defined benefit plans	(63,870,186)	(63,870,186)	0	0
Equity method capital changes	(170,943,077)	(170,943,077)	0	0
Items that may be reclassified to profit or loss:	(19,520,344)	(19,520,344)	416,351,580	416,351,580
Gain (loss) on overseas business translation	201,931,696	201,931,696	295,269,035	295,269,035
Equity method capital changes	(221,452,040)	(221,452,040)	121,082,545	121,082,545
Total comprehensive income	39,820,142,746	39,820,142,746	36,111,531,151	36,111,531,151
Attribution of total comprehensive income				
Equity attributable to owners of the Parent	39,820,142,746	39,820,142,746	36,111,531,151	36,111,531,151
Non-controlling interests	0	0	0	0

## 2-4. Statement of Changes in Equity

From 01 January to 2024 to 31 March 2024  
From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Equity						
	Equity attributable to owners of the Parent					Non-controlling interest	Total
	Capital stock	Capital surplus	Other components of equity	Retained earnings	Total equity attributable to owners of the Parent		
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	35,695,179,571	35,695,179,571	0	35,695,179,571
	Defined benefit plans	0	0	0	0	0	0
	Gain (loss) on overseas business translation	0	295,269,035	0	295,269,035	0	295,269,035
	Equity method capital changes	0	121,082,545	0	121,082,545	0	121,082,545
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	(73,189,350,000)	(73,189,350,000)	0	(73,189,350,000)
31 March 2023	8,132,150,000	76,343,170,500	(365,359,031)	829,172,868,436	913,282,829,905	0	913,282,829,905
01 January 2024	8,132,150,000	76,343,170,500	(1,072,918,655)	893,361,335,387	976,763,737,232	0	976,763,737,232
Total comprehensive income	Net income	0	0	40,074,476,353	40,074,476,353	0	40,074,476,353
	Defined benefit plans	0	0	(63,870,186)	(63,870,186)	0	(63,870,186)
	Gain (loss) on overseas business translation	0	201,931,696	0	201,931,696	0	201,931,696
	Equity method capital changes	0	(392,395,117)	0	(392,395,117)	0	(392,395,117)
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	29,275,740,000)	(29,275,740,000)	0	(29,275,740,000)
31 March 2024	8,132,150,000	76,343,170,500	(1,263,382,076)	904,096,201,554	987,308,139,978	0	987,308,139,978

## 2-5. Statement of Cash Flows

From 01 January to 2024 to 31 March 2024  
From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Q1 2024	Q1 2023
Operating cash flows	272,383,374,002	130,077,175,135
Cash flows from operating activities	269,256,528,116	157,267,381,902
Net income	40,074,476,353	35,695,179,571
Adjustments	17,561,194,825	22,627,739,438
Change to equities/liabilities on sales operations	211,620,856,938	98,944,462,893
Interest received	4,172,818,648	2,821,021,374
Interest paid	(184,103,733)	(130,208,306)
Income taxes paid	(861,869,029)	(29,881,019,835)
Cash flows from investing activities	(140,412,341,958)	37,814,743,809
Increase in short-term financial instruments	(350,000,911,470)	(5,612,783)
Decrease in short-term financial instruments	220,000,000,000	50,000,000,000
Increase in other receivables	(3,061,452)	(122,926,750)
Decrease in other receivables	703,456,531	718,564,962
Acquisition of tangible assets	(7,304,200,179)	(16,491,748,189)
Disposal of tangible assets	0	15,075,832,600
Acquisition of intangible assets	(4,409,540,258)	(8,472,316,031)
Disposal of intangible assets	601,914,870	0
Acquisition of investments in associates	0	(2,887,050,000)
Cash flow from financing activities	(2,090,439,449)	(2,137,527,399)
Repayment of lease liabilities	(2,090,439,449)	(2,137,527,399)
Net increase in cash and cash equivalents	129,880,592,595	165,754,391,545
Beginning balance of cash and cash equivalents	184,417,149,183	188,365,134,297
Effects of exchange rate changes on cash and cash equivalents	129,438,243	1,546,698,173
Ending balance of cash and cash equivalents	314,427,180,021	355,666,224,015

### 3. Notes to the Consolidated Financial Statements

From 01 January to 2024 to 31 March 2024

From 01 January to 2023 to 31 March 2023

LX Semicon Co., Ltd. and its Subsidiaries

#### 1. General Information

The general details of LX Semicon Co., Ltd. (hereinafter referred to as the "Parent") and its subsidiaries (hereinafter collectively referred to as the "Group") are as follows.

##### 1.1 The Company Overview

###### (1) Summary of the Parent

LX Semicon Co., Ltd. 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 Parent as of 31 March 2024 is KRW 8,132,150,000 (16,264,300 issued shares and 50,000,000 authorized shares).

The shareholders of the Parent as of 31 March 2024 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%	

(2) Overview of Subsidiaries as of 31 March 2024 and 31 December 2023

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%

There were no entities newly included in or excluded from consolidation in the first quarter of 2024.

(3) Summarized Financial Information of Subsidiaries

The summarized financial position statements of the consolidated subsidiaries as of 31 March 2024 and 31 December 2023 and the summarized comprehensive income statements for each accounting period are as follows:

(Unit: KRW)						
Company name	31 March 2024			Q1 2024		
	Assets	Liabilities	Equity	Sales	Net Income	Total comprehensive income
LX Semicon U.S.A., Inc	1,437,871,707	74,013,124	1,363,858,583	1,094,354,340	81,063,280	136,807,442
LX Semicon China Co., Ltd.	8,104,071,598	991,553,115	7,112,518,483	3,621,481,161	376,309,212	556,732,195
LX Semicon China Co., Ltd.	3,255,913,832	1,947,303,145	1,308,610,687	1,836,548,611	(7,174,508)	(41,409,957)

(Unit: KRW)						
Company name	31 December 2023			Q1 2023		
	Assets	Liabilities	Equity	Sales	Net Income	Total comprehensive income
LX Semicon U.S.A., Inc	1,286,722,226	59,671,085	1,227,051,141	1,015,985,349	107,111,626	136,263,145
LX Semicon China Co., Ltd.	8,074,699,003	1,518,912,715	6,555,786,288	4,008,650,911	376,915,232	611,135,162
LX Semicon China Co., Ltd.	3,032,447,494	1,682,426,850	1,350,020,644	985,819,828	38,165,050	70,062,636

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

### (1) Standards for Preparing Quarterly Consolidated Financial Statements

The consolidated financial statements of 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 2023, 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 2023, except for the impact related to the introduction of the standards or interpretations described below and the matters specified in section 3) below.

1) The new standards and interpretations adopted starting from the first quarter of 2024, as well as the resulting changes in accounting policies, 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

At the end of the reporting period, liabilities are classified as current or non-current based on the existence of substantive rights, without considering the likelihood of exercising the right to defer settlement or management's expectations. Additionally, the settlement of liabilities may involve the transfer of the entity's own equity instruments. However, this does not apply to cases where an option to settle a compound financial instrument with equity instruments meets the definition of equity and is recognized separately from the liability. Furthermore, covenants that must be complied with after the reporting period do not affect the classification of liabilities as of the reporting period-end. For liabilities classified as non-current as of the reporting period-end but subject to compliance with covenants within 12 months after the reporting period, disclosures must include information regarding the risk that such liabilities may be settled within 12 months after the reporting period. The amendments to the standards have no significant impact on the consolidated financial statements.

– Amendment to K-IFRS 1007 Statement of Cash Flows and K-IFRS 1107 Financial Instruments: Disclosures - Disclosure of Information on Supplier Financing Arrangements

When supplier financing arrangements are applied, entities must disclose information about such arrangements to enable users of the consolidated financial statements to evaluate their effects on the entity's liabilities, cash flows, and exposure to liquidity risk. The amendments to the standards have no significant impact on the consolidated financial statements.

– Amendment to K-IFRS 1116 Leases - Lease Liabilities Arising from Sale and Leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback transaction, the lease payments or modified lease payments are determined in a way that does not recognize gains or losses related to the right-of-use retained by the seller-lessee. The amendments to the standard have no significant impact on the consolidated financial statements.

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Disclosure of Virtual Assets

The amendment specifies additional disclosure requirements for cases where an entity holds virtual assets, holds virtual assets on behalf of customers, or issues virtual assets. The amendments to the standard have no significant impact on the consolidated financial statements.

2) Korean International Financial Reporting Standards (K-IFRS) that have been issued and announced but are not yet effective are as follows:

– Amendments to K-IFRS 1021 The Effects of Changes in Foreign Exchange Rates and K-IFRS 1101

First-time Adoption of Korean International Financial Reporting Standards - Lack of Exchangeability

The amendments require entities to assess the exchangeability of a currency and, if exchangeability with another currency is lacking, estimate the spot exchange rate and disclose relevant information. These amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. The Group is currently assessing the impact of these amendments on the consolidated financial statements.

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

As the Group's consolidated revenue for the entire previous fiscal year meets the revenue requirements for Pillar 2 corporate income tax, the Group reviewed whether Pillar 2 corporate income tax applies in the first quarter. As a result of the review, it was determined that the Group qualifies for the exemption conditions under Pillar 2. Therefore, Pillar 2 has no impact on the Group's corporate income tax, and no current income tax related to this matter was recognized in the first quarter of 2024.

### 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 2023, 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 of the Group.

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

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Major customer A	267,251,539,409	227,204,828,993
Major customer B	123,689,401,745	211,526,091,226

## 5. Financial Instruments

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

The book values of financial instruments by category as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Book value	Fair value (*2)	Book value	Fair value (*2)
Financial assets:				
Items at FVTOCI				
Trade receivables	172,469,165,100	172,469,165,100	185,663,383,226	185,663,383,226
Items measured at amortized cost				
Cash and cash equivalents	314,427,180,021	314,427,180,021	184,417,149,183	184,417,149,183
Short-term financial instruments	250,529,152,530	250,529,152,530	120,514,272,143	120,514,272,143
Trade receivables	30,658,351,117	30,658,351,117	19,305,133,211	19,305,133,211
Other receivables (*1)	21,681,560,826	21,681,560,826	16,187,211,363	16,187,211,363
Sub-total	617,296,244,494		340,423,765,900	
Total	789,765,409,594		526,087,149,126	
Financial liabilities:				
Items measured at amortized cost				
Trade payables	206,844,206,176	206,844,206,176	97,600,609,220	97,600,609,220
Other payables (*1)	76,366,507,237	76,366,507,237	28,568,539,489	28,568,539,489
Sub-total	283,210,713,413		126,169,148,709	
Lease liabilities	19,433,666,596	(*3)	21,124,455,534	(*3)
Total	302,644,380,009		147,293,604,243	

(\*1) Employee-related debts that are not included in financial liabilities are excluded.

(\*2) 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.

(\*3) Lease liabilities have been excluded from the fair value disclosures according to K-IFRS 1107 Financial Instruments: Disclosures.

## (2) Net Profit and Loss by Financial Instrument Category

The details of financial incomes and financing costs recognized in the net income for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Category	Interest income (Interest expense)		Other income (*)	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Financial assets measured at FVTOCI	-	-	(1,886,749,260)	290,764,917
Financial assets measured at amortized cost	4,192,487,481	2,759,474,087	888,263,197	2,384,521,323
Lease receivables	-	11,797,151	-	-
Financial liabilities measured at amortized cost	-	-	(1,934,596,818)	(2,913,196,969)
Lease liabilities	(184,103,733)	(130,208,306)	-	-
Total	4,008,383,748	2,641,062,932	(2,933,082,881)	(237,910,729)

(\*) 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 the 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 31 March 2024.

## 6. Cash and Cash Equivalents

The details of cash and cash equivalents as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Demand deposit	5,300,399,099	7,617,149,183
Term deposit, etc. (*)	309,126,780,922	176,800,000,000
Total	314,427,180,021	184,417,149,183

(\*) 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Term deposit	250,529,152,530	120,514,272,143

## 8. Trade and Other Receivables

The details of trade and other receivables as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Trade receivables	203,127,516,217	-	204,968,516,437	-
Receivables	6,644,169,441	-	473,025,343	-
Accrued income	1,426,080,900	-	1,406,382,701	-
Loans	1,401,825,783	3,612,219,088	1,539,250,279	4,156,782,820
Deposits	-	8,597,265,614	-	8,611,770,220
Total	212,599,592,341	12,209,484,702	208,387,174,760	12,768,553,040

## 9. Other Assets

Other assets as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advanced payments	6,686,783,448	6,639,873,045	9,341,418,673	7,432,141,290
Prepaid expenses, etc.	44,336,589,491	2,564,282,571	44,334,453,824	1,562,294,761
Total	51,023,372,939	9,204,155,616	53,675,872,497	8,994,436,051

## 10. Inventories

(1) The details of inventories as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Finished goods	98,778,859,374	102,920,500,226
Work in process	210,860,826,927	307,978,195,302
Right to recover returned goods	101,571,546	131,692,031
Allowance for inventory valuation	(73,358,178,072)	(75,160,516,138)
Merchandise	21,168,050	21,168,050
Total	236,404,247,825	335,891,039,471

(2) The gain (loss) on valuation of inventories for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Cost of goods sold		
Establishment (return) of inventory valuation allowance	(1,802,338,066)	5,518,165,977

(3) The cost of inventories recognized as an expense and included in Cost of Sales amounts to KRW 311,531 million (Q1 2023: KRW 380,003 million).

## 11. Investment of Associates and Joint Ventures

(1) The changes in the investments in associates and joint ventures as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	31 March 2024		31 December 2023	
				Ratio (%)	Book value	Ratio (%)	Book value
Advance Power Device Technologies Co. Ltd	Korea	R&D and design of semiconductor devices	3	49.00	4,695,110,071	49.00	4,633,299,873
FJ Composite Materials Co., LTD	Japan	Development, manufacturing, and sales of composite materials	5	28.70	9,369,840,211	28.70	9,349,396,602
Telechips(*)	Korea	Manufacture of electronic integrated circuit	12	10.26	33,899,950,039	10.26	31,172,893,079
LX Ventures New Technology Business Investment Fund No. 1	Korea	Investment in venture businesses	12	23.33	2,748,597,042	23.33	2,779,428,032
Total							47,935,017,586

(\*) The effective ownership in Telechips Inc. is less than 20 percent, but significant influence is exercised through contractual rights to appoint directors.

(2) The changes in the investments in associates and joint ventures for the first quarter of 2024 and 2023 are as follows:

### ① Q1 2024

(Unit: KRW)					
Company name	1 January 2024	Dividend income	Equity method profit (or loss)	Equity method capital changes	31 March 2024
Advance Power Device Technologies Co. Ltd	4,633,299,873	-	61,810,198	-	4,695,110,071
FJ Composite Materials Co., LTD	9,349,396,602	-	260,391,767	(239,948,158)	9,369,840,211
Telechips Inc.	31,172,893,079	(303,000,000)	3,182,503,919	(152,446,959)	33,899,950,039
LX Ventures New Technology Business Investment Fund No. 1	2,779,428,032	-	(30,830,990)	-	2,748,597,042
Total	47,935,017,586	(303,000,000)	3,473,874,894	(392,395,117)	50,713,497,363

### ② Q1 2023

(Unit: KRW)					
Company name	1 January 2023	Dividend income	Equity method profit (or loss)	Equity method capital changes	31 March 2023
Advance Power Device Technologies Co. Ltd	4,403,026,225	-	64,948,733	-	4,467,974,958
FJ Composite Materials Co., LTD	7,296,459,614	2,887,050,000	266,970,433	121,280,133	10,571,760,180
Telechips Inc.	28,031,035,949	-	192,385,072	(197,588)	28,223,223,433
Total	39,730,521,788	2,887,050,000	524,304,238	121,082,545	43,262,958,571

## 12. Tangible Assets

The changes in the book value of tangible assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning net book value	104,427,738,469	105,170,569,415
Acquisition	6,595,843,039	8,202,878,448
Disposal	(13,448)	(12,488,115,548)
Depreciation	(3,419,680,729)	(3,109,871,683)
Other adjustments	22,167,634	68,614,762
Ending net book value	107,626,054,965	97,844,075,394

## 13. Intangible Assets

The changes in the book value of intangible assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning net book value	73,937,288,123	63,798,898,823
Acquisition	11,490,949,722	5,816,213,142
Disposal	(686,661,350)	(9,618,517)
Depreciation	(1,687,370,655)	(2,293,034,009)
Other adjustments	3,992,486	7,265,320
Ending net book value	83,058,198,326	67,319,724,759

#### 14. Lease

(1) The changes in book value of right-of-use assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning net book value	21,512,251,346	17,009,677,694
Acquisition	531,647,430	304,606,722
Decrease (Termination of contract)	(115,097,726)	(96,962,343)
Depreciation	(2,164,357,666)	(2,278,314,212)
Other increase or decrease	(15,083,534)	93,308,608
Ending net book value	19,749,359,850	15,032,316,469

(2) The amounts recognized in profit or loss for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Depreciation on licensed assets	2,164,357,666	2,278,314,212
Interest expense on lease liabilities	184,103,733	130,208,306
Expenses related to short-term leases and small assets lease	325,515,738	345,903,494

(3) The Group's total cash outflows due to leases for the first quarter of 2024 and 2023 amounted to KRW 2,600 million and KRW 2,614 million, respectively.

## 15. Trade and Other Payables

The details of trade and other payables as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Non-current	Non-current
Trade payables	206,844,206,176	-	97,600,609,220	-
Accrued expenses	62,200,271,180	-	32,483,691,098	-
Dividends payable	29,275,740,000	-	-	-
Accrued liabilities	22,558,084,574	1,004,446,400	11,980,596,428	-
Deposits received	-	1,778,960,000	-	1,825,320,000
Total	320,878,301,930	2,783,406,400	142,064,896,746	1,825,320,000

## 16. Other Liabilities

(1) The details of other liabilities as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advances customers	12,958,105,410	-	12,215,676,394	-
Withholdings	93,391,219	-	4,693,642,065	-
Provisions	15,027,521,997	2,498,715,452	15,477,003,962	2,498,715,452
Long-term employee salary liabilities	-	3,130,807,891	-	3,159,108,484
Total	28,079,018,626	5,629,523,343	32,386,322,421	5,657,823,936

(2) The changes in the provisions for the first quarter of 2024 and 2023 are as follows:

① Q1 2024

(Unit: KRW)				
Category	1 January 2024	Establishment (Reversal)	Paid	31 March 2024
Provision for sales warrant	15,286,080,704	2,986,635,506	(4,958,811,617)	13,313,904,593
Provision for return	190,923,258	(36,548,163)	-	154,375,095
Provisions for restoration	2,498,715,452	-	-	2,498,715,452
Total	-	1,559,242,309	-	1,559,242,309

② Q1 2023

(Unit: KRW)				
Category	1 January 2023	Establishment (Reversal)	Paid	31 March 2023
Provision for sales warrant	912,979,618	(272,996,305)	-	639,983,313
Provision for return	225,052,329	24,066,757	-	249,119,086
Provisions for restoration	2,502,515,452	-	-	2,502,515,452
Total	3,640,547,399	(248,929,548)	-	3,391,617,851

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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Gain (loss) on overseas business translation	333,188,208	131,256,512
Equity method capital changes	(1,215,762,553)	(823,367,436)
Gain (loss) on valuation of financial assets measured at FVTOCI	(380,807,731)	(380,807,731)
Total	(1,263,382,076)	(1,072,918,655)

## 19. Retained Earnings

(1) The details of current retained earnings for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	900,030,126,554	889,295,260,387
Total	904,096,201,554	893,361,335,387

(2) The changes in the unappropriated retained earnings for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning balance	889,295,260,387	862,600,963,865
Dividends paid	(29,275,740,000)	(73,189,350,000)
Net income	40,074,476,353	35,695,179,571
Remeasurements of defined benefit plans	(63,870,186)	-
Ending amount	900,030,126,554	825,106,793,436

## 20. Earnings Per Share

### (1) Basic Earnings Per Share

① The calculation of basic earnings per share for the first quarter of 2024 and 2023 are as follows:

Category	Q1 2024	Q1 2023
Earnings per ordinary share	KRW 40,074,476,353	KRW 35,695,179,571
Weighted average No. of common shares outstanding	16,264,300 shares	16,264,300 shares
Basic earnings per share	KRW 2,464	KRW 2,195

② Calculation of weighted average No. of common shares outstanding for the first quarter of 2024.

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
16,264,300 shares	-	16,264,300 shares	91 days/ 91 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for the first quarter of 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
16,264,300 shares	-	16,264,300 shares	90 days/ 90 days	16,264,300 shares

### (2) Diluted Earnings Per Share

The Group had no dilutive securities for the first quarter of 2024 and 2023; therefore, diluted earnings per share are the same as basic earnings per share.

## 21. Finance Income and Costs

(1) The details of financial income for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Earnings per ordinary share	4,192,487,481	2,771,271,238
Weighted average No. of common shares outstanding	9,609,559	-
Basic earnings per share	7,859,508	1,621,864,226
Total	4,209,956,548	4,393,135,464

(2) The details of financial expenses for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Interest expense	184,103,733	130,208,306
Loss from foreign exchange rate (financial)	9,630,069	-
Loss on foreign exchange (financial)	-	5,613,735
Loss on disposal of trade receivables	6,480,191,599	5,361,097,081
Total	6,673,925,401	5,496,919,122

## 22. Other Non-Operating Income and Expenses

(1) The details of other non-operating income for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Gain on foreign exchange (non-financial)	6,266,627,180	8,820,999,182
Gain on foreign currency translation (non-financial)	1,282,741,073	2,340,426,603
Gain on disposal of tangible assets	1,603,086	2,589,037,664
Gain on disposal of intangible assets	1,914,870	-
Miscellaneous income	25,584,356	9,996,290
Total	7,578,470,565	13,760,459,739

(2) The details of other non-operating expenses for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Loss on foreign exchange (non-financial)	2,791,549,536	6,752,944,979
Loss on foreign currency translation (non-financial)	1,218,548,997	901,544,945
Loss on disposal of tangible assets	7,455,593	1,000
Loss on disposal of intangible assets	86,661,350	9,618,517
Donations	-	1,714,900
Miscellaneous losses	4,406	10,964,125
Total	4,104,219,882	7,676,788,466

### 23. Operating Profit

The main items and amounts included in operating profit calculation for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Sales	458,321,584,541	521,465,160,860
Product sales	456,689,394,204	521,061,590,667
Others	1,632,190,337	403,570,193
Cost of sales	309,353,016,301	384,597,441,712
Cost of goods sold	308,717,820,076	384,460,088,443
Others	635,196,225	137,353,269
Selling and administrative expenses	102,732,558,140	97,725,032,279
Salaries and bonuses	20,788,347,118	20,129,471,226
Retirement benefits	1,332,353,232	1,064,291,294
Employee benefits	4,053,386,490	4,338,139,583
Travel and transportation expenses	606,822,059	695,848,261
Rental expenses	708,102,386	752,246,002
Service fees	8,749,671,617	8,692,128,286
Depreciation	3,078,491,610	3,579,829,695
Amortization of intangible assets	1,210,148,272	895,746,448
Provision (reversal) for sales warranty liabilities	2,986,635,506	(272,996,305)
Ordinary R&D expenses	56,857,802,525	54,668,891,756
Others	2,360,797,325	3,181,436,033
Operating profit	46,236,010,100	39,142,686,869

## 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Present value of defined benefit obligation	79,742,552,397	77,449,337,342
Fair value of plan assets	(86,697,782,003)	(87,138,882,974)
Defined benefit obligations (assets)	(6,955,229,606)	(9,689,545,632)

(2) The changes in the present value of defined benefit obligations for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning defined benefit obligations	77,449,337,342	68,723,266,014
Current service cost	2,798,163,937	2,599,919,149
Interest cost	822,481,238	867,483,448
Transfers between associates	(15,978,880)	(21,052,570)
Retirement benefit payment	(1,311,451,240)	(3,043,366,790)
Ending defined benefit obligations	79,742,552,397	69,126,249,251

(3) The changes in fair value of plan assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning balance of plan assets	87,138,882,974	87,024,709,511
Interest income	929,250,048	1,108,992,548
Plan assets remeasurement (before tax)	(83,056,159)	-
Payment of severance payment form plan assets	(1,173,605,449)	(3,033,505,868)
Others	(113,689,411)	(37,297,548)
Ending balance of plan assets	86,697,782,003	85,062,898,643

(4) The expenses recognized in profit or loss in relation to the defined benefit plan for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Current service cost	2,798,163,937	2,599,919,149
Net interest cost	(106,768,810)	(241,509,100)
Others	113,689,411	37,297,548
Total	2,805,084,538	2,395,707,597

## 25. Income Tax Expense

Income tax expense has been recognized based on the best estimate of the weighted-average annual income tax rate expected for the entire fiscal year. The estimated average annual income tax rate for the fiscal year ending 31 December 2024 is 21.0 percent (compared to 20.0 percent in 2023).

## 26. Statement of Cash Flow

(1) The details of reconciliation of income and expenses during business activities for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Income tax expense	10,645,690,471	8,951,699,151
Depreciation	5,584,038,395	5,388,185,895
Allowance for inventory valuation (provision/reversal)	(1,802,338,066)	5,518,165,977
Reversal (provision) of right to recover returned goods	30,120,485	(7,322,764)
Loss on disposal of inventories	1,473,868,947	1,681,615,398
Provision (reversal) for return liabilities	(36,548,163)	24,066,757
Gain on disposal of tangible assets	(1,603,086)	(2,589,037,664)
Loss on disposal of tangible assets	7,455,593	1,000
Gain on disposal of intangible assets	(1,914,870)	-
Loss on disposal of intangible assets	86,661,350	9,618,517
Amortization of intangible assets	1,687,370,655	2,293,034,009
Retirement benefits	2,805,084,538	2,395,707,597
Gain on foreign currency translation	(1,290,600,581)	(3,962,290,829)
Loss on foreign currency translation	1,218,548,997	907,158,680
Interest income	(4,192,487,481)	(2,771,271,238)
Interest expense	184,103,733	130,208,306
Provision (reversal) for sales warranty liabilities	2,986,635,506	(272,996,305)
Provision for other (loss) liabilities	1,559,242,309	-
Long-term employee benefits	91,899,407	94,403,853
Equity method profit (loss)	(3,473,874,894)	(524,304,238)
Loss on disposal of trade receivables	-	5,361,097,081
Miscellaneous	(158,420)	255
Total	17,561,194,825	22,627,739,438

(2) The changes in assets and liabilities during sales for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Trade receivables	3,113,500,965	(9,176,763,301)
Other payables	(5,674,483,670)	8,801,887,331
Other current assets	3,292,331,586	1,966,790,936
Inventories	(1,015,693,640)	-
Trade payables	99,785,140,280	58,594,177,035
Other current liabilities	108,126,251,253	36,772,783,077
Other payables	(8,816,762,161)	1,757,267,050
Non-current other payables	13,084,596,996	(10,348,592)
Long-term employee salary liabilities	(120,200,000)	(67,400,000)
Net defined benefit obligations	(153,824,671)	(30,913,492)
Lease receivables	-	336,982,849
Total	211,620,856,938	98,944,462,893

(3) The Group has prepared the cash flows based on operating activities on the cash flow statement using the indirect method. The significant transactions that do not involve cash inflows and outflows for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Transfer for tangible assets in progress	4,800,432,614	6,686,296,504
Transfer for intangible assets in progress	19,911,608,229	1,420,440,218
Increase (decrease) in payables relating to acquisition of tangible assets	(700,957,140)	(8,288,869,741)
Increase (decrease) in payables relating to acquisition of intangible assets	7,081,409,464	(2,656,102,889)
Recognition of lease liabilities and licensed assets under the lease agreement	531,647,430	304,606,722
Reclassification of lease liabilities to current liabilities	2,118,693,556	650,714,204
Reclassification of lease receivables to current receivables	-	344,609,247
Reclassification of loans to current loans	231,757,133	306,395,870

(4) The changes in liabilities arising from financial activities for the first quarter of 2024 and 2023 are as follows:

① Q1 2024

(Unit: KRW)				
Category	1 January 2024	Cash flow from financial activities	Non-cash transaction	31 March 2024
Dividends payable	-	-	29,275,740,000	29,275,740,000
Lease liabilities	21,124,455,534	(2,090,439,449)	399,650,511	19,433,666,596

② Q1 2023

(Unit: KRW)				
Category	1 January 2023	Cash flow from financial activities	Non-cash transaction	31 March 2023
Dividends payable	-	-	73,189,350,000	73,189,350,000
Lease liabilities	15,886,600,747	(2,137,527,399)	301,514,274	14,050,587,622

27. Restricted Financial Instruments

The financial instruments restricted for use as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)			
Items	Category	31 March 2024	31 December 2023
Long-term other receivables	Checking deposit	2,000,000	2,000,000

## 28. Related Parties

(1) The details of related parties as of 31 March 2024 and 31 December 2023 are as follows:

Type of special relationship	31 March 2024	31 December 2023
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.
	LX Ventures New Technology Business Investment Fund No. 1	LX Ventures New Technology Business Investment Fund No. 1 (*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	Large corporate group affiliates

(\*1) A 23.33 percent stake in LX Ventures New Technology Business Investment Fund No. 1 was acquired in 2023.

(2) The details of specially related parties with the Group for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Special relationship	Name	Details	Q1 2024	Q1 2023
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Operating expenses	1,361,383,742	53,645,207
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	Operating expenses	916,985,000	995,122,594
Other large corporate group affiliates	LX Hausys Co., Ltd.	Operating expenses	-	189,200,000
	LX Pantos Co., Ltd.	Operating expenses	1,082,857,161	1,400,099,167
	LX MDI Co., Ltd.	Operating expenses	190,684,150	362,248,000
	LX International Co., Ltd.	Operating expenses	4,343,868	-
	LX INTERNATIONAL JAPAN LTD.	Operating expenses	15,520,109	4,239,242

(3) The receivables and payables of related parties as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)					
Category	Name	31 March 2024		31 December 2023	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	8,548,742	-	1,368,990,000
	Telechips Inc.	303,000,000	-	-	-
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	577,349,000	9,684,943,200	434,734,000	7,700,000
Other large corporate group affiliates	LX Pantos Co., Ltd.	-	1,085,717,264	-	825,695,817
	LX MDI Co., Ltd.	64,042,000	16,411,200	-	23,329,662
	LX International Co., Ltd.	-	4,778,254	-	-

(4) The details of major fund transactions with the related parties for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)					
Category	Name	Q1 2024		Q1 2023	
		Dividends received	Cash contribution, etc.	Dividends paid	Cash contribution, etc.
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	-	-	2,887,050,000
Total		-	-	-	2,887,050,000

(5) The details of the compensation for key management for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Short-term salaries	3,325,517,265	3,307,491,523
Retirement benefits	383,556,385	385,299,824
Total	3,709,073,650	3,692,791,347

The Group's key management personnel include directors who hold significant authority and responsibility for planning, operating, and controlling the Company's activities.

(6) The Group has no security and guarantee details providing to or provided by special interest parties as of 31 March 2024 and 31 December 2023.

## 29. Commitments and Contingencies

(1) The Group is receiving payment and payment guarantee of KRW 390 million from Seoul Guarantee Insurance as of 31 March 2024.

(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 31 March 2024 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Purchase foreign exchange, etc.	Shinhan Bank	-	16,000,000
Purchase foreign exchange	NH Bank	-	15,000,000
Purchase foreign exchange	Mizuho Bank	-	60,000,000
Borrowing limit	K-Eximbank	200,000,000,000	-
Borrowing limit	MUFG Bank	150,000,000,000	-
Borrowing limit	Hana Bank	100,000,000,000	-
Borrowing limit	Suhyup Bank	30,000,000,000	-

(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 31 March 2024 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Factoring	Korea Eximbank	-	380,000,000
Factoring	BNP Paribas	-	130,000,000
Factoring	MUFG Bank	100,000,000,000	220,000,000
Factoring	ING Bank	-	95,000,000

(4) The Group has no details of providing collateral for financial assets as of 31 March 2024.

(5) The Group has no ongoing litigation or disputes as of 31 March 2024.

(6) The details of the Group's investment commitments as of 31 March 2024 are as follows: The remaining amount is expected to be additionally paid in accordance with the capital call requests from the executing partners in the future. However, at this point, the timing of such payments cannot be estimated.

(Unit: KRW)			
Category	Total commitment amount	Paid-in capital	Remaining commitment amount
LX Ventures New Technology Business Investment Fund No. 1	7,000,000,000	2,800,000,000	4,200,000,000

## 4. Financial Statements

### 4-1. Statement of Financial Position

As of 31 March 2024

As of 31 December 2023

(Unit: KRW)

	31 March 2024	31 December 2023
<b>Assets</b>		
Current assets	1,058,694,956,262	897,567,662,023
Cash and cash equivalents	309,873,576,277	180,939,531,955
Short-term financial instruments	250,000,000,000	120,000,000,000
Trade receivables	203,127,516,217	204,968,516,437
Other receivables	9,165,929,043	3,417,921,540
Other current assets	50,123,686,900	52,350,652,620
Inventories	236,404,247,825	335,891,039,471
Non-current assets	305,542,660,972	298,120,505,199
Long-term other receivables	11,488,147,070	12,032,846,069
Investments in subsidiaries	3,532,122,045	3,532,122,045
Investments in associates and joint ventures	43,702,873,000	43,702,873,000
Tangible assets	106,408,857,513	103,185,474,956
Right-of-use assets	18,012,386,364	19,643,121,217
Intangible assets	82,892,470,011	73,794,815,777
Other non-current assets	9,157,918,488	8,960,441,666
Net defined benefit assets	6,955,229,606	9,689,545,632
Deferred tax assets	23,392,656,875	23,579,264,837
Total assets	1,364,237,617,234	1,195,688,167,222
<b>Liabilities</b>		
Current liabilities	369,650,030,449	208,177,134,196
Trade payables	206,844,206,176	97,600,609,220
Other payables	115,480,844,466	46,298,822,570
Other current liabilities	27,988,208,757	32,374,334,511
Lease liabilities	6,704,523,431	6,773,233,986
Current tax liabilities	12,632,247,619	25,130,133,909
Non-current liabilities	19,346,591,797	19,893,642,382
Other non-current payables	2,783,406,400	1,825,320,000
Other non-current liabilities	5,629,523,343	5,657,823,936
Lease liabilities	10,933,662,054	12,410,498,446
Total liabilities	388,996,622,246	228,070,776,578
<b>Equity</b>		
Capital	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500

Other components of equity	(380,807,731)	(380,807,731)
Retained earnings	891,146,482,219	883,522,877,875
Total equities	975,240,994,988	967,617,390,644
Total equities and liabilities	1,364,237,617,234	1,195,688,167,222

#### 4-2. Income Statement

From 01 January to 2024 to 31 March 2024

From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Q1 2024		Q1 2023	
	3 months	Cumulative	3 months	Cumulative
Revenue (Sales)	458,321,584,541	458,321,584,541	521,465,160,860	521,465,160,860
Cost of sales	309,353,016,301	309,353,016,301	384,597,441,712	384,597,441,712
Gross profit	148,968,568,240	148,968,568,240	136,867,719,148	136,867,719,148
Selling and administrative expenses	103,341,545,332	103,341,545,332	98,294,559,598	98,294,559,598
Operating profit	45,627,022,908	45,627,022,908	38,573,159,550	38,573,159,550
Finance income	4,499,478,162	4,499,478,162	4,355,348,180	4,355,348,180
Finance costs	6,651,883,914	6,651,883,914	5,461,119,380	5,461,119,380
Other non-operating income	7,552,799,166	7,552,799,166	13,750,347,153	13,750,347,153
Other non-operating expenses	4,103,719,927	4,103,719,927	7,666,839,007	7,666,839,007
Income before income taxes	46,923,696,395	46,923,696,395	43,550,896,496	43,550,896,496
Income tax expenses	9,960,481,865	9,960,481,865	8,902,213,071	8,902,213,071
Net income	36,963,214,530	36,963,214,530	34,648,683,425	34,648,683,425
Earnings per share				
Basic earnings per share (Unit: KRW)	2,273.0	2,273.00	2,130.0	2,130.00
Diluted earnings per share (Unit: KRW)	2,273.0	2,273.00	2,130.0	2,130.00

4-3. Comprehensive Income Statement  
From 01 January to 2024 to 31 March 2024  
From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Q1 2024		Q1 2023	
	3 months	Cumulative	3 months	Cumulative
Net income (loss)	36,963,214,530	36,963,214,530	34,648,683,425	34,648,683,425
Other comprehensive income	(63,870,186)	(63,870,186)	0	0
Items not reclassified to profit or loss:	(63,870,186)	(63,870,186)	0	0
Remeasurements of defined benefit plans	(63,870,186)	(63,870,186)	0	0
Total comprehensive income	36,899,344,344	36,899,344,344	34,648,683,425	34,648,683,425

4-4. Statement of Changes in Equity

From 01 January to 2024 to 31 March 2024

From 01 January to 2023 to 31 March 2023

(Unit: KRW)

		Equity				
		Capital	Capital surplus	Other components of equity	Retained earnings	Total
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	34,648,683,425	34,648,683,425
	Remeasurement elements of defined benefit plans	0	0	0	0	0
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(73,189,350,000)	(73,189,350,000)
31 March 2023		8,132,150,000	76,343,170,500	(380,807,731)	822,175,059,783	906,269,572,552
01 January 2024		8,132,150,000	76,343,170,500	(380,807,731)	883,522,877,875	967,617,390,644
Total comprehensive income	Net income	0	0	0	36,963,214,530	36,963,214,530
	Remeasurement elements of defined benefit plans	0	0	0	(63,870,186)	(63,870,186)
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(29,275,740,000)	(29,275,740,000)
31 March 2024		8,132,150,000	76,343,170,500	(380,807,731)	891,146,482,219	975,240,994,988

4-5. Statement of Cash Flows

From 01 January to 2024 to 31 March 2024

From 01 January to 2023 to 31 March 2023

(Unit: KRW)

	Q1 2024	Q1 2023
Operating cash flows	271,028,159,448	129,086,381,774
Cash flows from operating activities	267,598,135,601	156,168,481,242
Net income	36,963,214,530	34,648,683,425
Adjustments	19,605,571,376	22,574,193,355
Change to equities/liabilities on sales operations	211,029,349,695	98,945,604,462
Interest received	4,161,846,693	2,784,760,314
Interest paid	(162,062,246)	(100,022,299)
Income taxes paid	(569,760,600)	(29,766,837,483)
Cash flows from investing activities	(140,300,402,437)	37,906,106,313
Increase in short-term financial instruments	(350,000,000,000)	0
Decrease in short-term financial instruments	220,000,000,000	50,000,000,000
Increase in other receivables	(20,000,000)	(120,000,000)
Decrease in other receivables	703,456,531	718,564,962
Acquisition of tangible assets	(7,212,211,780)	(16,408,925,218)
Disposal of tangible assets	0	15,075,832,600
Acquisition of intangible assets	(4,373,562,058)	(8,472,316,031)
Disposal of intangible assets	601,914,870	0
Acquisition of investments in associates	0	(2,887,050,000)
Cash flow from financing activities	(1,800,660,574)	(1,838,553,313)
Repayment of lease liabilities	(1,800,660,574)	(1,838,553,313)
Net increase in cash and cash equivalents	128,927,096,437	165,153,934,774
Beginning balance of cash and cash equivalents	180,939,531,955	186,352,407,000
Effects of exchange rate changes on cash and cash equivalents	6,947,885	1,621,864,226
Ending balance of cash and cash equivalents	309,873,576,277	353,128,206,000

## 5. Notes on Financial Statements

From 01 January to 2024 to 31 March 2024

From 01 January to 2023 to 31 March 2023

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 March 2024 is KRW 8,132,150,000 (16,264,300 issued shares and 50,000,000 authorized shares).

The shareholders of the Company as of 31 March 2024 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 Financial Statements

The 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 financial statements for the fiscal year ended 31 December 2023, 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 financial statements for the fiscal year ending 31 December 2023, except for the impact related to the introduction of the standards or interpretations described below and the matters specified in section 3) below.

1) The new standards and interpretations adopted starting from the first quarter of 2024, as well as the resulting changes in accounting policies, are as follows:

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

At the end of the reporting period, liabilities are classified as current or non-current based on the existence of substantive rights, without considering the likelihood of exercising the right to defer settlement or management's expectations. Additionally, the settlement of liabilities may involve the transfer of the entity's own equity instruments. However, this does not apply to cases where an option to settle a compound financial instrument with equity instruments meets the definition of equity and is recognized separately from the liability. Furthermore, covenants that must be complied with after the reporting period do not affect the classification of liabilities as of the reporting period-end. For liabilities classified as non-current as of the reporting period-end but subject to compliance with covenants within 12 months after the reporting period, disclosures must include information regarding the risk that such liabilities may be settled within 12 months after the reporting period. The amendments to the standards have no significant impact on the financial statements.

– Amendment to K-IFRS 1007 Statement of Cash Flows and K-IFRS 1107 Financial Instruments: Disclosures - Disclosure of Information on Supplier Financing Arrangements

When supplier financing arrangements are applied, entities must disclose information about such arrangements to enable users of the financial statements to evaluate their effects on the entity's liabilities, cash flows, and exposure to liquidity risk. The amendments to the standards have no significant impact on the financial statements.

– Amendment to K-IFRS 1116 Leases - Lease Liabilities Arising from Sale and Leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback transaction, the lease payments or modified lease payments are determined in a way that does not recognize gains or losses related to the right-of-use retained by the seller-lessee. The amendments to the standard have no significant impact on the financial statements.

– Amendment to K-IFRS 1001 Presentation of Financial Statements - Disclosure of Virtual Assets

The amendment specifies additional disclosure requirements for cases where an entity holds virtual assets, holds virtual assets on behalf of customers, or issues virtual assets. The amendments to the standard have no significant impact on the financial statements.

2) Korean International Financial Reporting Standards (K-IFRS) that have been issued and announced but are not yet effective are as follows:

– Amendments to K-IFRS 1021 The Effects of Changes in Foreign Exchange Rates and K-IFRS 1101

First-time Adoption of Korean International Financial Reporting Standards - Lack of Exchangeability

The amendments require entities to assess the exchangeability of a currency and, if exchangeability with another currency is lacking, estimate the spot exchange rate and disclose relevant information. These amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. The Company is currently assessing the impact of these amendments on the financial statements.

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

As the Company's revenue for the entire previous fiscal year meets the revenue requirements for Pillar 2 corporate income tax, the Company reviewed whether Pillar 2 corporate income tax applies in the first quarter. As a result of the review, it was determined that the Company qualifies for the exemption conditions under Pillar 2. Therefore, Pillar 2 has no impact on the Company's corporate income tax, and no current income tax related to this matter was recognized in the first quarter.

### 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 Company'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 2023, 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Book value	Fair value(*2)	Book value	Fair value(*2)
Financial assets:				
Items at FVTOCI				
Trade receivables	172,469,165,100	172,469,165,100	185,663,383,226	185,663,383,226
Items measured at amortized cost				
Cash and cash equivalents	309,873,576,277	309,873,576,277	180,939,531,955	180,939,531,955
Short-term financial instruments	250,000,000,000	250,000,000,000	120,000,000,000	120,000,000,000
Trade receivables	30,658,351,117	30,658,351,117	19,305,133,211	19,305,133,211
Other receivables(*1)	20,654,076,113	20,654,076,113	15,450,767,609	15,450,767,609
Sub-total	611,186,003,507		335,695,432,775	
Total	783,655,168,607		521,358,816,001	
Financial liabilities:				
Items measured at amortized cost				
Trade payables	206,844,206,176	206,844,206,176	97,600,609,220	97,600,609,220
Other payables(*2)	78,183,350,102	78,183,350,102	30,945,625,670	30,945,625,670
Sub-total	285,027,556,278		128,546,234,890	
Lease liabilities	17,638,185,485	(*3)	19,183,732,432	(*3)
Total	302,665,741,763		147,729,967,322	

(\*1) Employee-related debts that are not included in financial liabilities are excluded.

(\*2) 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.

(\*3) Lease liabilities have been excluded from the fair value disclosures according to K-IFRS 1107 Financial Instruments: Disclosures.

## (2) Net Profit and Loss by Financial Instrument Category

The details of financial incomes and financing costs recognized in the net income for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Category	Interest income (Interest expense)		Other income (*)	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Financial assets measured at FVTOCI	-	-	(1,886,749,260)	290,764,917
Financial assets measured at amortized cost	4,179,920,718	2,721,686,803	887,851,529	2,390,135,058
Lease receivables	-	11,797,151	-	-
Financial liabilities measured at amortized cost	-	-	(1,934,596,818)	(2,913,196,969)
Lease liabilities	(162,062,246)	(100,022,299)	-	-
Total	4,017,858,472	2,633,461,655	(2,933,494,549)	(232,296,994)

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

## (3) Transfer of Financial Assets

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

There is no book value of trade receivables accounted for as collateralized borrowing as the Company transferred all or part of the transferred financial assets through factoring of accounts receivable as of 31 March 2024.

## 5. Cash and Cash Equivalents

The details of cash and cash equivalents as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Demand deposit	746,795,355	4,139,531,955
Term deposit, etc. (*)	309,126,780,922	176,800,000,000
Total	309,873,576,277	180,939,531,955

(\*) 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Term deposit	250,000,000,000	120,000,000,000

## 7. Trade and Other Receivables

The details of trade and other receivables as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Trade receivables	203,127,516,217	-	204,968,516,437	-
Receivables	6,340,349,367	-	472,991,393	-
Accrued income	1,423,753,893	-	1,405,679,868	-
Loans	1,401,825,783	3,612,219,088	1,539,250,279	4,156,782,820
Deposits	-	7,875,927,982	-	7,876,063,249
Total	212,293,445,260	11,488,147,070	208,386,437,977	12,032,846,069

## 8. Other Assets

Other assets as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advanced payments	6,638,081,376	6,639,873,045	9,339,467,647	7,432,141,290
Prepaid expenses, etc.	43,485,605,524	2,518,045,443	43,011,184,973	1,528,300,376
Total	50,123,686,900	9,157,918,488	52,350,652,620	8,960,441,666

## 9. Inventories

(1) The details of inventories as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Finished goods	98,778,859,374	102,920,500,226
Work in process	210,860,826,927	307,978,195,302
Right to recover returned goods	101,571,546	131,692,031
Allowance for inventory valuation	(73,358,178,072)	(75,160,516,138)
Merchandise	21,168,050	21,168,050
Total	236,404,247,825	335,891,039,471

(2) The gain (loss) on valuation on valuation of inventories for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Cost of goods sold		
Establishment (Reversal) of inventory valuation allowance	(1,802,338,066)	5,518,165,977

(3) The cost of inventories recognized as an expense and included in Cost of Sales amounts to KRW 311,531 million (Q1 2023: KRW 380,003 million).

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

(1) The investment in associates and joint ventures as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	31 March 2024		31 December 2023	
				Ratio (%)	Book value	Ratio (%)	Book value
LX Semicon U.S.A., Inc	USA	Semiconductor manufacturing and designing	12	100.00	137,322,045	100.00	137,322,045
LX Semicon China Co., Ltd.	China	Semiconductor manufacturing and designing	12	100.00	2,179,314,000	100.00	2,179,314,000
LX Semicon Japan Co., Ltd.	Japan	Semiconductor manufacturing and designing	12	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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	31 March 2024		31 December 2023	
				Ratio (%)	Book value	Ratio (%)	Book value
Advance Power Device Technologies Co. Ltd	Korea	R&D and design of semiconductor devices	3	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	5	28.70	9,722,823,000	28.70	9,722,823,000
Telechips(*)	Korea	Manufacture of electronic integrated circuit	12	10.26	26,770,050,000	10.26	26,770,050,000
LX Ventures New Technology Business Investment Fund No. 1	Korea	Investment in venture businesses	12	23.33	2,800,000,000	23.33	2,800,000,000
Total					43,702,873,000		43,702,873,000

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

(3) The changes in the investments in subsidiaries, associates and joint ventures for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning	47,234,995,045	41,547,945,045
Acquisition	-	2,887,050,000
Ending	47,234,995,045	44,434,995,045

## 11. Tangible Assets

The changes in the book value of tangible assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning net book value	103,185,474,956	103,418,994,751
Acquisition	6,503,854,640	8,120,055,477
Disposal	(13,448)	(12,488,115,548)
Depreciation	(3,280,458,635)	(2,897,776,152)
Ending net book value	106,408,857,513	96,153,158,528

## 12. Intangible Assets

The changes in the book value of intangible assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning net book value	73,794,815,777	63,621,254,908
Acquisition	11,454,971,522	5,816,213,142
Disposal	(686,661,350)	(9,618,517)
Depreciation	(1,670,655,938)	(2,276,385,799)
Ending net book value	82,892,470,011	67,151,463,734

### 13. Lease

(1) The changes in book value of right-of-use assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning net book value	19,643,121,217	14,204,693,929
Acquisition	319,033,234	256,576,017
Decrease (Termination of contract)	(62,301,848)	(28,835,336)
Depreciation	(1,887,466,239)	(1,975,823,187)
Ending net book value	18,012,386,364	12,456,611,423

(2) The amounts recognized in profit or loss for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Depreciation on licensed assets	1,887,466,239	1,975,823,187
Interest expense on lease liabilities	162,062,246	100,022,299
Expenses related to short-term leases and small assets lease	54,524,116	81,446,048

(3) The Company's total cash outflows due to leases for the first quarter of 2024 and 2023 amounted to KRW 2,017 million and KRW 2,020 million, respectively.

#### 14. Trade and Other Payables

The details of trade and other payables as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Non-current	Non-current
Trade payables	206,844,206,176	-	97,600,609,220	-
Accrued expenses	64,017,114,045	-	34,860,777,279	-
Dividends payable	29,275,740,000	-	-	-
Accrued liabilities	22,187,990,421	1,004,446,400	11,438,045,291	-
Deposits received	-	1,778,960,000	-	1,825,320,000
Total	322,325,050,642	2,783,406,400	143,899,431,790	1,825,320,000

#### 15. Other Liabilities

(1) The details of other liabilities as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	31 March 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advances customers	12,958,105,410	-	12,215,669,884	-
Withholdings	2,581,350	-	4,681,660,665	-
Provisions	15,027,521,997	2,498,715,452	15,477,003,962	2,498,715,452
Long-term employee salary liabilities	-	3,130,807,891	-	3,159,108,484
Total	27,988,208,757	5,629,523,343	32,374,334,511	5,657,823,936

(2) The changes in the provisions for the first quarter of 2024 and 2023 are as follows:

① Q1 2024

(Unit: KRW)				
Category	1 January 2024	Establishment (Reversal)	Paid	31 March 2024
Provision for sales warrant	15,286,080,704	2,986,635,506	(4,958,811,617)	13,313,904,593
Provision for return	190,923,258	(36,548,163)	-	154,375,095
Provisions for restoration	2,498,715,452	-	-	2,498,715,452
Provision for other (loss)	-	1,559,242,309	-	1,559,242,309
Total	17,975,719,414	4,509,329,652	(4,958,811,617)	17,526,237,449

② Q1 2023

(Unit: KRW)				
Category	1 January 2023	Establishment (Reversal)	Paid	31 March 2023
Provision for sales warrant	912,979,618	(272,996,305)	-	639,983,313
Provision for return	225,052,329	24,066,757	-	249,119,086
Provisions for restoration	2,502,515,452	-	-	2,502,515,452
Total	3,640,547,399	(248,929,548)	-	3,391,617,851

The Company recognizes warranty expense in the provision for product warranties as expected to be borne by the Company related to sales guarantee for the products and recognizes the corresponding transferred amount in selling and administrative expenses. On the other hand, the Company 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Gain (loss) 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	887,080,407,219	879,456,802,875
Total	891,146,482,219	883,522,877,875

(2) The changes in the unappropriated retained earnings for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning balance	879,456,802,875	856,649,651,358
Dividends paid	(29,275,740,000)	(73,189,350,000)
Net income	36,963,214,530	34,648,683,425
Remeasurements of defined benefit plans	(63,870,186)	-
Ending amount	887,080,407,219	818,108,984,783

## 19. Earnings Per Share

### (1) Basic Earnings Per Share

① The calculation of basic earnings per share for the first quarter of 2024 and 2023 are as follows:

Category	Q1 2024	Q1 2023
Earnings per ordinary share	KRW 36,963,214,530	KRW 34,648,683,425
Weighted average No. of common shares outstanding	16,264,300 shares	16,264,300 shares
Basic earnings per share	KRW 2,273	KRW 2,130

② Calculation of weighted average No. of common shares outstanding for the first quarter of 2024.

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
16,264,300 shares	-	16,264,300 shares	91 days/ 91 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for the first quarter of 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
16,264,300 shares	-	16,264,300 shares	90 days/ 90 days	16,264,300 shares

### (2) Diluted Earnings Per Share

The Company had no dilutive securities for the first quarter of 2024 and 2023; therefore, diluted earnings per share are the same as basic earnings per share.

20. Finance Income and Costs

(1) The details of financial income for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Interest income	4,179,920,718	2,733,483,954
Dividend income	303,000,000	-
Gain from foreign exchange rate (financial)	9,609,559	-
Gain on foreign exchange (financial)	6,947,885	1,621,864,226
Total	4,499,478,162	4,355,348,180

(2) The details of financial expenses for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Interest expense	162,062,246	100,022,299
Loss from foreign exchange rate (financial)	9,630,069	-
Loss on disposal of trade receivables	6,480,191,599	5,361,097,081
Total	6,651,883,914	5,461,119,380

## 21. Other Non-Operating Income and Expenses

(1) The details of other non-operating income for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Gain on foreign exchange (non-financial)	6,266,627,180	8,820,999,182
Gain on foreign currency translation (non-financial)	1,282,741,073	2,340,426,603
Gain on disposal of tangible assets	1,501,484	2,588,154,426
Gain on disposal of intangible assets	1,914,870	-
Miscellaneous income	14,559	766,942
Total	7,552,799,166	13,750,347,153

(2) The details of other non-operating expenses for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Loss on foreign exchange (non-financial)	2,791,049,581	6,752,944,979
Loss on foreign currency translation (non-financial)	1,218,548,997	901,544,945
Loss on disposal of tangible assets	7,455,593	1,000
Loss on disposal of intangible assets	86,661,350	9,618,517
Donations	-	1,714,900
Miscellaneous losses	4,406	1,014,666
Total	4,103,719,927	7,666,839,007

## 22. Operating Profit

The main items and amounts included in operating profit calculation for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Sales	458,321,584,541	521,465,160,860
Product sales	456,689,394,204	521,061,590,667
Others	1,632,190,337	403,570,193
Cost of sales	309,353,016,301	384,597,441,712
Cost of goods sold	308,717,820,076	384,460,088,443
Others	635,196,225	137,353,269
Selling and administrative expenses	103,341,545,332	98,294,559,598
Salaries and bonuses	18,287,824,021	17,594,203,661
Retirement benefits	1,330,648,578	1,059,251,975
Employee benefits	3,347,713,459	3,516,171,621
Travel and transportation expenses	395,667,691	436,914,649
Rental expenses	377,266,277	413,527,259
Service fees	15,106,421,190	14,549,667,563
Depreciation	2,662,378,089	3,065,243,139
Amortization of intangible assets	1,193,433,555	879,098,238
Provision (reversal) for sales warranty liabilities	2,986,635,506	(272,996,305)
Ordinary R&D expenses	55,668,723,738	54,182,070,631
Others	1,984,833,228	2,871,407,167
Operating profit	45,627,022,908	38,573,159,550

### 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 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	31 March 2024	31 December 2023
Present value of defined benefit obligation	79,742,552,397	77,449,337,342
Fair value of plan assets	(86,697,782,003)	(87,138,882,974)
Defined benefit obligations (assets)	(6,955,229,606)	(9,689,545,632)

(2) The changes in the present value of defined benefit obligations for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning defined benefit obligations	77,449,337,342	68,723,266,014
Current service cost	2,798,163,937	2,599,919,149
Interest cost	822,481,238	867,483,448
Transfers between associates	(15,978,880)	(21,052,570)
Retirement benefit payment	(1,311,451,240)	(3,043,366,790)
Ending defined benefit obligations	79,742,552,397	69,126,249,251

(3) The changes in fair value of plan assets for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Beginning balance of plan assets	87,138,882,974	87,024,709,511
Interest income	929,250,048	1,108,992,548
Plan assets remeasurement (before tax)	(83,056,159)	-
Payment of severance payment form plan assets	(1,173,605,449)	(3,033,505,868)
Others	(113,689,411)	(37,297,548)
Ending balance of plan assets	86,697,782,003	85,062,898,643

(4) Expenses recognized in the current profit or loss regarding the defined benefit plans for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Current service cost	2,798,163,937	2,599,919,149
Net interest cost	(106,768,810)	(241,509,100)
Others	113,689,411	37,297,548
Total	2,805,084,538	2,395,707,597

#### 24. Income Tax Expenses

Income tax expense has been recognized based on the best estimate of the weighted-average annual income tax rate expected for the entire fiscal year. The estimated average annual income tax rate for the fiscal year ending 31 December 2024 is 21.2 percent (compared to the estimated average income tax rate of 20.4 percent for the fiscal year ending 31 December 2023).

25. Statement of Cash Flows

(1) The details of reconciliation of income and expenses during business activities for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Income tax expense	9,960,481,865	8,902,213,071
Depreciation	5,167,924,874	4,873,599,339
Allowance for inventory valuation (provision/reversal)	(1,802,338,066)	5,518,165,977
Reversal (provision) of right to recover returned goods	30,120,485	(7,322,764)
Loss on disposal of inventories	1,473,868,947	1,681,615,398
Provision (reversal) for return liabilities	(36,548,163)	24,066,757
Gain on disposal of tangible assets	(1,501,484)	(2,588,154,426)
Loss on disposal of tangible assets	(1,914,870)	-
Gain on disposal of intangible assets	7,455,593	1,000
Loss on disposal of intangible assets	86,661,350	9,618,517
Amortization of intangible assets	1,670,655,938	2,276,385,799
Retirement benefits	2,805,084,538	2,395,707,597
Gain on foreign currency translation	(1,289,688,958)	(3,962,290,829)
Loss on foreign currency translation	1,218,548,997	901,544,945
Interest income	(303,000,000)	-
Interest expense	(4,179,920,718)	(2,733,483,954)
Provision (reversal) for sales warranty liabilities	162,062,246	100,022,299
Provision for other (loss) liabilities	2,986,635,506	(272,996,305)
Long-term employee benefits	1,559,242,309	-
Equity method profit (loss)	91,899,407	94,403,853
Loss on disposal of trade receivables	-	5,361,097,081
Miscellaneous	(158,420)	-
Total	19,605,571,376	22,574,193,355

(2) The changes in assets and liabilities during sales for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Trade receivables	3,066,264,292	(9,255,594,235)
Other payables	(5,562,384,038)	8,681,294,812
Other current assets	3,035,364,118	1,730,439,675
Inventories	(1,004,446,400)	-
Trade payables	99,785,140,280	58,594,177,035
Other current liabilities	108,126,251,253	36,772,783,077
Other payables	(8,895,455,406)	1,745,041,234
Non-current other payables	12,752,640,267	438,793,507
Long-term employee salary liabilities	(120,200,000)	(67,400,000)
Net defined benefit obligations	(153,824,671)	(30,913,492)
Lease receivables	-	336,982,849
Total	211,029,349,695	98,945,604,462

(3) The Company has prepared the cash flow based on operating activities on the cash flow statement using the indirect method. The significant transactions that do not involve cash inflows and outflows for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Transfer for tangible assets in progress	4,800,432,614	6,686,296,504
Transfer for intangible assets in progress	19,911,608,229	1,420,440,218
Increase (decrease) in payables relating to acquisition of tangible assets	(700,957,140)	(8,288,869,741)
Increase (decrease) in payables relating to acquisition of intangible assets	7,081,409,464	(2,656,102,889)
Recognition of lease liabilities and licensed assets under the lease agreement	319,033,234	256,576,017
Reclassification of lease liabilities to current liabilities	1,731,950,019	424,934,670
Reclassification of lease receivables to current receivables	-	344,609,247
Reclassification of loans to current loans	231,757,133	306,395,870

(4) The changes in liabilities arising from financial activities for the first quarter of 2024 and 2023 are as follows:

① Q1 2024

(Unit: KRW)				
Category	1 January 2024	Cash flow from financial activities	Non-cash transaction	31 March 2024
Dividends payable	-	-	29,275,740,000	29,275,740,000
Lease liabilities	19,183,732,432	(1,800,660,574)	255,113,627	17,638,185,485

② Q1 2023

(Unit: KRW)				
Category	1 January 2023	Cash flow from financial activities	Non-cash transaction	31 March 2023
Dividends payable	-	-	73,189,350,000	73,189,350,000
Lease liabilities	13,035,055,914	(1,838,553,313)	227,304,307	11,423,806,908

26. Restricted Financial Instruments

The financial instruments restricted for use as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)			
Items	Category	31 March 2024	31 December 2023
Long-term other receivables	Checking deposit	2,000,000	2,000,000

## 27. Related Parties

(1) The details of related parties as of 31 March 2024 and 31 December 2023 are as follows:

Type of special relationship	31 March 2024	31 December 2023
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.
	LX Ventures New Technology Business Investment Fund No. 1	LX Ventures New Technology Business Investment Fund No. 1 (*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	Large corporate group affiliates

(\*1) A 23.33 percent stake in LX Ventures New Technology Business Investment Fund No. 1 was acquired in 2023.

(2) The details of specially related parties with the Company for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Special relationship	Name	Details	Q1 2024	Q1 2023
Subsidiaries	LX Semicon U.S.A., Inc	Operating expenses	1,101,549,920	1,029,397,161
	LX Semicon China Co., Ltd.	Operating expenses	3,853,365,643	4,257,311,883
	LX Semicon Japan Co., Ltd.	Operating expenses	1,828,517,358	982,567,057
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Operating expenses	1,361,383,742	53,645,207
	Telechips Inc.	Dividend income	303,000,000	-
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	Operating expenses	916,985,000	995,122,594
Other large corporate group affiliates	LX Hausys Co., Ltd.	Operating expenses	-	189,200,000
	LX Pantos Co., Ltd.	Operating expenses	1,082,857,161	1,400,099,167
	LX MDI Co., Ltd.	Operating expenses	190,684,150	362,248,000
	LX International Co., Ltd.	Operating expenses	4,343,868	-
	LX INTERNATIONAL JAPAN LTD.	Operating expenses	7,751,174	4,239,242

(3) The receivables and payables of related parties as of 31 March 2024 and 31 December 2023 are as follows:

(Unit: KRW)					
Category	Name	31 March 2024		31 December 2023	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Subsidiaries	LX Semicon U.S.A., Inc	-	372,080,194	-	367,326,322
	LX Semicon China Co., Ltd.	-	1,303,287,488	-	2,001,759,235
	LX Semicon Japan Co., Ltd.	-	876,210,497	-	659,756,055
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	8,548,742	-	1,368,990,000
	Telechips Inc.	303,000,000	-	-	-
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	577,349,000	9,684,943,200	434,734,000	7,700,000
Other large corporate group affiliates	LX Pantos Co., Ltd.	-	1,085,717,264	-	825,695,817
	LX MDI Co., Ltd.	64,042,000	16,411,200	-	23,329,662
	LX International Co., Ltd.	-	4,778,254	-	-

(4) The details of major fund transactions with the related parties for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)					
Category	Name	Q1 2024		Q1 2023	
		Dividends received	Cash contribution, etc.	Dividends paid	Cash contribution, etc.
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	-	-	2,887,050,000
Total		-	-	-	2,887,050,000

(5) The details of the compensation for key management for the first quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q1 2024	Q1 2023
Short-term salaries	3,325,517,265	3,307,491,523
Retirement benefits	383,556,385	385,299,824
Total	3,709,073,650	3,692,791,347

The Company's key management personnel include directors who hold significant authority and responsibility for planning, operating, and controlling the Company's activities.

(6) The Company has no security and guarantee details providing to or provided by special interest parties as of 31 March 2024 and 31 December 2023.

28. Commitments and Contingencies

(1) The Company is receiving payment and payment guarantee of KRW 390 million from Seoul Guarantee Insurance as of 31 March 2024.

(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 31 March 2024 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Purchase foreign exchange, etc.	Shinhan Bank	-	16,000,000
Purchase foreign exchange	NH Bank	-	15,000,000
Purchase foreign exchange	Mizuho Bank	-	60,000,000
Borrowing limit	K-Eximbank	200,000,000,000	-
Borrowing limit	MUFG Bank	150,000,000,000	-
Borrowing limit	Hana Bank	100,000,000,000	-
Borrowing limit	Suhyup Bank	30,000,000,000	-

(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 31 March 2024 are as follows:

(Unit: KRW, USD)			
Category	Financial institutions	KRW	Foreign currency
Factoring	Korea Eximbank	-	380,000,000
Factoring	BNP Paribas	-	130,000,000
Factoring	MUFG Bank	100,000,000,000	220,000,000
Factoring	ING Bank	-	95,000,000

(4) The Company has no details of providing collateral for financial assets as of 31 March 2024.

(5) The Company has no ongoing litigation or disputes as of 31 March 2024.

(6) The details of the Company's investment commitments as of 31 March 2024 are as follows: The remaining amount is expected to be additionally paid in accordance with the capital call requests from the executing partners in the future. However, at this point, the timing of such payments cannot be estimated.

(Unit: KRW)			
Category	Total commitment amount	Paid-in capital	Remaining commitment amount
LX Ventures New Technology Business Investment Fund No. 1	7,000,000,000	2,800,000,000	4,200,000,000

## 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 Company may determine a record date to confirm the shareholders eligible to receive dividends under Paragraph (1) by a resolution of the board of directors. If a record date is set, the Company must announce it at least two weeks in advance.

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

### (1) Major Dividends Indexes

Category	Type of shares	Q1 2024	2023	2022
Face value per share (KRW)		500	500	500
(Consolidated) Current net profit (KRW million)		40,074	101,204	233,693
(Individual) Current net profit (KRW million)		36,963	97,316	230,608
(Consolidated) earnings per share (KRW)		2,464	6,222	14,368
Total dividends in cash (KRW million)		-	29,276	73,189
Total amount of dividends (KRW million)		-	-	-
(Consolidated) Cash dividend (%)		-	28.9	31.3
Cash dividend rate (%)	Common shares	-	2.04	5.7
	Preferred shares	-	-	-
Share dividend rate (%)	Common shares	-	-	-
	Preferred shares	-	-	-
Dividend in cash per share (KRW)	Common shares	-	1,800	4,500
	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.

### (2) Past Dividend History

(Unit: times,%)

No. of consecutive dividends		Average dividend yield	
Quarterly (intermediate) dividends	Settlement dividend	Last 3 years	Last 5 years
-	14	3.71	3.15

\*) The total number of consecutive dividends from fiscal year 2010 to fiscal year 2023 is 14.

## 7. Fundraising Through Securities Issuance

### 7-1. Fundraising Performance Through Securities Issuance

#### A. Status of Equity Securities Issuance and Reduction

There was no equity securities issued during the disclosure period.

##### (1) Status of Capital Increase (Decrease)

(As of 31 March 2024)

(Unit: KRW, Shares)

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

#### B. Debt Securities that may Convert to Equity Securities

There were no debt securities issued during the disclosure period.

##### (1) Issuance Performance of Debt Securities

[Issuance of Debt Securities, etc.]

(As of 31 March 2024)

(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 31 March 2024)

(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 31 March 2024)

(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 31 March 2024)

(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 31 March 2024)

(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 31 March 2024)

(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. Actual Use of Funds Raised Through the Issuance of Securities**

There were no funds raised through the issuance of securities during the disclosure period; therefore, this is not applicable.

## 8. Other Financial Matters

### A. Notes on Restatement of Financial Statements

#### (1) Reasons, Details, and Impact of Restated (Consolidated) Financial Statements

There are no applicable matters as of the report preparation date.

#### (2) Mergers, Spin-offs, Asset Transfers, and Business Acquisitions

There are no applicable matters as of the report preparation date.

### B. Status of Allowance for Doubtful Accounts

#### (1) Details of Allowance for Doubtful Accounts by Account Category

[As of 31 March 2024]

(Unit: KRW million, %)

Category	Account	Receivable Amount	Allowance for bad debts	Allowance rate
Q1 2024	Trade receivables	203,128	-	0.0
	Other payables	9,472	-	0.0
	Non-current other receivables	12,209	-	0.0
	Total	224,809	-	0.0
2023	Trade receivables	204,969	-	0.0
	Other payables	3,419	-	0.0
	Non-current other receivables	12,769	-	0.0
	Total	221,157	-	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

\*) 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 31 March 2024]

(Unit: KRW Million)

Category	Q1 2024	2023	2022
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 percent 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 31 March 2024]

(Unit: KRW Million)

Category	Elapsed period		Total
	Within 6 months	Over 6 months	
Trade receivables	203,128	-	203,128
Total	203,128	-	203,128
Ratio (%)	100.00	-	100.00

## C. Inventory Status

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

[As of 31 March 2024]

(Unit: KRW Million)

Business sector	Items	Q1 2024	2023	2022	Remarks
System IC	Finished goods	79,845	102,921	184,831	-
	Merchandise	-	21	47	-
	Inventories	156,559	232,949	297,678	-
Total		236,404	335,891	482,556	-
Portion of inventory over gross assets (%) [Total inventories ÷ Total assets as of 31 December × 100]		17.2	27.9	37.4	-
Inventory turnover ratio (Collection) [Cost of goods sold ÷ {(Beginning inventory + Ending inventory) ÷ 2}]		4.3	3.3	4.2	-

\*) The Company's business consists of a single segment, System IC. Therefore, inventory assets are not classified by business segment.

### (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 31 March 2024 are as follows:

[As of 31 March 2024]

(Unit: KRW Million)

Items	Acquisition cost	Holding amount	Valuation allowance	Balance as of 31 March 2024
Inventories	309,762	309,762	(73,358)	236,404

## D. Status of Order Contracts

There is no contract revenue amounts that account for 5 percent or more of the revenue in the financial statements of the previous fiscal year; therefore, this is not applicable as of the report preparation 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:

Category	31 March 2024	
	Book value	Fair value (*2)
Financial assets:		
Items at FVTOCI		
Trade receivables	172,469,165,100	172,469,165,100
Items measured at amortized cost		
Cash and cash equivalents	314,427,180,021	314,427,180,021
Short-term financial instruments	250,529,152,530	250,529,152,530
Trade receivables	30,658,351,117	30,658,351,117
Other receivables (*1)	21,681,560,826	21,681,560,826
Sub-total	617,296,244,494	
Total	789,765,409,594	
Financial liabilities:		
Items measured at amortized cost		
Trade payables	206,844,206,176	206,844,206,176
Other payables (*1)	76,366,507,237	76,366,507,237
Sub-total	283,210,713,413	
Lease liabilities	19,433,666,596	(*3)
Total	302,644,380,009	

(\*1) Employee-related liabilities not included in financial liabilities are excluded.

(\*2) The carrying amount reasonably approximates fair value; therefore, disclosures regarding the fair value hierarchy and measurement methods have been omitted.

(\*3) Lease liabilities are excluded from fair value disclosures in accordance with K-IFRS 1107 Financial Instruments: Disclosures.

## **IV. Management Analysis and Opinions by Directors**

This information is not included in the quarterly or semi-annual reports in accordance with corporate disclosure form preparation standards (to be included in the annual business 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
Q1 2024	Samil PwC	Not applicable	Not applicable	-
2023	Samil PwC	Unqualified	Not applicable	Inventory valuation
2022	Anjin LLC	Unqualified	Not applicable	Inventory valuation

#### B. Audit Service Contract Status

(Unit: KRW million, Hour(S))

Fiscal year	Auditor	Contents	Audit contract details		Actual performance details	
			Remuneration	Hours	Remuneration	Hours
Q1 2024	Samil PwC	Quarterly and semi-annual reviews Audit of separate and consolidated financial statements and internal control over financial reporting	300	3,200	75	310
2023	Samil PwC	Quarterly and semi-annual reviews Audit of separate and consolidated financial statements and internal control over financial reporting	280	3,200	460	3,046
2022	Anjin LLC	Quarterly and semi-annual reviews Audit of separate and consolidated financial statements and internal control over financial reporting	460	3,948	460	3,497

#### C. Non-Audit Service Contracts with Auditor

(Unit: KRW Million)

Fiscal year	Contracted in	Services	Period	Remuneration	Remarks
Q1 2024	Jan. 2024	Tax advisory services	Jan. 2024 ~ Jan. 2025	18	-
2023	Aug. 2023	Tax advisory services	Aug. 2023 ~ Dec. 2023	12	-
	Aug. 2023	Transfer pricing review	Aug. 2023 ~ Oct. 2023	10	-
	Aug. 2023	Transfer pricing review	Aug. 2023 ~ Mar. 2024	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.

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

No.	Date	Participants	Method	Key Discussion Topics
1	31.05.2022	Company: 3 Audit Committee members Auditor: Engagement Partner	Written	Report on the annual audit plan and key focus areas
2	31.12.2022	Company: 3 Audit Committee members Auditor: Engagement Partner	Written	Report on the year-end audit plan and key audit matters
3	26.01.2023	Company: 3 Audit Committee members Auditor: Engagement Partner	In-person	Report on year-end audit results and evaluation of internal control system operations
4	26.07.2023	Company: 3 Audit Committee members Auditor: Engagement Partner	In-person	Report on the annual audit plan and progress
5	20.12.2023	Company: 3 Audit Committee members Auditor: Engagement Partner	Written	Significant findings from audits and reviews, progress report on key audit matters
6	25.01.2024	Company: 3 Audit Committee members Auditor: Engagement Partner	In-person	Significant findings from audits and reviews, progress report on key audit matters
7	11.03.2024	Company: 3 Audit Committee members Auditor: Engagement Partner	Written	Final year-end audit report and follow-up events
8	22.04.2024	Company: 3 Audit Committee members Auditor: Engagement Partner	In-person	Report on the annual audit plan and quarterly review progress

## E. Auditors Opinion on Subsidiaries

There are no subsidiaries that received an audit opinion other than unqualified from the external auditor during the quarter half of 2024.

## F. Change of Auditors

The Company's designated audit period for 2020–2022 has expired, and the Audit Committee appointed Samil PwC as the auditor for the fiscal years 2023 to 2025.

## G. Detailed Information on Discrepancies in Financial Statements Between Previous and Current Fiscal Years and Key Discussion Points of the Disagreement Adjustment Meeting

There are no discrepancies between the auditors of the previous and current fiscal years regarding errors or corrections in the financial statements of the previous fiscal year; therefore, this is not applicable as of the report preparation date.

## 2. Internal Accounting Management System

### A. Internal Control

The Company has omitted further details, as it confirmed the opinion that its internal control is operating effectively based on the evaluation of the internal monitoring system by the Audit Committee on 25 January 2024.

### B. Status of Operation of the Internal Accounting Management System

#### (1) If the internal accounting manager has presented issues or improvement measures regarding the internal accounting management system, the details and follow-up measures:

There are no applicable matters as of the report preparation date.

#### (2) If the auditor expressed an opinion on the internal accounting management system during the disclosure period, or if any significant weaknesses were identified, the details and improvement measures:

There are no applicable matters as of the report preparation date.

#### [Report by the Internal Accounting Manager]

Fiscal year	Reporting date	Details	Remarks
2023	25.01.2024	The Company's internal accounting control system as of 31 December 2023 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
2022	26.01.2023	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	27.01.2022	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.	-

#### [Overall Opinions Represented in the Audit Report by Auditor]

Fiscal year	Auditor	Details	Points to note
2023	Samil PwC	The Company's internal accounting control system as of 31 December 2023 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	Not applicable
2022	Anjin LLC	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 LLC	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

### **C. Evaluation of the Internal Control Structure**

There have been no evaluations of the internal control structure, other than the internal accounting management system, conducted by the auditor during the disclosure period; therefore, this is not applicable as of the report preparation date.

## VI. Board of Directors and Corporate Governance

### 1. Board of Directors

#### A. Overview of the Structure of Board of Directors

The Company's board of directors consists of two internal directors, one non-executive director, and three external directors as of the report preparation date. Son Bo-Ik, the representative director, also serves as the chairperson of the board, having been appointed under Article 5 of the Company's Board of Directors Regulations. For the key background and responsibilities of each director, please refer to "VIII. Executives and Employees - 1. Status of 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	Director Name	Purpose and authority
Audit Committee	3 external directors	Wi Kyung-Woo (chairperson) Jung Seong-Wook Kim Nam-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	Lee Yun-Tae (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	Lee Yun-Tae Wi Kyung-Woo (chairperson) Jung Seong-Wook Kim Nam-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) Kim Nam-Soo, an external director and a member of the Audit Committee, was appointed at the 25th ordinary general meeting of shareholders in 2024.

\*2) Lee Yun-Tae, an internal director, and Kim Nam-Soo, an external director, were newly appointed as members of the ESG Committee at the 3rd Board of Directors meeting in 2024.

#### [External Directors and their Changes]

No. of directors	No. of external directors	Changes in external directors		
		Appointment	Dismissal	Early retirement
7	4	2	-	-

\*1) Kim Nam-Soo, an external director and a member of the Audit Committee, was appointed at the 25th ordinary general meeting of shareholders in 2024, with a term of three years.

\*2) Han Sang-Beom, an external director, was appointed at the 25th ordinary general meeting of shareholders in 2024, with a term of three years.

## B. Major Resolutions

No.	Date	Agenda	Approval Status	Director Name								
				Lee Yun-Tae	Son Bo-Ik	Kim Hun	Jung Seong-Wook	Kim Nam0Soo	Wi Kyung-Woo	Roh Jin-Seo	Han Sang-Beom	
				(Att.: 100%)	(Att.: 0%)	(Att.: 100%)	(Att.: 100%)	(Att.: 100%)	(Att.: 100%)	(Att.: 100%)	(Att.: 100%)	
Vote (Y/N)												
1	25.01.2024	Reported	1. Report on operating results for Q4 2023 and full-year 2023	Reported	Before appointed  (Appointed in Mar. 2024)	-	-	-	-	-	-	Before appointed  (Appointed in Mar. 2024)
			2. Report on the status of internal accounting management system operation			-	-	-	-	-	-	
			3. Report on the results of the finance committee meeting			-	-	-	-	-	-	
			4. Report on the status of compliance control system operation			-	-	-	-	-	-	
			5. Report on the termination of advisory contract			-	-	-	-	-	-	
		Approved	1. Approval of financial statements and business report for the 25th fiscal year	Approved		Absent	Y	Y	Y	Y	Y	
2. Approval of industrial safety and health plan	Absent	Y	Y	Y	Y	Y	Y					
3. Approval of executive officer appointments	Absent	Y	Y		Y	Y						
2	28.02.2024	Reported	1. Report on the evaluation results of the internal accounting management system operation	Reported		-	-	-	-	-	-	
		Approved	1. Approval of the convening and agenda of the 25th annual general meeting of shareholders	Approved	Y	Y	Y	Y	Y	Y	Y	
3	21.03.2024	Approved	1. Appointment of the chairperson of the board of directors	Approved	Expiration of term (Resigned in Mar. 2024)	Y	Y	Y	Y	Y	Y	Y
			2. Appointment of the representative director			Y	Y	Y	Y	Y	Y	Y
			3. Appointment of members of the ESG committee			Y	Y	Y	Y	Y	Y	Y
			4. Approval of the amendment to the executive officer personnel management regulations			Y	Y	Y	Y	Y	Y	Y
			5. Approval of the execution of directors' remuneration			Y	Y	Y	Y	Y	Y	Y
			6. Approval of the appointment of an advisor			Y	Y	Y	Y	Y	Y	Y
			7. Extension of credit limit agreements with financial institutions			Y	Y	Y	Y	Y	Y	Y

## C. Committee Within the BOD

### (1) Composition of Committee Within the BOD

Name of Committee	Configuration	Director Name	Purpose and Authority
Finance Committee	2 internal directors	Lee Yun-Tae (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	Lee Yun-Tae Wi Kyung-Woo (chairperson) Jung Seong-Wook Kim Nam-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) Please refer to VI-2. Audit System for details on the Audit Committee.

\*2) Lee Yun-Tae, an internal director, and Kim Nam-Soo, an external director, were newly appointed as members of the ESG Committee at the 3rd Board of Directors meeting in 2024.

## (2) Activities of the Committee Within the BOD

### [Finance Committee]

No.	Date	Agenda	Approval Status	Name of Director	
				Lee Yun-Tae	Kim Hun
				(Att.: 100%)	(Att.: 100%)
				Vote (Y/N)	
1	-	-	-	-	-

\*1) The Finance Committee did not convene from 1 January 2024 to 31 March 2024.

### [ESG Committee]

No.	Date	Agenda	Approval Status	Name of Director			
				Lee Yun-Tae	Wi Kyung-Woo	Jung Seong-Wook	Kim Nam-Soo
				(Att.: 100%)	(Att.: 100%)	(Att.: 100%)	(Att.: 100%)
				Vote (Y/N)			
1	-	-	-	-	-	-	-

\*1) The ESG Committee did not convene from 1 January 2024 to 31 March 2024.

## 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 31 March 2024 are as follows:

Title	Name	Reason for appointment	Recommender	Field of activity (Assigned duties)	Transactions with the Company	Relationship with the largest or major shareholders	Term	Reappointment (No. of Reap.)
Internal director	Lee Yun-Tae	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.	-
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 Kyung-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	BOD	Business for overall management, Chairman of the Audit Committee		Not applicable	3 yrs.	Reap. (1)

		perspective of a financial expert.					
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.	-
External director	Kim Nam-Soo	He is a graduate of the Electrical and Electronics Engineering Department at KAIST, holding both a master's and a doctorate degree, and is currently a professor in the Department of Electrical and Computer Engineering at Seoul National University. As an expert in electrical and electronic engineering, he was appointed as an external director with the expectation that he can provide clear guidance on the company's products and future business directions.	BOD	Business for overall management, Audit Committee member	Not applicable	3 yrs.	-
External director	Han Sang-Beom	He is a seasoned expert with decades of experience in semiconductor and display research and development. He was appointed as an external director with the expectation that he would provide exceptional expertise in critical decision-making processes, such as identifying improvements and weaknesses in various new investments the company plans to pursue.	BOD	Business for overall management	Not applicable	3 yrs.	-

\*1) Lee Yun-Tae, an internal director, was appointed at the 25th ordinary general meeting of shareholders in 2024, with a term of three years.

\*2) Kim Hoon, an internal director, was appointed at the 24th ordinary general meeting of shareholders in 2023, with a term of three years.

\*3) Jung Seong-Wook, an external director, was appointed at the 24th ordinary general meeting of shareholders in 2023, with a term of three years.

\*4) Kim Nam-Soo, an external director, was appointed at the 25th ordinary general meeting of shareholders in 2024, with a term of three years.

\*5) Han Sang-Beom, an external director, was appointed at the 25th ordinary general meeting of shareholders in 2024, with 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
- Key Responsibilities: Supporting the operation of the Board of Directors and assisting external directors in performing their duties
- Team Personnel: 6 members

Department	No. of Staff	Positions (Tenure)	Support Period	Key Activities
Legal Team	6	4 managers, 2 senior associates (average tenure: 1.2 years)	Average of 1.2 years	Providing prior explanations on Board of Directors agenda items to external directors Assisting with requests necessary for external directors to perform their duties Organizing and scheduling workshops, seminars, and training sessions for external directors

\*) The tenure is calculated based on the period of employment with the Company.

### (2) Training for External Directors

#### [Status of Education and Workshop Implementation of External Directors]

Date	Organizer	Participating Independent Directors	Reason for Absence	Details
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(external training)	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Roles of the Audit Committee for fraud prevention, compliance control, and the responsibilities of external directors
06.01.2023	Legal team Financial accounting team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Appointment of new external auditor
26.01.2023	Legal team Management diagnosis team Financial accounting team Internal accounting part	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Report on internal audit department work performance and plan, report on external auditor's audit progress and key audit items, report on ICFR operation status
22.02.2023	Legal team Management diagnosis team	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Evaluation results of the operation status of the ICFR, evaluation result of the ICFR, and audit report from the Audit Committee
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 <b>the first quarter of 2024</b> and plans for the second half
25.01.2024	Legal team, Ethics office	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Report on the performance and plans of the internal audit department
28.02.2024	Legal team, Ethics office	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Evaluation of the operation of the internal accounting management system in 2023 Review of the status of the internal monitoring system in 2023 Review of the Audit Committee's audit report for 2023

## 2. Audit System

### A. Audit Committee

#### (1) Status of Audit Committee Members

Name	External Director Y/N	Career Information	Accounting and financial experts		
			Y/N	Type of Expert	Related Career
Wi Kyung-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)
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)	-	-	-
Kim Nam-Soo	Y	BA in Electrical Engineering, SNU MA in Electrical and Electronics Engineering, KAIST PhD in Electrical and Electronics Engineering, KAIST  Professor, Department of Electrical and Computer Engineering, SNU (Mar. 1998~Present) Director, Center for Super-Realistic Acoustic Technology, SNU (2012~2016) Director, New Media Communication Joint Research Institute, SNU (2016~2019) Senior Researcher, Samsung Advanced Institute of Technology (May 1993~Feb. 1998)			

\*) Kim Nam-Soo, an external director and a member of the Audit Committee, was appointed at the 25th ordinary general meeting of shareholders in 2024, with 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.

Criteria for Selection	Compliance	Relevant 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 Kyung-Woo	Appointed as an expert in finance and accounting, judged as the right person	BOD	N/A	N/A
Jung Seong-Wook	Appointed as a semiconductor expert, judged as the right person	BOD	N/A	N/A
Kim Nam-Soo	Appointed as he was deemed a suitable candidate as an expert in electrical and electronic engineering	BOD	N/A	N/A

## (3) Activities of the Audit Committee

No.	Date	Agenda	Approval Status Y/N	External director			Remarks	
				Wi Kyung-Woo (Att.: 100%)	Jung Seong-Wook (Att.: 100%)	Shin Yeong-Soo (Att.: 100%)		
				Vote (Y/N)				
1	25.01.2024	Reported	Reported	1. Report on the business performance and annual performance for the 4Q, 2023	-	-	-	-
				2. Report on the operation status of the internal accounting management system	-	-	-	
				3. Report on the 25th financial statements and business report	-	-	-	
				4. Report on the progress of the audit by an outside auditor	-	-	-	
		Approved	Approved	1. Appointment of external auditors	Y	Y	Y	-
2	28.02.2024	Approved	Approved	1. Approval of the evaluation report by the Audit Committee on the operation status of the internal accounting management system	Y	Y	Y	-
				2. Approval of the Audit Committee's evaluation opinion on the operation status of the internal monitoring system	Y	Y	Y	
				3. Approval of the audit report by the Audit Committee for financial statements and business reports	Y	Y	Y	

#### (4) Training Implementation for the Audit Committee

Date	Organizer	Participating Audit Committee	Reason for absence	Details
06.12.2022	Samil PwC	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
08.11.2023	Samil PwC	Wi Kyung-Woo Yoon Il-Goo Shin Yeong-Soo	-	Trends in Audit Committee Systems and operations

#### (5) Status of Support Organizations for the Audit Committee

Dept. (team) name	No. of employees (persons)	Positions (Tenure)	Major activities
Legal Team	6	4 managers, 2 senior associates (average tenure: 1.2 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 managers (average tenure: 3.5 years)	Support for internal accounting management system evaluation and exercise of audit authority

\*) The tenure is calculated based on the period of employment with 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	26.07.2023

\*) 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.

Inspection Date	Details	Results
Ongoing	Verification of compliance control standards as prescribed by the Commercial Act	The content of compliance control standards: - Appropriately established in accordance with the requirements of the Commercial Act and standard compliance control standards.
	Verification of whether the compliance control system, procedures, mechanisms, training, and compliance officer-related matters are effectively established	Assessment and management system for legal risks: - Legal risks are categorized, and detailed inspection items by category are under preparation.
		Independent operational system for the compliance officer: - The compliance officer has been appointed by the Board of Directors, and their term is secured.
		Sanction system for violations: - Relevant provisions are appropriately reflected in the employment rules and disciplinary regulations.
Verification of whether risk behavior categorization, compliance inspections, and compliance officer-related matters are appropriately conducted	Compliance inspection and reporting system: - Relevant provisions are appropriately reflected in the employment rules and disciplinary regulations.	
	Compliance inspection and reporting system: - Annual and ongoing compliance inspections are being prepared, and processes for reporting to the Board of Directors have been established and are operational.	

### (3) Status of Support Organizations for the Compliance Officer

Department	No. of staff	Positions (Tenure)	Key activities
Legal Team	6	4 managers, 2 senior associates (average tenure: 1.2 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 31 March 2024)

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 percent 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 are no applicable matters during the disclosure period.

### C. Competition over Management Right

There are no applicable matters during the disclosure period.

## D. Voting Rights

(As of 31 March 2024)

(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>1. When the Company issues new shares via the general capital increase by public offering based on their solution of the board of directors according to Article 165 6 of the 「Act on Capital Market and Financial Investment」</li> <li>2. When the Company issues new shares via stock option according to Article 542-3 of the 「Commercial Act」</li> <li>3. Primary distribution to the members of the Employee Stock Ownership Association within 20 percent of the total number of shares issued</li> <li>4. When necessary to achieve the management goals such as the introduction of new technology and improvement of the financial structure according to Article 418 of the Commercial Act</li> <li>5. In the case of collecting new shares or having the acquirers take over the shares to be listed in the security market or KOSDAQ</li> <li>6. When the Company issues new shares for foreigners investment based on the reasons of management according to the Foreigners Investment Promotion Act</li> <li>7. When issuing new shares according to the issuance of depository receipts(DR) within 50 percent 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.

## F. Summary of Minutes of Shareholders Meeting

Date	Agenda	Resolution
2023 Ordinary general meeting of shareholders (21 March 2024)	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 Lee Yun-Tae 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 Ordinary general meeting of shareholders (23 March 2023)	1. Approval of the 2022 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 Lee Yun-Tae 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

## VII. Shareholders

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

(As of 31 March 2024)

(Unit: Shares, %)

Name	Relationship	Type of shares	No. of shares owned and the stake				Remarks
			Beginning		Ending		
			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	-
Lee Yun-Tae	Executive of an affiliate	Common shares	0	0.00	2,500	0.02	-
Choi Sung-Kwan	Executive of an affiliate	Common shares	1,600	0.01	1,600	0.01	-
Total		Common shares	5,382,124	33.09	5,384,724	33.11	-
		-	-	-	-	-	-

\*1) Lee Yun-Tae, the representative director, newly acquired 2,500 shares through an on-market purchase on 23 January 2024.

### 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.	60,998	Koo Bon-Joon	20.37	-	-	Koo Bon-Joon	20.37
		Roh Jin-Seo	-	-	-	-	-

\*1) The number of investors is as of 31 December 2023, the date of the recent closing of the shareholder register.

\*2) The ratio is based on Common shares as of 31 December 2023.

#### [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 (%)
03.05.2021	Koo Bon-Joon	7.72	-	-	Koo Kwang-Mo	15.95
03.05.20021	Song Chi-Ho	-	-	-	-	-
14.12.2021	Koo Bon-Joon	40.04	-	-	Koo Bon-Joon	40.04
27.12.2021	Koo Bon-Joon	20.37	-	-	Koo Bon-Joon	20.37
29.03.2022	Roh Jin-Seo	-	-	-	-	-

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

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

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

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

\*5) The ratio is based on common shares.

## (2) Financial Status of the Largest Shareholder

The financial status of LX Holdings Co., Ltd., the Company's largest shareholder, as of the end of March 2024.

(Unit: KRW Million)

Category	
Name of corporation or organization	LX Holdings Co., Ltd.
Total assets	1,698,527
Total liabilities	35,679
Total equities	1,662,848
Sales	37,913
Operating profit	73,176
Net income	78,842

\*1) Based on the consolidated financial statements as of the end of December 2023.

\*2) For the financial status as of the end of March 2024, please refer to the quarterly report of LX Holdings Co., Ltd., which will be disclosed in May 2024.

## (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 31 March 2024, 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 31 March 2024)

(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 31 March 2024)

(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	989,092	6.08	-
Employee stock ownership association		3,443	0.02	-

### (2) Status of Minority Shareholders

(As of 31 March 2024)

(Unit: Shares)

Category	Shareholders			Shares hold			Remarks
	Minority shareholders	Total shareholders	Ratio (%)	Minority shares	Total No. of shares issued	Ratio (%)	
Minority shareholders	52,971	52,976	99.99	9,052,764	16,264,300	55.66	-

\*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			2024		
		October	November	December	January	February	March
Share price	Max.	84,500	93,300	89,700	87,000	81,600	80,700
	Min.	71,600	72,300	83,300	78,100	75,200	74,100
	Average	78,811	86,314	86,084	81,182	78,858	78,575
Volume of transaction	Maximum (Days)	478,030	759,575	199,819	373,508	118,591	229,679
	Minimum (Days)	31,453	57,077	48,223	58,638	39,582	51,168
	Total (Month)	1,560,137	3,294,002	1,842,483	2,284,870	1,542,105	1,891,885

※ 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 31 March 2024)

(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			
Lee Yun-Tae	M	07.1960	CEO	Int. Dir.	Reg.	CEO, board chairman, member of ESG	KAIST Electrical Engineering (PhD) CEO, Samsung Electronics Co., Ltd.	2,500	-	Reg. Exec. of affiliates (LX Semicon)	08.11.2023 ~present	20.03.2027
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 affiliates (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	20.03.2027
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
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
Han Sang-Beom	M	06.1955	Dir.	Ext. Dir.	Non-Reg.	Business for overall management	PhD in Materials Engineering, Stevens Institute of Technology Vice Chairman & CEO, LG Display Co., Ltd.	-	-	N/A	21.03.2024 ~present	20.03.2027
Kim Nam-Soo	M		Dir.	Ext. Dir.	Non-Reg.	Business for overall management Chairman of the Audit Committee, Chairman of ESG committee	PhD in Electrical and Electronics Engineering, KAIST Professor, Department of Electrical and Computer Engineering, Seoul National University	-	-	N/A	21.03.2024 ~present	20.03.2027
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	-
Ko 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. affiliates (LX Semicon)	01.07.2015 ~present	-
Na Jun-Ho	M	09.1968	ED	Unreg. Dir.	Reg.	Overall responsibility for product planning and R&D	Inha University, Department of Electronic Engineering (MA) Memory Research Center, LG Semiconductor	20,636	-	Unreg. Exec. affiliates (LX Semicon)	19.01.2001 ~present	-
Na Young-Sun	M	05.1971	MD	Unreg. Dir.	Reg.	Overall responsibility for product planning and R&D	(PhD) Electrical and Computer Engineering, Hanyang Uni. SIC Center DIC Business Team, LG Electronics Co., Ltd.	-	-	Unreg. Exec. affiliates (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. affiliates (LX Semicon)	10.02.2011 ~present	-
Cho Jang-Ho	M	04.1969	MD	Unreg. Dir.	Reg.	In charge of Product Planning	MA in Electrical Engineering, KAIST Samsung Electronics Co., Ltd., System LSI Strategic Marketing Division	-	-	Unreg. Exec. affiliates (LX Semicon)		-
Han Young-Soo	M	09.1971	MD	Unreg. Dir.	Reg.	Head of new business strategy	PhD in Dept. of Electrical Engineering, KAIST Managing Director, Planning Team, LG Co., Ltd.	-	-	Unreg. Exec. affiliates (LX Semicon)	01.01.2021 ~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. affiliates (LX Semicon)	15.11.1999 ~present	-
Park Jeong-Hyun	M	01.1972	Dir.	Unreg. Dir.	Reg.	R&D	MA in Semiconductor Engineering, KNU In charge of Production Technology, LX Semicon Co., Ltd.	-	-	Unreg. Exec. affiliates (LX Semicon)		-
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. affiliates (LX Semicon)	20.02.2018 ~present	-
Lee Min-Ho	M	02.1973	Dir.	Unreg. Dir.	Reg.	Overall responsibility for product planning and R&D	MS in Electronic Engineering, Hanyang Univ. LSI Team, SIC Center, LG Electronics Inc.	-	-	Unreg. Exec. affiliates (LX Semicon)	17.04.2017 ~present	-
Lee Ji-Won	F	11.1976	Dir.	Unreg. Dir.	Reg.	R&D	PhD in Electronic Engineering, Sogang Univ. Intelligent SoC Development Office, SIC Center, LG Electronics Inc.	-	-	Unreg. Exec. affiliates (LX Semicon)	12.08.2019 ~present	-

Jeon Hyun-Gyu	M	02.1971	Dir.	Unreg. Dir.	Reg.	Under Researsch Center	PhD in Electrical and Electronic Engineering, KAIST Electronics and Telecommunications Research Institute (ETRI)	-	-	Unreg. Exec. affiliates (LX Semicon)	01.09 2003 ~present	
Jang Yong-Ik	M	02.1975	Dir.	Unreg. Dir.	Reg.	R&D	MS in Electronic Engineering, Korea Univ. Display Solution Division, MagnaChip Semiconductor LLC	-	-	Unreg. Exec. affiliates (LX Semicon)	01.06 2006 ~present	
Hwang Kyung-Ha	M	06.1971	Dir.	Unreg. Dir.	Reg.	Business management	BA in Business Administration, Sogang Univ. Transfer Pricing Team, LG Electronics Inc.	-	-	Unreg. Exec. affiliates (LX Semicon)	02.03 2017 ~present	
Kim Hyun-Ho	M	09.1976	Dir.	Unreg. Dir.	Reg.	R&D	MS in Electrical and Electronic Engineering, SNU SIC Center, LG Electronics Inc.	-	-	Unreg. Exec. affiliates (LX Semicon)	01.07. 2015 ~present	

\*1) For non-registered executives (Na Jun-Ho, Jeon Hyun-Gyu), the allocated shares include those granted under the Employee Stock Ownership Plan (free shares).

\*2) Kim Hun, an internal director, concurrently holds a directorship at Advanced Power Device Technology Co., Ltd.

\*3) Jeon Hyun-Gyu, a director, concurrently holds a directorship at Advanced Power Device Technology Co., Ltd.

\*4) Wi Kyung-Woo, an external director, concurrently holds a directorship at Mirae Asset Life Insurance Co., Ltd.

\*5) Lee Yun-Tae, the representative director, was newly appointed as an internal director on 21 March 2024.

\*6) Roh Jin-Seo was reappointed as a non-executive director on 21 March 2024.

\*7) Han Sang-Beom was newly appointed as an external director on 21 March 2024.

\*8) Kim Nam-Soo was newly appointed as an external director on 21 March 2024.

\*9) Cho Jang-Ho was newly appointed as an executive director on 1 February 2024.

\*10) Park Jeong-Hyun was newly appointed as a director on 1 January 2024.

\*11) Shin Young-Soo's term as an external director expired on 17 March 2024.

\*12) Son Bo-Ik, the president, retired on 31 March 2024.

\*13) Park Byung-Hoo, an executive director, retired on 31 March 2024.

\*14) Jang Jae-Ryang, a director, retired on 31 March 2024.

### [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

### B. Status of Employees, etc.

(As of 31 March 2024)

(Unit: KRW Billion)

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	1,207	0	38	14	1,245	5.44	28,867	23				-
Total	Female	269	0	16	12	285	4.02	4,790	18	119	76	195	-
Total		1,476	0	54	26	1,530	5.18	33,657	22				-

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

(As of 31 March 2024)

(Unit: KRW Million)

Category	No. of persons	Total annual salary	Average salary per person	Remarks
----------	----------------	---------------------	---------------------------	---------

Unregistered director	20	1,996	100	
-----------------------	----	-------	-----	--

## 2. Executives Remuneration

The Company does not include this item in the quarterly report in accordance with the corporate disclosure form preparation standards.

## 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 mutual investment-restricted corporate group under the Monopoly Regulation and Fair Trade Act on 14 May 2024. As of the disclosure submission date, the group consists of a total of 17 domestic affiliates (4 listed companies and 13 unlisted companies).

(As of 31 March 2024)

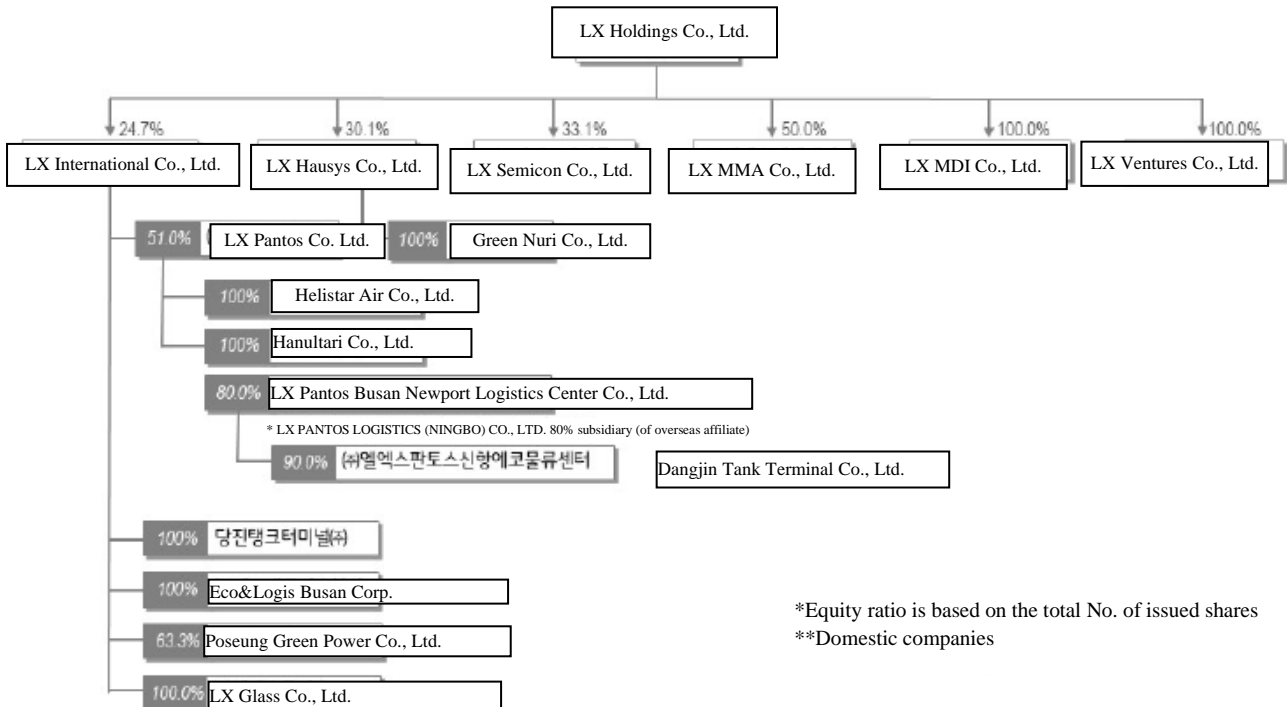
(Unit: Companies)

Name of corporate group	No. of affiliates		
	Listed	Unlisted	Total
LX	4	13	17

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

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

(As of 31 March 2024)



## 2. Affiliates Directly or Indirectly Influencing Management

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

## 3. Concurrent Positions Between the Company and Affiliates

[As of 31 March 2024]

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

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

(As of 31 March 2024)

(Unit: KRW Million)

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 March
					Acquisition (disposition)	Assessed profit or loss	
Management participation	1	5	6	44,434	-	-	44,434
General investment	-	1	1	2,800	-	-	2,800
Simple investment	-	1	1	-	-	-	-
Total	1	7	8	47,234	-	-	47,234

※ Refer to Detailed Table - 3. Concurrent Positions Between the Company and Affiliates

## **X. Transactions with Large Shareholders**

### **A. Credit offerings to major shareholders, etc.**

The Company has no applicable matters as of the report preparation date.

### **B. Asset transfers with major shareholders**

The Company has no applicable matters as of the report preparation date.

### **C. Business transactions with major shareholders**

The Company has no applicable matters as of the report preparation date.

### **D. Transactions with stakeholders other than major shareholders**

For detailed information, please refer to III. Finances, 5. Notes to the Consolidated Financial Statements, 27. Related Parties.

## XI. Other Matters Necessary for the Protection of Investors

### 1. Progress and Changes of Disclosure

There are no applicable matters as of the report preparation date.

### 2. Contingent Liabilities

#### A. Important Litigations

As of the report preparation 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 31 March 2024)

(Unit: Count, KRW million)

Submitted to	Count	Amount	Remarks
Banks	-	-	-
Financial institution (excluding banks)	-	-	-
Corporations	-	-	-
Others (Individuals)	-	-	-

#### C. Status of Debt Guarantee

There are no applicable matters as of the report preparation date.

#### D. Other Contingent Liabilities, etc.

There are no applicable matters as of the report preparation date.

### 3. Sanctions, etc.

#### A. Status of sanctions

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

#### B. Sanctions from the Korea exchange, etc.

There have been no sanctions from the Korea Exchange or the Korea Financial Investment Association as of the report preparation date.

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

There are no applicable matters as of the report preparation date.

### 4. Post-Reporting Date Events and Other Matters

#### A. Major events occurring after the preparation date

There are no applicable matters as of the report preparation date.

#### B. Post-information on mergers, etc.

There are no applicable matters as of the report preparation date.

#### C. Status of subsidiaries of foreign holding companies

There are no applicable matters as of the report preparation date.

(As of 31 March 2024)

(Unit: KRW Million)

Category	Holding Company A	Corporation B	Corporation C	Corporation D	...	Consolidation Adjustments	Post-Consolidation Amount
Sales	-	-	-	-	-	(-)	-
Internal Sales	(-)	(-)	(-)	(-)	(-)	-	-
Net Sales	-	-	-	-	-	-	-
Operating Profit	-	-	-	-	-	(-)	-
Profit from Continuing Operations	-	-	-	-	-	(-)	-
Net Income	-	-	-	-	-	(-)	-
Total Assets	-	-	-	-	-	(-)	-
Cash and Cash Equivalents	-	-	-	-	-	-	-

Current Assets	-	-	-	-	-	-	-
Short-term Financial Instruments	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	(-)	-
Equity	-	-	-	-	-	(-)	-
Capital Stock	-	-	-	-	-	(-)	-
Auditor	-	-	-	-	-	-	-
Audit/Review Opinion	-	-	-	-	-	-	-
Remarks	-	-	-	-	-	-	-

#### **D. Green Management**

The Company is not classified as a management entity under Article 42, Paragraph 6 of the Framework Act on Low Carbon, Green Growth.

## XII. Detailed Tables

### 1. Consolidated Subsidiaries (Details)

(Unit: KRW Million)

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 31 March 2024)

(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	13	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
LX Pantos Shinhang Eco Logistics Center Co., Ltd.	194211-0380600		

② Overseas Corporations

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

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

75	PT. Parna Agromas	Indonesia
76	PT. Grand Utama Mandiri	Indonesia
77	PT. Tintin Boyok Sawit Makmur	Indonesia
78	PT. Green Global Utama	Indonesia
79	PT. Satu Gen Indonesia	Indonesia
80	PT. Energy Metal Indonesia	Indonesia
81	PT. Mega Global Energy	Indonesia
82	PT. Mega Prima Persada	Indonesia
83	KM Resources Inc.	Malaysia
84	LX PANTOS LOGISTICS (NINGBO) CO., LTD.	China
85	LX PANTOS LOGISTICS (SHENZHEN) CO., LTD.	China
86	LX PANTOS ARGENTINA S.A.	Argentina
87	LX PANTOS (THAILAND) CO., LTD.	Thailand
88	LHC Solar. LLC	USA
89	LPIC TN LLC	USA
90	PT. SLX Global Healthcare	Indonesia
91	Ordos Lezheng Trading Limited	China
92	BOXLINKS LLC	USA
93	PT. Kinarya Prima Utama	Indonesia
94	PT Energy Battery Indonesia	Indonesia
95	PT Adhi Kartiko Pratama	Indonesia
96	PT. Terum Konawe Utara	Indonesia

### 3. Status of Investment in Other Corporations (Details)

(As of 31 March 2024)

(Unit: KRW million, thousand Shares, %)

Company name	Listed (Y/N)	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	N	15.10.2012	Management participation	555	2,000	100.00	137	-	-	-	2,000	100.00	137	1,287	284
LX Semicon China Co., Ltd.	N	03.03.2017	Management participation	674	-	100.00	2,179	-	-	-	-	100.00	2,179	8,074	1,210
Advanced Power Device Technology Co., Ltd.	N	12.03.2018	Management participation	4,410	176	49.00	4,410	-	-	-	176	49.00	4,410	9,923	480
LX Semicon Japan Co., Ltd.	N	03.09.2021	Management participation	317	60	100.00	1,215	-	-	-	60	100.00	1,215	3,032	349
FJ Composite Materials Co., Ltd.	N	25.11.2021	Management participation	6,836	85	28.70	9,723	-	-	-	85	28.70	9,723	23,236	-124
Telechips Inc.	Y	09.06.2022	Management participation	26,770	1,515	10.26	26,770	-	-	-	1,515	10.26	26,770	374,791	62,638
LX Ventures New Technology Business Investment Fund No. 1	N	20.05.2011	General investment	2,800	2,800,000	23.33	2,800	-	-	-	2,800,000	23.33	2,800	11,981	-88
Daedeok Investment Co., Ltd.	N	23.10.2023	Simple investment	500	100	6.80	-	-	-	-	100	6.80	0	3,303	-501
Total					3,921	-	47,234	-	-	-	2,803,936	-	47,234	435,627	64,248

- \*1) LX Semicon U.S.A., Inc., LX Semicon China Co., Ltd., and LX Semicon Japan Co., Ltd. are December fiscal year-end companies, and their 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 March fiscal year-end company, and its total assets and net income for the most recent fiscal year are as of 31 March 2024.
- \*3) FJ Composite Materials Co., Ltd. is a May fiscal year-end company, and its total assets and net income for the most recent fiscal year are as of 31 May 2023.
- \*4) Telechips Inc. is a December fiscal year-end company, and its total assets and net income for the most recent fiscal year are as of 31 December 2023. The shareholding ratio represents the effective ownership interest, calculated by dividing the number of owned shares by the total circulating shares.
- \*5) Daedeok Investment Co., Ltd. is a December fiscal year-end company, and its total assets and net income for the most recent fiscal year are as of 31 December 2023.
- \*6) LX Ventures New Technology Business Investment Fund No. 1 is a December fiscal year-end company, and its total assets and net income for the most recent fiscal year are as of 31 December 2023.

## **【Confirmation by Expert】**

### **1. Confirmation by Expert**

There are no applicable matters as of the report preparation date.

### **2. Interests with Expert**

There are no applicable matters as of the report preparation date.