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Quarterly Report

(The 26th Fiscal Year)
From 01 January 2024 to 30 September 2024

To: Financial Services Commission
Korea Exchange

14 November 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)

14 November 2024

LX Semicon Co., Ltd.

Representative Director Lee Yun-Tae (Signature)

Director of Reporting Kim Hun (Signature)

I. Company Overview

1. Company Overview

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

2. Company History

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the annual business report).

3. Changes in Capital Stock

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the annual business report).

4. Share Capital Overview

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

5. Articles of Incorporation

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

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 88.93% of the total sales for the third quarter of 2024 (91.52% in Q3 2023). Exports represented 98.81% of the Company's total sales in the third quarter of 2024 (99.37% in Q3 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 30 September 2024]

(Unit: KRW Billion)

Business sector	Product	Product details	Key products	Q3 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				13,631	100.00	19,014	100.00	21,193	100.00

3. Raw Materials and Infrastructure

A. Major Raw Materials

[As of 30 September 2024]

(Unit: KRW Billion)

Raw material	Purchased amount	Major supplier
Wafer, etc.	5,643	TSMC, SK hynix system ic(Wuxi), LG Innotek Co., Ltd., etc.
Processing cost, etc.	2,557	LB Semicon Co., Ltd., LB Lusem Co., Ltd., etc.

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

B. Manufacturing Capacity and Infrastructure

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

C. Commissioned Manufacturing

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

4. Sales and Orders

A. Sales Performance

[As of 30 September 2024]

(Unit: KRW Billion)

Business sector	Sales type	Product		Q3 2024	2023	2022
Semi-conductor	Products and others	System IC	Exports	13,468	18,909	20,901
			Domestic	163	105	292
Total			Total	13,631	19,014	21,193

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

(1) Sales and Mass Production Support Organizations

As of 30 September 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 third quarter of 2024 and 2023 were KRW 773.2 billion (KRW 729.8 billion in Q3 2023) and KRW 398.9 billion (KRW 408.2 billion in Q3 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 30 September 2024 includes cash and cash equivalents, short-term financial instruments, trade receivables, and other receivables, totaling up to KRW 778.4 billion.

B. Management of Liquidity Risk

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

Separately, to mitigate liquidity risk, the Company maintains proactive communication with financial markets to ensure early liquidity access. Additionally, the Company actively reviews securing additional credit lines from financial institutions to maintain ample liquidity.

C. Market Risk

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

(1) Exchange Rate Risk Management

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

The book values of the cash assets and liabilities presented in major currencies other than the functioning currency as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW Billion)

Category	30 September 2024	31 December 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 30 September 2024 and 31 December 2023 on the losses and gains are as follows:

(Unit: KRW Billion)

Category	30 September 2024	31 December 2023
	(If 5% changed)	(If 5% changed)
USD	±327.2	±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 33.5% as of 30 September 2024.

E. Transaction of Derivatives

The Company enters into currency forward contracts to hedge against the fair value fluctuation risk of foreign currency assets arising from exchange rate fluctuations.

As of 30 September 2024, the Company has entered into currency forward contracts for USD-denominated trade receivables for hedging purposes. The carrying amounts of the related assets and liabilities, as well as the gains and losses from valuation, are as follows:

① Key Details of Hedging Instruments

(Unit: KRW)

Category	Contract counterparty	Contract amount (Unit: million)	Contract exchange rate	Hedging start date	Hedging maturity date	Account	Book value	
							Assets	Liabilities
Currency Forward	Shinhan Bank and 1 other	USD 65	1,298.70 ~1,377.53	22.05.2024 ~30.09.2024	10.10.2024 ~06.02.2025	Derivative assets/liabilities	1,154,696,300	173,136,926
Total							1,154,696,300	173,136,926

② Key Details of Hedged Items

(Unit: KRW)

Category	Account	Book value	Fair value change
Currency Forward	Trade Receivables	85,499,246,388	(981,559,374)

③ Results of Hedge Accounting Application

(Unit: KRW)

Category	Change in derivative value	Account recognized in profit or loss	Amount recognized in profit or loss due to ineffectiveness of hedge
Currency Forward	981,559,374	Gain/Loss on Derivative Valuation	-

*) The gains and losses arising from derivatives under hedge accounting are offset within the scope of hedge accounting by the gains and losses arising from the hedged assets.

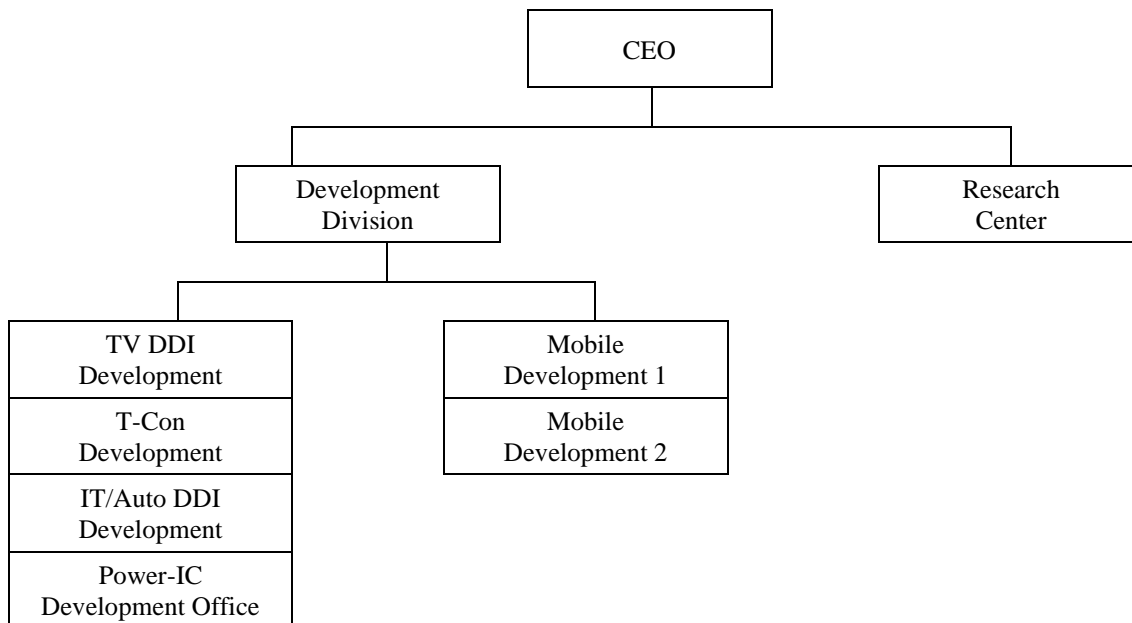
6. Major Contracts and R&D Activities

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		Q3 2024	2023	2022
Total R&D expenses		1,763	2,198	2,108
(Government subsidies)		-	-	-
Total R&D expenses after deducting government subsidies		1,763	2,198	2,108
Accounting	Selling and administrative expenses	1,763	2,198	2,108
	Manufacturing cost	-	-	-
	Development expenses (intangible assets)	-	-	-
R&D expenses/sales ratio [R&D expenses ÷ current sales × 100]		12.9	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 30 September 2024, the Group holds 1,256 domestic patents and 2,218 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, gradual growth is anticipated due to the creation of new demand driven by mid- to long-term changes in panel form factors.

[DDI Market Size]

(Unit: USD Billion)	2022	2023	2024(E)	2025(E)	2026(E)	2027(E)	2028(E)
DDI	10.3	8.8	8.6	8.7	8.8	8.9	9.0

Source: Company Estimate

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	242.5	243.3	243.9	245.3	246.4
Monitor	159.3	149.1	152.4	152.8	153.6	153.9	154.7
Notebook	217.2	189.1	195.3	201.1	210.6	223.7	233.8
Tablet	256.4	244.4	252.6	254.7	258.3	264.3	272.4
Auto	192.9	205.1	209.3	217.3	226.1	232.4	238.9
Large Panel Total	1,087.6	1,028.7	1,052.0	1,069.1	1,092.5	1,119.5	1,146.2
Smartphone	1,382.9	1,266.9	1,282.2	1,298.9	1,324.9	1,336.6	1,345.2
Smartwatch	214.1	223.1	220.0	229.8	237.6	244.0	248.8
VR / AR	12.8	10.7	13.8	17.1	23.9	29.5	40.3
Small Panel Total	1,609.8	1,500.8	1,516.1	1,545.8	1,586.4	1,610.0	1,634.3

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 third 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	Q3 2024	2023	2022
	30 September 2024	31 December 2023	31 December 2022
[Current assets]	1,070,847	902,886	1,009,649
• Quick assets	832,774	566,995	527,093
• Inventories	238,073	335,891	482,556
[Non-current assets]	340,849	302,179	279,969
• Tangible assets	135,360	125,940	122,180
• Intangible assets	83,163	73,937	63,799
• Other non-current assets	122,326	102,302	93,990
Total assets	1,411,696	1,205,065	1,289,618
[Current liabilities]	308,597	207,337	324,402
[Non-current liabilities]	45,739	20,964	14,856
Total liabilities	354,336	228,301	339,258
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Other components of equity]	(737)	(1,073)	(782)
[Retained earnings]	973,622	893,362	866,667
[Non-controlling interest]	-	-	-
Total equities	1,057,360	976,764	950,360
	(01 January 2024 ~ 30 September 2024)	(01 January 2023 ~ 31 December 2023)	(01 January 2022 ~ 31 December 2022)
Sales	1,363,055	1,901,445	2,119,345
Operating profit	136,572	129,036	310,624
Net income	109,737	101,204	233,693
Owners of the Parent	109,737	101,204	233,693
Non-controlling interest	-	-	-
Net earnings per share (KRW)	6,747	6,222	14,368
Net diluted earnings per share (KRW)	6,747	6,222	14,368
No. of companies included in the consolidation	4	3	3

B. Summarized Financial Information

The Company's financial statements for the third 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	Q3 2024	2023	2022
	30 September 2024	31 December 2023	31 December 2022
[Current assets]	1,063,302	897,568	1,006,089
• Quick assets	825,229	561,677	523,533
• Inventories	238,073	335,891	482,556
[Non-current assets]	335,070	298,121	276,313
• Tangible assets	131,012	122,829	117,624
• Intangible assets	82,707	73,795	63,621
• Other non-current assets	121,351	101,497	95,068
Total assets	1,398,372	1,195,688	1,282,402
[Current liabilities]	307,992	208,177	324,485
[Non-current liabilities]	44,311	19,894	13,107
Total liabilities	352,303	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]	961,975	883,523	860,716
Total equities	1,046,069	967,617	944,810
Evaluation method for investment shares in subsidiaries, associates, joint ventures	Cost method	Cost method	Cost method
	(01 January 2024 ~ 30 September 2024)	(01 January 2023 ~ 31 December 2023)	(01 January 2022 ~ 31 December 2022)
Sales	1,363,055	1,901,445	2,119,345
Operating profit	134,505	126,624	309,046
Net income	107,928	97,316	230,608
Net earnings per share (KRW)	6,636	5,983	14,179
Net diluted earnings per share (KRW)	6,636	5,983	14,179

2. Consolidated Financial Statements

2-1. Statement of Financial Position

As of 30 September 2024

As of 31 December 2023

(Unit: KRW)

	30 September 2024	31 December 2023
Assets		
Current assets	1,070,846,777,894	902,885,508,054
Cash and cash equivalents	255,181,808,353	184,417,149,183
Short-term financial instruments	180,188,740,000	120,514,272,143
Trade receivables	323,927,514,956	204,968,516,437
Other payables	8,260,376,340	3,418,658,323
Other current assets	64,061,014,986	53,675,872,497
Derivative assets	1,154,696,300	0
Inventories	238,072,626,959	335,891,039,471
Non-current assets	340,848,750,740	302,179,436,683
Long-term other receivables	10,797,887,455	12,768,553,040
Investments in associates and joint ventures	48,757,735,506	47,935,017,586
Tangible assets	109,721,644,659	104,427,738,469
Right-of-use assets	25,638,170,273	21,512,251,346
Intangible assets	83,162,804,676	73,937,288,123
Other non-current assets	40,794,503,644	8,994,436,051
Defined benefit assets	1,509,318,367	9,689,545,632
Deferred tax assets	20,466,686,160	22,914,606,436
Total assets	1,411,695,528,634	1,205,064,944,737
Liabilities		
Current liabilities	308,596,375,171	207,337,013,241
Trade payables	185,092,889,638	97,600,609,220
Other payables	86,117,506,055	44,464,287,526
Other current liabilities	20,950,800,750	32,386,322,421
Derivative liabilities	173,136,926	0
Lease liabilities	7,884,096,154	7,643,405,206
Current tax liabilities	8,377,945,648	25,242,388,868
Non-current liabilities	45,739,083,404	20,964,194,264
Other non-current payables	22,218,219,773	1,825,320,000
Other non-current liabilities	5,839,031,817	5,657,823,936
Lease liabilities	17,681,831,814	13,481,050,328
Total liabilities	354,335,458,575	228,301,207,505

Equity		
Equity attributable to owners of the Parent	1,057,360,070,059	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	(736,719,012)	(1,072,918,655)
Retained earnings	973,621,468,571	893,361,335,387
Non-controlling interest	0	0
Total equities	1,057,360,070,059	976,763,737,232
Total equities and liabilities	1,411,695,528,634	1,205,064,944,737

2-2. Income Statement

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 2023

(Unit: KRW)

	Q3 2024		Q3 2023	
	3 Months	Cumulative	3 Months	Cumulative
Revenue (Sales)	419,850,482,315	1,363,055,491,368	412,765,017,097	1,388,697,843,466
Cost of sales	280,552,563,187	913,419,308,856	283,659,312,529	1,011,575,550,863
Gross profit	139,297,919,128	449,636,182,512	129,105,704,568	377,122,292,603
Selling and administrative expenses	105,020,036,808	313,064,445,092	114,177,818,066	315,236,631,942
Operating profit (loss)	34,277,882,320	136,571,737,420	14,927,886,502	61,885,660,661
Finance income	7,256,604,565	16,382,426,844	2,707,600,261	10,449,140,522
Finance costs	2,326,325,197	15,633,639,221	6,067,325,822	16,198,624,099
Other non-operating income	2,888,366,789	17,398,736,804	8,407,801,072	28,042,710,840
Other non-operating expenses	8,101,722,512	15,978,310,370	5,335,816,707	19,222,566,159
Equity method profit (loss)	(1,912,401,485)	1,126,178,853	1,967,047,295	1,686,639,866
Income before income taxes	32,082,404,480	139,867,130,330	16,607,192,601	66,642,961,631
Income tax expenses	6,723,702,118	30,130,083,092	2,688,133,599	12,345,763,490
Net income	25,358,702,362	109,737,047,238	13,919,059,002	54,297,198,141
Attribution of net income (loss)				
Equity attributable to owners of the Parent	25,358,702,362	109,737,047,238	13,919,059,002	54,297,198,141
Non-controlling interests	0	0	0	0
Earnings per share				
Basic earnings per share (Unit: KRW)	1,559.0	6,747.0	856.0	3,338.0
Diluted earnings per share (Unit: KRW)	1,559.0	6,747.0	856.0	3,338.0

2-3. Comprehensive Income Statement

From 01 January to 2024 to 30 September 2024
From 01 January to 2023 to 30 September 2023

(Unit: KRW)

	Q3 2024		Q3 2023	
	3 Months	Cumulative	3 Months	Cumulative
Net income (loss)	25,358,702,362	109,737,047,238	13,919,059,002	54,297,198,141
Other comprehensive income	527,541,632	135,025,589	524,860,495	(198,498,347)
Items not reclassified to profit or loss:	(87,537,157)	(378,095,665)	210,462,436	237,730,925
Remeasurements of defined benefit plans	(85,319,919)	(201,174,054)	50,988,562	78,257,051
Equity method capital changes	(2,217,238)	(176,921,611)	159,473,874	159,473,874
Items that may be reclassified to profit or loss:	615,078,789	513,121,254	314,398,059	(436,229,272)
Gain (loss) on overseas business translation	(49,379,625)	336,660,576	131,088,076	79,730,571
Equity method capital changes	664,458,414	176,460,678	183,309,983	(515,959,843)
Total comprehensive income	25,886,243,994	109,872,072,827	14,443,919,497	54,098,699,794
Attribution of total comprehensive income				
Equity attributable to owners of the Parent	25,886,243,994	109,872,072,827	14,443,919,497	54,098,699,794
Non-controlling interests	0	0	0	0

2-4. Statement of Changes in Equity

From 01 January to 2024 to 30 September 2024
From 01 January to 2023 to 30 September 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	0	54,297,198,141	54,297,198,141	0	54,297,198,141
Defined benefit plans	0	0	0	78,257,051	78,257,051	0	78,257,051
Gain (loss) on overseas business translation	0	0	79,730,571	0	79,730,571	0	79,730,571
Equity method capital changes	0	0	(356,485,969)	0	(356,485,969)	0	(356,485,969)
Transactions with shareholders recognized directly in equity							
Annual dividends	0	0	0	(73,189,350,000)	(73,189,350,000)	0	(73,189,350,000)
30 September 2023	8,132,150,000	76,343,170,500	(1,058,466,009)	847,853,144,057	931,269,998,548	0	931,269,998,548
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	0	109,737,047,238	109,737,047,238	0	109,737,047,238
Defined benefit plans	0	0	0	(201,174,054)	(201,174,054)	0	(201,174,054)
Gain (loss) on overseas business translation	0	0	336,660,576	0	336,660,576	0	336,660,576
Equity method capital changes	0	0	(460,933)	0	(460,933)	0	(460,933)
Transactions with shareholders recognized directly in equity							
Annual dividends	0	0	0	(29,275,740,000)	(29,275,740,000)	0	(29,275,740,000)
30 September 2024	8,132,150,000	76,343,170,500	(736,719,012)	973,621,468,571	1,057,360,070,059	0	1,057,360,070,059

2-5. Statement of Cash Flows

From 01 January to 2024 to 30 September 2024
From 01 January to 2023 to 30 September 2023

(Unit: KRW)

	Q3 2024	Q3 2023
Operating cash flows	198,618,967,303	41,367,208,777
Cash flows from operating activities	221,611,907,897	85,723,426,803
Net income	109,737,047,238	54,297,198,141
Adjustments	54,299,009,569	78,906,822,512
Change to equities/liabilities on sales operations	57,575,851,090	(47,480,593,850)
Interest received	13,541,805,458	7,804,528,901
Interest paid	(655,574,310)	(355,200,502)
Income taxes paid	303,000,000	0
Cash flows from investing activities	(36,182,171,742)	(51,805,546,425)
Dividends received	(91,984,751,514)	30,447,012,596
Increase in short-term financial instruments	0	196,950,000
Decrease in short-term financial instruments	(580,000,000,000)	(50,018,426,080)
Increase in other receivables	520,345,840,893	100,000,000,000
Decrease in other receivables	(1,725,591,452)	(348,262,980)
Acquisition of tangible assets	4,120,960,980	2,100,701,861
Disposal of tangible assets	(18,230,428,837)	(25,372,302,132)
Acquisition of intangible assets	16,136,000	19,487,632,600
Disposal of intangible assets	(16,511,669,098)	(12,712,230,673)
Acquisition of investments in associates	0	(2,887,050,000)
Cash flow from financing activities	(35,708,775,260)	(79,674,808,656)
Dividends paid	(29,275,659,685)	(73,189,350,000)
Repayment of lease liabilities	(6,433,115,575)	(6,485,458,656)
Net increase in cash and cash equivalents	70,925,440,529	(7,860,587,283)
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	(160,781,359)	1,702,653,822
Ending balance of cash and cash equivalents	255,181,808,353	182,207,200,836

3. Notes to the Consolidated Financial Statements

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 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 30 September 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 30 September 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 30 September 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%
LX Semicon Taiwan Co., Ltd.	Taiwan	Semiconductor manufacturing and designing	December	100%	-

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

(3) Summarized Financial Information of Subsidiaries

The summarized financial position statements of the consolidated subsidiaries as of 30 September 2024 and 31 December 2023 and the summarized comprehensive income statements for each accounting period are as follows:

(Unit: KRW)						
Company name	30 September 2024			Q3 2024		
	Assets	Liabilities	Equity	Sales	Net Income	Total comprehensive income
LX Semicon U.S.A., Inc	1,495,121,050	178,288,029	1,316,833,021	3,176,451,201	62,580,283	89,781,880
LX Semicon China Co., Ltd.	9,658,943,249	2,051,476,782	7,607,466,467	12,192,177,210	760,546,452	1,051,680,179
LX Semicon China Co., Ltd.	3,739,867,226	2,127,835,047	1,612,032,179	6,263,480,340	236,676,391	262,011,535
LX Semicon Taiwan Co., Ltd.	1,358,424,182	627,945,410	730,478,772	520,437,577	20,598,664	13,588,772

(Unit: KRW)						
Company name	31 December 2023			Q3 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	2,821,841,440	211,162,672	275,251,494
LX Semicon China Co., Ltd.	8,074,699,003	1,518,912,715	6,555,786,288	12,055,154,800	870,087,533	951,636,656
LX Semicon China Co., Ltd.	3,032,447,494	1,682,426,850	1,350,020,644	3,586,961,802	219,173,773	153,266,399

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) and 4) below.

1) The new standards and interpretations adopted starting from the third 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) The Group has applied hedge accounting since the date of the most recent annual financial statements, and the related accounting policies are as follows:

Derivatives are initially recognized at fair value at the time the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives that do not meet the requirements for hedge accounting are classified as held for trading, and changes in their fair value are recognized in the income statement as finance income (expense) depending on the nature of the transaction. Changes in the fair value of derivatives are accounted for differently depending on whether the derivative is designated as a hedging instrument and the nature of the hedged item. The Group enters into derivative contracts for hedging purposes, and some of these derivatives are designated as hedging instruments in the following hedge relationships.

- Hedging against changes in the fair value of recognized assets, liabilities, or firm commitments (Fair Value Hedge)

At the inception of the hedge, the Group documents the economic relationship between the hedging instrument and the hedged item, including the expectation that the hedging instrument will offset changes in the cash flows of the hedged item. The Group also documents its risk management objectives and strategies for undertaking the hedging transaction.

The fair value of derivatives used for hedging purposes is disclosed in Note 5.

The total fair value of derivatives designated as hedging instruments is classified as non-current assets or liabilities if the remaining maturity of the hedged item exceeds 12 months, and as current assets or liabilities if the remaining maturity is 12 months or less. Derivative liabilities not designated as hedging instruments are classified as current or non-current based on the settlement date, while derivative assets are classified as current or non-current based on the expected maturity.

Changes in the fair value of derivatives designated as hedging instruments for fair value hedges are recognized in the income statement along with changes in the fair value of the hedged item attributable to the hedged risk. If the requirements for hedge accounting are no longer met, for hedged items subject

to the effective interest method, interest income is amortized over the remaining maturity period.

4) 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 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 third 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	Q3 2024	Q3 2023
Major customer A	773,224,257,714	729,758,594,454
Major customer B	398,932,350,781	408,176,690,529

5. Financial Instruments

(1) Financial Instruments and their Fair Values by Category

The book values of financial instruments by category as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Book value	Fair value	Book value	Fair value
Financial assets:				
Items at FVTOCI				
Trade receivables	276,821,634,886	(*2)	185,663,383,226	(*2)
Items measured at amortized cost				
Cash and cash equivalents	255,181,808,353	(*2)	184,417,149,183	(*2)
Short-term financial instruments	180,188,740,000	(*2)	120,514,272,143	(*2)
Trade receivables	47,105,880,070	(*2)	19,305,133,211	(*2)
Other receivables	19,058,263,795	(*2)	16,187,211,363	(*2)
Sub-total	501,534,692,218		340,423,765,900	
Derivatives for hedging purposes	-			
Derivative assets	1,154,696,300	1,154,696,300	-	-
Total	779,511,023,404		526,087,149,126	
Financial liabilities:				
Items measured at amortized cost				
Trade payables	185,092,889,638	(*2)	97,600,609,220	(*2)
Other payables (*1)	71,090,278,924	(*2)	28,568,539,489	(*2)
Sub-total	256,183,168,562		126,169,148,709	
Derivatives for hedging purposes				
Derivative liabilities	173,136,926	2,025,003,544	-	
Others				
Lease liabilities	25,565,927,968	(*3)	21,124,455,534	(*3)
Total	281,922,233,456		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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Category	Interest income (Interest expense)		Other income (*)	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Financial assets measured at FVTOCI	-	-	(22,139,562,296)	(9,067,389,292)
Financial assets measured at amortized cost	13,552,126,955	8,521,397,637	8,681,087,373	2,650,518,406
Lease receivables	-	18,612,222	-	-
Financial liabilities measured at amortized cost	(532,613,908)	-	1,139,679,257	(3,886,703,816)
Derivatives for hedging purposes	-	-	2,387,669,973	-
Lease liabilities	(655,574,310)	(355,200,502)	-	-
Total	12,363,938,737	8,184,809,357	(9,931,125,693)	(10,303,574,702)

(*) 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) Fair Value Hierarchy, Valuation Techniques, and Inputs

① Fair Value Hierarchy

Financial instruments measured at fair value are categorized based on the fair value hierarchy, which is defined as follows:

- Level 1: Quoted (unadjusted) market prices for identical assets or liabilities in active markets accessible at the measurement date. These quoted prices reflect market assumptions regarding economic changes, such as interest rate increases, inflation, and ESG-related risks.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability, such as non-listed equity securities and financial instruments with significant unobservable adjustments due to ESG-related risks.

The categorization of financial instruments measured at fair value based on the fair value hierarchy is as follows:

(Unit: KRW)				
Category	30 September 2024			Total
	Level 1	Level 2	Level 3	
Derivative Assets	-	1,154,696,300	-	1,154,696,300
Derivative Liabilities	-	173,136,926	-	173,136,926

There were no transfers between levels in the fair value hierarchy for recurring fair value measurements in **the** third quarter of 2024.

② Valuation Techniques and Inputs for Fair Value

The valuation techniques and inputs for assets and liabilities measured at fair value and classified as Level 2 in the fair value hierarchy as of 30 September 2024 are as follows:

(Unit: KRW)				
Category	Fair value amount		Valuation technique	Inputs
	30 September 2024	31 December 2023		
Derivative Assets	1,154,696,300	-	Discounted cash flow model	Discount rate and exchange rate
Derivative Liabilities	173,136,926	-	Discounted cash flow model	Discount rate and exchange rate

(4) Derivatives

The Group has entered into currency forward contracts to hedge fair value risks arising from exchange rate fluctuations. The key details of the derivative contracts are as follows:

① Key Details of Hedging Instruments

(Unit: KRW)

Category	Contract counterparty	Contract amount (Unit: million)	Contract exchange rate	Hedging start date	Hedging maturity date	Account	Book value	
							Assets	Liabilities
Currency Forward	Shinhan Bank and 1 other	USD 65	1,298.70 ~1,377.53	22.05.2024 ~30.09.2024	10.10.2024 ~06.02.2025	Derivative assets/liabilities	1,154,696,300	173,136,926
Total							1,154,696,300	173,136,926

② Key Details of Hedged Items

(Unit: KRW)

Category	Account	Book value	Fair value change
Currency Forward	Trade Receivables	85,499,246,388	(981,559,374)

③ Results of Hedge Accounting Application

(Unit: KRW)

Category	Change in derivative value	Account recognized in profit or loss	Amount recognized in profit or loss due to ineffectiveness of hedge
Currency Forward	981,559,374	Gain/Loss on Derivative Valuation	-

*) The gains and losses arising from derivatives under hedge accounting are offset within the scope of hedge accounting by the gains and losses arising from the hedged assets.

(5) 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 30 September 2024.

6. Cash and Cash Equivalents

The details of cash and cash equivalents as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Demand deposit	12,337,490,627	7,617,149,183
Term deposit, etc. (*)	242,844,317,726	176,800,000,000
Total	255,181,808,353	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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Term deposit	180,188,740,000	120,514,272,143

8. Trade and Other Receivables

The details of trade and other receivables as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Trade receivables	323,927,514,956	-	204,968,516,437	-
Receivables	5,707,513,024	-	473,025,343	-
Accrued income	1,416,743,650	-	1,406,382,701	-
Loans	1,136,119,666	2,511,340,880	1,539,250,279	4,156,782,820
Deposits	-	8,286,546,575	-	8,611,770,220
Total	332,187,891,296	10,797,887,455	208,387,174,760	12,768,553,040

9. Other Assets

Other assets as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advanced payments	5,587,825,126	5,069,968,392	9,341,418,673	7,432,141,290
Prepaid expenses, etc.	58,473,189,860	35,724,535,252	44,334,453,824	1,562,294,761
Total	64,061,014,986	40,794,503,644	53,675,872,497	8,994,436,051

10. Inventories

(1) The details of inventories as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Finished goods	89,428,670,857	102,920,500,226
Work in process	219,087,383,363	307,978,195,302
Right to recover returned goods	103,340,916	131,692,031
Allowance for inventory valuation	(70,567,936,227)	(75,160,516,138)
Merchandise	21,168,050	21,168,050
Total	238,072,626,959	335,891,039,471

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Cost of goods sold		
Establishment (return) of inventory valuation allowance	(4,592,579,911)	30,620,389,502

(3) The cost of inventories recognized as an expense and included in Cost of Sales amounts to KRW 918,305 million (Q3 2023: KRW 982,527 million).

11. Investment of Associates and Joint Ventures

(1) The changes in the investments in associates and joint ventures as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 September 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	4,810,839,789	49.00	4,633,299,873
FJ Composite Materials Co., LTD	Japan	Development, manufacturing, and sales of composite materials	5	28.70	9,629,324,030	28.70	9,349,396,602
Telechips(*)	Korea	Manufacture of electronic integrated circuit	12	10.26	31,633,106,786	10.26	31,172,893,079
LX Ventures New Technology Business Investment Fund No. 1	Korea	Investment in venture businesses	12	23.33	2,684,464,901	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 third quarter of 2024 and 2023 are as follows:

① Q3 2024

(Unit: KRW)					
Company name	1 January 2024	Dividend income	Equity method profit (or loss)	Equity method capital changes	30 September 2024
Advance Power Device Technologies Co. Ltd	4,633,299,873	-	177,539,916	-	4,810,839,789
FJ Composite Materials Co., LTD	9,349,396,602	-	154,028,706	125,898,722	9,629,324,030
Telechips Inc.	31,172,893,079	(303,000,000)	889,573,362	(126,359,655)	31,633,106,786
LX Ventures New Technology Business Investment Fund No. 1	2,779,428,032	-	(94,963,131)	-	2,684,464,901
Total	47,935,017,586	(303,000,000)	1,126,178,853	(460,933)	48,757,735,506

② Q3 2023

(Unit: KRW)					
Company name	1 January 2023	Dividend income	Equity method profit (or loss)	Equity method capital changes	30 September 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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning net book value	104,427,738,469	105,170,569,415
Acquisition	16,024,435,730	15,735,953,082
Disposal	(163,503,885)	(14,144,250,096)
Depreciation	(10,606,315,144)	(9,640,299,580)
Other adjustments	39,289,489	1,670,284,166
Ending net book value	109,721,644,659	98,792,256,987

13. Intangible Assets

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning net book value	73,937,288,123	63,798,898,823
Acquisition	15,888,623,909	14,849,113,390
Disposal	(124,327,232)	(102,849,472)
Depreciation	(6,546,907,934)	(5,887,553,834)
Other adjustments	8,127,810	2,899,169
Ending net book value	83,162,804,676	72,660,508,076

14. Lease

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning net book value	21,512,251,346	17,009,677,694
Acquisition	11,380,978,868	1,252,022,795
Decrease (Termination of contract)	(528,681,854)	(216,698,393)
Depreciation	(6,767,392,510)	(6,880,919,957)
Other increase or decrease	41,014,423	(57,639,667)
Ending net book value	25,638,170,273	11,106,442,472

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Depreciation on licensed assets	6,767,392,510	6,880,919,957
Interest expense on lease liabilities	655,574,310	355,200,502
Expenses related to short-term leases and small assets lease	974,249,163	1,193,326,195

(3) The Group's total cash outflows due to leases for the third quarter of 2024 and 2023 amounted to KRW 806.3 billion and KRW 803.4 billion, respectively.

15. Trade and Other Payables

The details of trade and other payables as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Non-current	Non-current
Trade payables	185,092,889,638	-	97,600,609,220	-
Accrued expenses	45,842,483,542	20,368,784,073	32,483,691,098	-
Dividends payable	80,315	-	-	-
Accrued liabilities	40,274,942,198	-	11,980,596,428	-
Deposits received	-	1,849,435,700	-	1,825,320,000
Total	271,210,395,693	22,218,219,773	142,064,896,746	1,825,320,000

16. Other Liabilities

(1) The details of other liabilities as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advances customers	9,155,831,517	-	12,215,676,394	-
Withholdings	1,386,054,681	-	4,693,642,065	-
Provisions	10,408,914,552	2,506,095,916	15,477,003,962	2,498,715,452
Long-term employee salary liabilities	-	3,332,935,901	-	3,159,108,484
Total	20,950,800,750	5,839,031,817	32,386,322,421	5,657,823,936

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

① Q3 2024

(Unit: KRW)				
Category	1 January 2024	Establishment (Reversal)	Paid	30 September 2024
Provision for sales warrant	15,286,080,704	2,725,009,929	(7,987,163,216)	10,023,927,417
Provision for return	190,923,258	(42,199,928)	-	148,723,330
Provisions for restoration	2,498,715,452	7,380,464	-	2,506,095,916
Other (Loss) Provisions	-	236,263,805	-	236,263,805
Total	17,975,719,414	2,926,454,270	(7,987,163,216)	12,915,010,468

② Q3 2023

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

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

17. Capital and Capital Surplus

(1) The details of capital as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Gain (loss) on overseas business translation	467,917,088	131,256,512
Equity method capital changes	(823,828,369)	(823,367,436)
Gain (loss) on valuation of financial assets measured at FVTOCI	(380,807,731)	(380,807,731)
Total	(736,719,012)	(1,072,918,655)

19. Retained Earnings

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

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	969,555,393,571	889,295,260,387
Total	973,621,468,571	893,361,335,387

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning balance	889,295,260,387	862,600,963,865
Dividends paid	(29,275,740,000)	(73,189,350,000)
Net income	109,737,047,238	54,297,198,141
Remeasurements of defined benefit plans	(201,174,054)	78,257,051
Beginning balance	969,555,393,571	843,787,069,057

20. Earnings Per Share

(1) Basic Earnings Per Share

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

(Unit: KRW, Shares)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Earnings per ordinary share	25,358,702,362	109,737,047,238	13,919,059,002	54,297,198,141
Weighted average No. of common shares outstanding	16,264,300	16,264,300	16,264,300	16,264,300
Basic earnings per share	1,559	6,747	856	3,338

② Calculation of weighted average No. of common shares outstanding for the third 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
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	92 days/ 92 days	274 days/274 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for the third 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
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	92 days/ 92 days	273 days/273 days	16,264,300 shares

(2) Diluted Earnings Per Share

The Group had no dilutive securities for the third quarter of 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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Interest income	4,496,810,331	13,552,126,955	2,573,110,899	8,540,009,859
Gain from foreign exchange rate (financial)	122,526,750	157,052,094	(429)	39,438
Gain on foreign exchange (financial)	(35,980,290)	21	134,489,791	1,909,091,225
Gain on disposal of derivatives	1,518,551,474	1,518,551,474	-	-
Gain on valuation of derivatives	1,154,696,300	1,154,696,300	-	-
Total	7,256,604,565	16,382,426,844	2,707,600,261	10,449,140,522

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Interest expenses	669,226,937	1,188,188,218	104,390,296	355,200,502
Loss on foreign exchange (financial)	116,772,587	151,432,970	-	-
Loss on foreign currency translation (financial)	61,637,399	61,637,400	(1,175,514)	(11,801,477)
Loss on disposal of trade receivables	3,218,114,017	13,946,802,832	5,964,111,040	15,855,225,074
Loss on disposal of derivatives	112,440,875	112,440,875	-	-
Loss on valuation of derivatives	(1,851,866,618)	173,136,926	-	-
Total	2,326,325,197	15,633,639,221	6,067,325,822	16,198,624,099

22. Other Non-Operating Income and Expenses

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Gain on foreign exchange (non-financial)	3,921,018,303	14,811,040,278	5,389,666,026	21,089,516,831
Gain on foreign currency translation (non-financial)	(1,043,157,811)	2,513,631,730	260,315,511	1,580,214,985
Gain on disposal of tangible assets	4,816,130	29,425,953	2,756,629,022	5,348,916,055
Gain on disposal of tangible assets	(1,914,870)	-	-	-
Miscellaneous profits	7,605,037	44,638,843	1,190,513	24,062,969
Total	2,888,366,789	17,398,736,804	8,407,801,072	28,042,710,840

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Loss on foreign exchange (non-financial)	4,136,168,974	10,736,081,140	4,980,334,261	17,380,632,991
Loss on foreign currency translation (non-financial)	3,989,292,758	4,904,565,447	233,162,136	1,658,380,593
Loss on disposal of tangible assets	(34,360,704)	171,376,900	-	1,384
Impairment loss on tangible assets	-	39,936,643	-	-
Loss on disposal of intangible assets	9,683,262	124,327,232	65,196,888	102,849,472
Donations	-	1,000,000	53,049,200	54,764,100
Miscellaneous losses	938,222	1,023,008	4,074,222	25,937,619
Total	8,101,722,512	15,978,310,370	5,335,816,707	19,222,566,159

23. Operating Profit

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Sales	419,850,482,315	1,363,055,491,368	412,765,017,097	1,388,697,843,466
Products	419,749,787,808	1,354,389,613,020	412,128,479,875	1,385,905,686,273
Others	100,694,507	8,665,878,348	636,537,222	2,792,157,193
COGS	280,552,563,187	913,419,308,856	283,659,312,529	1,011,575,550,863
Cost of goods sold	280,469,744,100	907,472,428,252	282,748,169,576	1,009,104,427,081
Others	82,819,087	5,946,880,604	911,142,953	2,471,123,782
Selling and administrative expenses	105,020,036,808	313,064,445,092	114,177,818,066	315,236,631,942
Salary and bonuses	20,348,076,470	61,912,630,392	20,416,938,208	60,573,361,161
Retirement benefits	1,265,297,226	3,811,237,100	1,063,725,653	3,206,576,572
Employee benefits	4,113,492,162	12,248,643,504	4,597,085,252	12,890,723,377
Travel	848,533,199	2,492,861,951	841,093,191	2,444,085,586
Paid rent	686,932,078	2,144,700,108	728,492,257	2,206,576,102
Service fees	10,662,346,748	28,362,553,785	8,729,880,707	25,442,764,371
Depreciation	3,439,731,691	9,612,528,804	3,250,785,338	10,326,795,221
Amortization of intangible assets	1,879,757,178	4,954,872,107	865,864,782	2,614,341,206
Establishment (reversal) of provision for sales guarantee	(135,967,770)	2,725,009,929	13,092,306,600	13,989,103,532
Ordinary R&D expenses	58,632,408,509	176,314,041,022	57,531,688,335	172,622,408,287
Others	3,279,429,317	8,485,366,390	3,059,957,743	8,919,896,527
Operating profit	34,277,882,320	136,571,737,420	14,927,886,502	61,885,660,661

24. Defined Benefit Obligations

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

(1) The details of defined benefit obligations as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Present value of defined benefit obligation	75,418,817,247	77,449,337,342
Fair value of plan assets	(76,928,135,614)	(87,138,882,974)
Defined benefit obligations (assets)	(1,509,318,367)	(9,689,545,632)

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning defined benefit obligations	77,449,337,342	68,723,266,014
Current service cost	8,394,491,811	7,799,757,441
Interest cost	2,467,443,714	2,602,450,344
Transfers between associates	(15,978,880)	127,639,280
Retirement benefit payment	(12,876,476,740)	(5,828,224,250)
Ending defined benefit obligations	75,418,817,247	73,424,888,829

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning balance of plan assets	87,138,882,974	87,024,709,511
Interest income	2,787,750,144	3,326,977,638
Plan assets remeasurement (before tax)	(261,604,751)	101,764,696
Payment of severance payment form plan assets	(12,599,880,644)	(5,734,361,128)
Others	(137,012,109)	(97,091,243)
Ending balance of plan assets	76,928,135,614	84,621,999,474

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Current service cost	8,394,491,811	7,799,757,441
Net interest cost	(320,306,430)	(724,527,294)
Others	137,012,109	97,091,243
Total	8,211,197,490	7,172,321,390

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 21.5 percent (compared to 18.5 percent in 2023).

26. Statement of Cash Flow

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Income tax expense	30,130,083,092	12,345,763,490
Depreciation	17,373,707,654	16,521,219,537
Allowance for inventory valuation (provision/reversal)	(4,592,579,911)	30,620,389,502
Reversal (provision) of right to recover returned goods	28,351,115	20,233,807
Loss on disposal of inventories	5,101,290,439	9,048,934,524
Provision (reversal) for return liabilities	(42,199,928)	(6,626,651)
Gain on disposal of tangible assets	(29,425,953)	(5,348,916,055)
Loss on disposal of tangible assets	171,376,900	1,384
Gain on disposal of intangible assets	124,327,232	102,849,472
Loss on disposal of intangible assets	6,546,907,934	5,887,553,834
Amortization of intangible assets	39,936,643	-
Impairment loss on tangible assets	8,211,197,490	7,172,321,390
Retirement benefits	(2,513,631,751)	(3,489,306,210)
Gain on foreign currency translation	4,966,202,847	1,646,579,116
Loss on foreign currency translation	(13,552,126,955)	(8,540,009,859)
Interest income	1,188,188,218	355,200,502
Interest expense	2,725,009,929	13,989,103,532
Provision (reversal) for sales warranty liabilities	236,263,805	-
Provision for other (loss) liabilities	294,027,417	263,392,149
Long-term employee benefits	(1,126,178,853)	(1,686,639,866)
Equity method profit (loss)	(1,154,696,300)	-
Loss on disposal of trade receivables	173,136,926	-
Miscellaneous	(158,421)	4,778,914
Total	54,299,009,569	78,906,822,512

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Trade receivables	(123,575,746,467)	(16,524,423,859)
Other payables	(5,245,385,608)	(3,184,100,419)
Other current assets	14,839,779,392	(1,054,424,810)
Inventories	97,281,350,869	(96,536,681,887)
Trade payables	88,948,346,832	26,989,874,053
Other current liabilities	(14,354,880,934)	4,495,489,401
Other payables	95,161,982	37,804,609,735
Long-term employee salary liabilities	(120,200,000)	(67,400,000)
Net defined benefit obligations	(292,574,976)	33,776,158
Lease receivables	-	562,687,778
Total	57,575,851,090	(47,480,593,850)

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Transfer for tangible assets in progress	17,962,638,769	12,002,051,755
Transfer for intangible assets in progress	25,615,662,914	5,778,068,192
Increase (decrease) in payables relating to acquisition of tangible assets	(2,198,593,107)	(9,636,349,050)
Increase (decrease) in payables relating to acquisition of intangible assets	(623,045,189)	2,136,882,717
Recognition of lease liabilities and licensed assets under the lease agreement	11,373,644,154	1,252,022,795
Reclassification of lease liabilities to current liabilities	6,700,427,459	2,354,429,275
Reclassification of lease receivables to current receivables	-	570,314,176
Reclassification of loans to current loans	599,485,675	1,106,705,107

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

① Q3 2024

(Unit: KRW)				
Category	1 January 2024	Cash flow from financial activities	Non-cash transaction	30 September 2024
Dividends payable	-	(29,275,659,685)	29,275,740,000	80,315
Lease liabilities	21,124,455,534	(6,433,115,575)	10,874,588,009	25,565,927,968

② Q3 2023

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

27. Restricted Financial Instruments

The financial instruments restricted for use as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)			
Items	Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

Type of special relationship	30 September 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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)						
Special relationship	Name	Details	Q3 2024		Q3 2023	
			3 months	Cumulative	3 months	Cumulative
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Operating expenses	2,578,260	1,392,773,195	-	56,733,504
		Dividends	-	-	76,766,051	76,766,051
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	Operating expenses	833,170,000	2,716,563,000	832,097,000	2,776,857,000
Other large corporate group affiliates	LX Hausys Co., Ltd.	Operating expenses	68,512,500	68,512,500	19,300,000	208,500,000
	LX Pantos Co., Ltd.	Operating expenses	1,201,673,438	3,526,886,837	1,091,282,721	3,590,114,520
	LX MDI Co., Ltd.	Operating expenses	270,210,580	737,435,850	289,276,800	1,253,465,480
	LX International Co., Ltd.	Operating expenses	-	4,343,868	30,978,300	30,978,300
	LX INTERNATIONAL JAPAN LTD.	Operating expenses	7,746,963	31,011,025	3,197,690	41,860,629

(3) The receivables and payables of related parties as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)					
Category	Name	30 September 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.	-	-	-	1,368,990,000
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	132,823,000	-	434,734,000	-
Other large corporate group affiliates	LX Hausys Co., Ltd.	-	68,512,500	-	7,700,000
	LX Pantos Co., Ltd.	-	728,080,183	-	825,695,817
	LX MDI Co., Ltd.	-	-	-	23,329,662

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

(Unit: KRW)						
Category	Name	Q3 2024		Q3 2023		
		Dividends received	Dividends paid	Dividends received	Dividends paid	Cash contribution, etc.
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	-	-		2,887,050,000
	Telechips Inc.	303,000,000	-	196,950,000	-	-
Companies exercising significant influence on the Group	LX Holdings Co., Ltd.	-	9,684,943,200	-	24,212,358,000	-
Total		303,000,000	9,684,943,200	196,950,000	24,212,358,000	2,887,050,000

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Short-term salaries	3,010,096,763	9,377,563,835	3,183,527,037	9,655,893,567
Retirement benefits	140,011,756	843,652,236	372,264,715	1,152,699,744
Total	3,150,108,519	10,221,216,071	3,555,791,752	10,808,593,311

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 30 September 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 30 September 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 30 September 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	-
Currency forward	Shinhan Bank	-	10,000,000
Currency forward	MUFG Bank	-	20,000,000

(3) The Group has an export receivable transfer transaction agreement with the financial institutions in relation to the collection of trade receivables as follows: the limit details of the Group as of 30 September 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 30 September 2024.

(5) The Group has no ongoing litigation or disputes as of 30 September 2024.

(6) The details of the Group's investment commitments as of 30 September 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 30 September 2024

As of 31 December 2023

(Unit: KRW)

	30 September 2024	31 December 2023
Assets		
Current assets	1,063,302,076,051	897,567,662,023
Cash and cash equivalents	249,320,493,802	180,939,531,955
Short-term financial instruments	180,000,000,000	120,000,000,000
Trade receivables	323,927,514,956	204,968,516,437
Other receivables	8,268,179,641	3,417,921,540
Other current assets	62,558,564,393	52,350,652,620
Derivative assets	1,154,696,300	0
Inventories	238,072,626,959	335,891,039,471
Non-current assets	335,069,956,907	298,120,505,199
Long-term other receivables	9,986,328,180	12,032,846,069
Investments in subsidiaries	4,249,012,045	3,532,122,045
Investments in associates and joint ventures	43,702,873,000	43,702,873,000
Tangible assets	108,151,715,695	103,185,474,956
Right-of-use assets	22,860,167,036	19,643,121,217
Intangible assets	82,706,978,368	73,794,815,777
Other non-current assets	40,726,545,863	8,960,441,666
Defined benefit assets	1,509,318,367	9,689,545,632
Deferred tax assets	21,177,018,353	23,579,264,837
Total assets	1,398,372,032,958	1,195,688,167,222
Liabilities		
Current liabilities	307,991,660,596	208,177,134,196
Trade payables	185,092,889,638	97,600,609,220
Other payables	87,126,466,378	46,298,822,570
Other current liabilities	20,931,068,933	32,374,334,511
Derivative liabilities	173,136,926	0
Lease liabilities	6,508,565,894	6,773,233,986
Current tax liabilities	8,159,532,827	25,130,133,909
Non-current liabilities	44,311,429,012	19,893,642,382
Long-term other payables	22,218,219,773	1,825,320,000
Other non-current liabilities	5,831,651,353	5,657,823,936
Lease liabilities	16,261,557,886	12,410,498,446
Total liabilities	352,303,089,608	228,070,776,578
Equity		

Capital stock	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	961,974,430,581	883,522,877,875
Total equities	1,046,068,943,350	967,617,390,644
Total equities and liabilities	1,398,372,032,958	1,195,688,167,222

4-2. Income Statement

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 2023

(Unit: KRW)

	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Revenue (Sales)	419,850,482,315	1,363,055,491,368	412,765,017,097	1,388,697,843,466
Cost of sales	280,552,563,187	913,419,308,856	283,659,312,529	1,011,575,550,863
Gross profit	139,297,919,128	449,636,182,512	129,105,704,568	377,122,292,603
Selling and administrative expenses	105,770,732,327	315,130,970,445	114,787,573,462	316,973,775,405
Operating profit	33,527,186,801	134,505,212,067	14,318,131,106	60,148,517,198
Finance income	7,241,933,672	16,641,969,000	2,780,843,404	10,665,764,046
Finance costs	2,294,177,440	15,551,079,571	6,045,292,693	16,130,206,181
Other non-operating income	2,888,077,755	17,366,427,916	8,406,992,149	28,019,717,646
Other non-operating expenses	8,100,072,394	15,974,941,363	5,335,726,964	19,212,269,216
Income before income taxes	33,262,948,394	136,987,588,049	14,124,947,002	63,491,523,493
Income tax expenses	6,788,656,575	29,059,121,289	2,570,764,083	11,907,673,145
Net income	26,474,291,819	107,928,466,760	11,554,182,919	51,583,850,348
Earnings per share				
Basic earnings per share (Unit: KRW)	1,628.0	6,636.0	710.0	3,172.0
Diluted earnings per share (Unit: KRW)	1,628.0	6,636.0	710.0	3,172.0

4-3. Comprehensive Income Statement

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 2023

(Unit: KRW)

	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Net income (loss)	26,474,291,819	107,928,466,760	11,554,182,919	51,583,850,348
Other comprehensive income	(85,319,919)	(201,174,054)	50,988,562	78,257,051
Items not reclassified to profit or loss:	(85,319,919)	(201,174,054)	50,988,562	78,257,051
Remeasurements of defined benefit plans	(85,319,919)	(201,174,054)	50,988,562	78,257,051
Total comprehensive income	26,388,971,900	107,727,292,706	11,605,171,481	51,662,107,399

4-4. Statement of Changes in Equity

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 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	51,583,850,348	51,583,850,348
	Remeasurement elements of defined benefit plans	0	0	0	78,257,051	78,257,051
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(73,189,350,000)	(73,189,350,000)
30 September 2023		8,132,150,000	76,343,170,500	(380,807,731)	839,188,483,757	923,282,996,526
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	107,928,466,760	107,928,466,760
	Remeasurement elements of defined benefit plans	0	0	0	(201,174,054)	(201,174,054)
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(29,275,740,000)	(29,275,740,000)
30 September 2024		8,132,150,000	76,343,170,500	(380,807,731)	961,974,430,581	1,046,068,943,350

4-5. Statement of Cash Flows

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 2023

(Unit: KRW)

	Q3 2024	Q3 2023
Operating cash flows	195,041,550,728	38,974,486,006
Cash flows from operating activities	217,407,820,084	82,910,373,713
Net income	107,928,466,760	51,583,850,348
Adjustments	52,505,996,957	78,341,823,194
Change to equities/liabilities on sales operations	56,973,356,367	(47,015,299,829)
Interest received	13,505,617,134	7,752,644,115
Interest paid	(573,014,660)	(274,981,107)
Dividends received	303,000,000	0
Income taxes paid	(35,601,871,830)	(51,413,550,715)
Cash flows from investing activities	(91,927,282,504)	30,614,468,939
Dividends received	0	196,950,000
Increase in short-term financial instruments	(580,000,000,000)	(50,000,000,000)
Decrease in short-term financial instruments	520,000,000,000	100,000,000,000
Increase in other receivables	(1,658,891,688)	(330,000,000)
Decrease in other receivables	4,109,597,040	2,100,701,861
Acquisition of tangible assets	(17,547,439,952)	(25,245,767,521)
Disposal of tangible assets	16,136,000	19,487,632,600
Acquisition of intangible assets	(16,129,793,904)	(12,707,998,001)
Acquisition of investments in associates	0	(2,887,050,000)
Acquisition of investments in subsidiaries	(716,890,000)	0
Cash flow from financing activities	(34,671,668,977)	(78,810,481,845)
Dividends paid	(29,275,659,685)	(73,189,350,000)
Repayment of lease liabilities	(5,396,009,292)	(5,621,131,845)
Net increase in cash and cash equivalents	68,442,599,247	(9,221,526,900)
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	(61,637,400)	1,905,575,532
Ending balance of cash and cash equivalents	249,320,493,802	179,036,455,632

5. Notes on Financial Statements

From 01 January to 2024 to 30 September 2024

From 01 January to 2023 to 30 September 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 30 September 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 30 September 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) and 4) below.

1) The new standards and interpretations adopted starting from the third 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 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) The Company has applied hedge accounting since the date of the most recent annual financial statements, and the related accounting policies are as follows:

Derivatives are initially recognized at fair value at the time the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives that do not meet the requirements for hedge accounting are classified as held for trading, and changes in their fair value are recognized in the income statement as finance income (expense) depending on the nature of the transaction. Changes in the fair value of derivatives are accounted for differently depending on whether the derivative is designated as a hedging instrument and the nature of the hedged item. The Company enters into derivative contracts for hedging purposes, and some of these derivatives are designated as hedging instruments in the following hedge relationships.

- Hedging against changes in the fair value of recognized assets, liabilities, or firm commitments (Fair Value Hedge)

At the inception of the hedge, the Company documents the economic relationship between the hedging instrument and the hedged item, including the expectation that the hedging instrument will offset changes in the cash flows of the hedged item. The Company also documents its risk management objectives and strategies for undertaking the hedging transaction.

The fair value of derivatives used for hedging purposes is disclosed in Note 5.

The total fair value of derivatives designated as hedging instruments is classified as non-current assets or liabilities if the remaining maturity of the hedged item exceeds 12 months, and as current assets or liabilities if the remaining maturity is 12 months or less. Derivative liabilities not designated as hedging instruments are classified as current or non-current based on the settlement date, while derivative assets are classified as current or non-current based on the expected maturity.

Changes in the fair value of derivatives designated as hedging instruments for fair value hedges are recognized in the income statement along with changes in the fair value of the hedged item attributable to the hedged risk. If the requirements for hedge accounting are no longer met, for hedged items subject

to the effective interest method, interest income is amortized over the remaining maturity period.

4) 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 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 third 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 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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Book value	Fair value	Book value	Fair value
Financial assets:				
Items at FVTOCI				
Trade receivables	276,821,634,886	(*2)	185,663,383,226	(*2)
Items measured at amortized cost				
Cash and cash equivalents	249,320,493,802	(*2)	180,939,531,955	(*2)
Short-term financial instruments	180,000,000,000	(*2)	120,000,000,000	(*2)
Trade receivables	47,105,880,070	(*2)	19,305,133,211	(*2)
Other receivables	18,254,507,821	(*2)	15,450,767,609	(*2)
Sub-total	494,680,881,693		335,695,432,775	
Derivatives for hedging purposes				
Derivative assets	1,154,696,300	1,154,696,300	-	-
Total	772,657,212,879		521,358,816,001	
Financial liabilities:				
Items measured at amortized cost				
Trade payables	185,092,889,638	(*2)	97,600,609,220	(*2)
Other payables (*1)	72,963,711,734	(*2)	30,945,625,670	(*2)
Sub-total	258,056,601,372		128,546,234,890	
Derivatives for hedging purposes				
Derivative liabilities	173,136,926	173,136,926	-	-
Others				
Lease liabilities	22,770,123,780	(*3)	19,183,732,432	(*3)
Total	280,999,862,078		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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Category	Interest income (Interest expense)		Other income (*)	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Financial assets measured at FVTOCI	-	-	(22,139,562,296)	(9,067,389,292)
Financial assets measured at amortized cost	13,514,536,050	8,467,860,241	8,676,928,083	2,635,565,084
Lease receivables	-	18,612,222	-	-
Financial liabilities measured at amortized cost	(532,613,908)	-	1,139,679,257	(3,886,703,816)
Derivatives for hedging purposes	-	-	2,387,669,973	-
Lease liabilities	(573,014,660)	(274,981,107)	-	-
Total	12,408,907,482	8,211,491,356	(9,935,284,983)	(10,318,528,024)

(*) 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) Fair Value Hierarchy, Valuation Techniques, and Inputs

① Fair Value Hierarchy

Financial instruments measured at fair value are categorized based on the fair value hierarchy, which is defined as follows:

- Level 1: Quoted (unadjusted) market prices for identical assets or liabilities in active markets accessible at the measurement date. These quoted prices reflect market assumptions regarding economic changes, such as interest rate increases, inflation, and ESG-related risks.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability, such as non-listed equity securities and financial instruments with significant unobservable adjustments due to ESG-related risks.

The categorization of financial instruments measured at fair value based on the fair value hierarchy is as follows:

(Unit: KRW)				
Category	30 September 2024			Total
	Level 1	Level 2	Level 3	
Derivative Assets	-	1,154,696,300	-	1,154,696,300
Derivative Liabilities	-	173,136,926	-	173,136,926

There were no transfers between levels in the fair value hierarchy for recurring fair value measurements in the third quarter of 2024.

② Valuation Techniques and Inputs for Fair Value

The valuation techniques and inputs for assets and liabilities measured at fair value and classified as Level 2 in the fair value hierarchy as of 30 September 2024 are as follows:

(Unit: KRW)				
Category	Fair value amount		Valuation technique	Inputs
	30 September 2024	31 December 2023		
Derivative Assets	1,154,696,300	-	Discounted cash flow model	Discount rate and exchange rate
Derivative Liabilities	173,136,926	-	Discounted cash flow model	Discount rate and exchange rate

(4) Derivatives

The Company has entered into currency forward contracts to hedge fair value risks arising from exchange rate fluctuations. The key details of the derivative contracts are as follows:

① Key Details of Hedging Instruments

(Unit: KRW)								
Category	Contract counterparty	Contract amount (Unit: million)	Contract exchange rate	Hedging start date	Hedging maturity date	Account	Book value	
							Assets	Liabilities
Currency Forward	Shinhan Bank and 1 other	USD 65	1,298.70 ~1,377.53	22.05.2024 ~30.09.2024	10.10.2024 ~06.02.2025	Derivative assets/liabilities	1,154,696,300	173,136,926
Total							1,154,696,300	173,136,926

② Key Details of Hedged Items

(Unit: KRW)			
Category	Account	Book value	Fair value change
Currency Forward	Trade Receivables	85,499,246,388	(981,559,374)

③ Results of Hedge Accounting Application

(Unit: KRW)			
Category	Change in derivative value	Account recognized in profit or loss	Amount recognized in profit or loss due to ineffectiveness of hedge
Currency Forward	981,559,374	Gain/Loss on Derivative Valuation	-

*) The gains and losses arising from derivatives under hedge accounting are offset within the scope of hedge accounting by the gains and losses arising from the hedged assets.

(5) 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 30 September 2024.

5. Cash and Cash Equivalents

The details of cash and cash equivalents as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Demand deposit	6,476,176,076	4,139,531,955
Term deposit, etc. (*)	242,844,317,726	176,800,000,000
Total	249,320,493,802	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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Term deposit	180,000,000,000	120,000,000,000

7. Trade and Other Receivables

The details of trade and other receivables as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Trade receivables	323,927,514,956	-	204,968,516,437	-
Receivables	5,717,461,191	-	472,991,393	-
Accrued income	1,414,598,784	-	1,405,679,868	-
Loans	1,136,119,666	2,511,340,880	1,539,250,279	4,156,782,820
Deposits	-	7,474,987,300	-	7,876,063,249
Total	332,195,694,597	9,986,328,180	208,386,437,977	12,032,846,069

8. Other Assets

Other assets as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advanced payments	5,468,312,362	5,069,968,392	9,339,467,647	7,432,141,290
Prepaid expenses, etc.	57,090,252,031	35,656,577,471	43,011,184,973	1,528,300,376
Total	62,558,564,393	40,726,545,863	52,350,652,620	8,960,441,666

9. Inventories

(1) The details of inventories as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Finished goods	89,428,670,857	102,920,500,226
Work in process	219,087,383,363	307,978,195,302
Right to recover returned goods	103,340,916	131,692,031
Allowance for inventory valuation	(70,567,936,227)	(75,160,516,138)
Merchandise	21,168,050	21,168,050
Total	238,072,626,959	335,891,039,471

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Cost of goods sold		
Establishment (Reversal) of inventory valuation allowance	(4,592,579,911)	30,620,389,502

(3) The cost of inventories recognized as an expense and included in Cost of Sales amounts to KRW 918,305 million (Q3 2023: KRW 982,527 million).

10. Investments in Subsidiaries, Associates and Joint ventures

(1) The investment in subsidiaries as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 September 2024		31 December 2023	
				Ratio (%)	Book value	Ratio (%)	Book value
LX Semicon U.S.A., Inc	Korea	Semiconductor manufacturing and design	12	100.00	137,322,045	100.00	137,322,045
LX Semicon China Co., Ltd.	Japan	Semiconductor manufacturing and design	12	100.00	2,179,314,000	100.00	2,179,314,000
LX Semicon Japan Co., Ltd.	Korea	Semiconductor manufacturing and design	12	100.00	1,215,486,000	100.00	1,215,486,000
LX Semicon Taiwan Co. Ltd.(*)	Korea	Semiconductor manufacturing and design	12	100.00	716,890,000	-	-
Total					4,249,012,045		3,532,122,045

(*) LX Semicon Taiwan Co., Ltd. was established in Q3 2024, and the Company newly acquired 100 percent ownership.

(2) The investment in associates and joint ventures as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)							
Company name	Location	Major business activity	Month of account closing	30 September 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	4,810,839,789	49.00	4,633,299,873
FJ Composite Materials Co., LTD	Japan	Development, manufacturing, and sales of composite materials	5	28.70	9,629,324,030	28.70	9,349,396,602
Telechips(*)	Korea	Manufacture of electronic integrated circuit	12	10.26	31,633,106,786	10.26	31,172,893,079
LX Ventures New Technology Business Investment Fund No. 1	Korea	Investment in venture businesses	12	23.33	2,684,464,901	23.33	2,779,428,032
Total					48,757,735,506		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.

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning	47,234,995,045	41,547,945,045
Acquisition	716,890,000	2,887,050,000
Ending	47,951,885,045	44,434,995,045

11. Tangible Assets

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning net book value	103,185,474,956	103,418,994,751
Acquisition	15,341,446,845	15,609,418,471
Disposal	(162,924,423)	(14,144,250,096)
Depreciation	(10,172,345,040)	(9,065,647,507)
Other adjustments	(39,936,643)	1,656,134,164
Ending net book value	108,151,715,695	97,474,649,783

12. Intangible Assets

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning net book value	73,794,815,777	63,621,254,908
Acquisition	15,506,748,715	14,844,880,718
Disposal	(124,327,232)	(102,849,472)
Depreciation	(6,470,258,892)	(5,837,699,907)
Ending net book value	82,706,978,368	72,525,586,247

13. Lease

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning net book value	19,643,121,217	14,204,693,929
Acquisition	9,308,394,687	1,077,147,224
Decrease (Termination of contract)	(318,726,113)	(150,322,020)
Depreciation	(5,772,622,755)	(5,976,081,354)
Ending net book value	22,860,167,036	9,155,437,779

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Depreciation on licensed assets	5,772,622,755	5,976,081,354
Interest expense on lease liabilities	573,014,660	274,981,107
Expenses related to short-term leases and small assets lease	144,841,121	156,450,357

(3) The Company's total cash outflows due to leases for the third quarter of 2024 and 2023 amounted to KRW 6,114 million and KRW 6,053 million, respectively.

14. Trade and Other Payables

The details of trade and other payables as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Non-current	Non-current
Trade payables	185,092,889,638	-	97,600,609,220	-
Accrued expenses	47,766,651,926	20,368,784,073	34,860,777,279	-
Dividends payable	80,315	-	-	-
Accrued liabilities	39,359,734,137	-	11,438,045,291	-
Deposits received	-	1,849,435,700	-	1,825,320,000
Total	272,219,356,016	22,218,219,773	143,899,431,790	1,825,320,000

15. Other Liabilities

(1) The details of other liabilities as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)				
Category	30 September 2024		31 December 2023	
	Current	Non-current	Current	Non-current
Advances customers	9,155,831,517	-	12,215,669,884	-
Withholdings	1,366,322,864	-	4,681,660,665	-
Provisions	10,408,914,552	2,498,715,452	15,477,003,962	2,498,715,452
Long-term employee salary liabilities	-	3,332,935,901	-	3,159,108,484
Total	20,931,068,933	5,831,651,353	32,374,334,511	5,657,823,936

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

① Q3 2024

(Unit: KRW)				
Category	1 January 2024	Establishment (Reversal)	Paid	30 September 2024
Provision for sales warrant	15,286,080,704	2,725,009,929	(7,987,163,216)	10,023,927,417
Provision for return	190,923,258	(42,199,928)	-	148,723,330
Provisions for restoration	2,498,715,452	-	-	2,498,715,452
Provision for other (loss)	-	236,263,805	-	236,263,805
Total	17,975,719,414	2,919,073,806	(7,987,163,216)	12,907,630,004

② Q3 2023

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

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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Statutory reserves	4,066,075,000	4,066,075,000
Unappropriated retained earnings	957,908,355,581	879,456,802,875
Total	961,974,430,581	883,522,877,875

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning balance	879,456,802,875	856,649,651,358
Dividends paid	(29,275,740,000)	(73,189,350,000)
Net income	107,928,466,760	51,583,850,348
Remeasurements of defined benefit plans	(201,174,054)	78,257,051
Beginning balance	957,908,355,581	835,122,408,757

19. Earnings Per Share

(1) Basic Earnings Per Share

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

(Unit: KRW, Shares)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Earnings per ordinary share	26,474,291,819	107,928,466,760	11,554,182,919	51,583,850,348
Weighted average No. of common shares outstanding	16,264,300	16,264,300	16,264,300	16,264,300
Basic earnings per share	1,628	6,636	710	3,172

② Calculation of weighted average No. of common shares outstanding for the third 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
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	92 days/ 92 days	274 days/274 days	16,264,300 shares

③ Calculation of weighted average No. of common shares outstanding for the third 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
			3 months	Cumulative	
16,264,300 shares	-	16,264,300 shares	92 days/ 92 days	273 days/273 days	16,264,300 shares

(2) Diluted Earnings Per Share

The Company had no dilutive securities for the third quarter of 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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Interest income	4,484,685,160	13,514,536,050	2,565,590,291	8,486,472,463
Dividend income	-	303,000,000	76,766,051	273,716,051
Gain from foreign exchange rate (financial)	116,665,017	151,185,176	-	-
Gain on foreign exchange (financial)	(32,664,279)	-	138,487,062	1,905,575,532
Gain on disposal of derivatives	1,518,551,474	1,518,551,474	-	-
Gain on valuation of derivatives	1,154,696,300	1,154,696,300	-	-
Total	7,241,933,672	16,641,969,000	2,780,843,404	10,665,764,046

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Interest expenses	637,079,180	1,105,628,568	82,485,533	274,981,107
Loss on foreign exchange (financial)	116,772,586	151,432,970	-	-
Loss on foreign currency translation (financial)	61,637,400	61,637,400	(1,303,880)	-
Loss on disposal of trade receivables	3,218,114,017	13,946,802,832	5,964,111,040	15,855,225,074
Loss on disposal of derivatives	112,440,875	112,440,875	-	-
Loss on valuation of derivatives	(1,851,866,618)	173,136,926	-	-
Total	2,294,177,440	15,551,079,571	6,045,292,693	16,130,206,181

21. Other Non-Operating Income and Expenses

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Gain on foreign exchange (non-financial)	3,920,979,589	14,811,001,564	5,389,666,026	21,089,516,831
Gain on foreign currency translation (non-financial)	(1,043,157,811)	2,513,631,730	260,315,511	1,580,214,985
Gain on disposal of tangible assets	4,773,099	23,661,694	2,756,638,557	5,348,039,411
Gain on disposal of tangible assets	(1,914,870)	-	-	-
Miscellaneous profits	7,397,748	18,132,928	372,055	1,946,419
Total	2,888,077,755	17,366,427,916	8,406,992,149	28,019,717,646

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Loss on foreign exchange (non-financial)	4,136,093,219	10,734,334,777	4,980,155,583	17,380,229,705
Loss on foreign currency translation (non-financial)	3,989,292,758	4,904,565,447	233,162,136	1,658,380,593
Loss on disposal of tangible assets	(34,997,000)	170,740,604	-	1,384
Impairment loss on tangible assets	-	39,936,643	-	-
Loss on disposal of intangible assets	9,683,262	124,327,232	65,196,888	102,849,472
Donations	-	1,000,000	53,049,200	54,764,100
Miscellaneous losses	155	36,660	4,163,157	16,043,962
Total	8,100,072,394	15,974,941,363	5,335,726,964	19,212,269,216

22. Operating Profit

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Sales	419,850,482,315	1,363,055,491,368	412,765,017,097	1,388,697,843,466
Products	419,749,787,808	1,354,389,613,020	412,128,479,875	1,385,905,686,273
Others	100,694,507	8,665,878,348	636,537,222	2,792,157,193
COGS	280,552,563,187	913,419,308,856	283,659,312,529	1,011,575,550,863
Cost of goods sold	280,469,744,100	907,472,428,252	282,748,169,576	1,009,104,427,081
Others	82,819,087	5,946,880,604	911,142,953	2,471,123,782
Selling and administrative expenses	105,770,732,327	315,130,970,445	114,787,573,462	316,973,775,405
Salary and bonuses	17,441,155,535	53,723,737,818	17,842,260,717	53,049,030,781
Retirement benefits	1,261,355,049	3,802,510,325	1,062,465,685	3,198,972,002
Employee benefits	3,410,898,789	9,992,844,764	3,889,227,488	10,712,383,076
Travel	525,114,788	1,592,332,172	539,596,192	1,565,622,858
Paid rent	374,646,295	1,122,355,688	384,565,747	1,173,729,223
Service fees	18,228,838,702	49,588,982,237	14,950,054,882	43,282,635,413
Depreciation	2,892,605,706	8,183,788,945	2,811,406,595	8,847,304,545
Amortization of intangible assets	1,842,129,379	4,878,223,065	849,489,467	2,564,487,279
Establishment (reversal) of provision for sales guarantee	(135,967,770)	2,725,009,929	13,092,306,600	13,989,103,532
Ordinary R&D expenses	57,099,600,168	172,257,980,710	56,670,633,172	170,653,613,810
Others	2,830,355,686	7,263,204,792	2,695,566,917	7,936,892,886
Operating profit	33,527,186,801	134,505,212,067	14,318,131,106	60,148,517,198

23. Defined Benefit Obligations

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

(1) The details of defined benefit obligations as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)		
Category	30 September 2024	31 December 2023
Present value of defined benefit obligation	75,418,817,247	77,449,337,342
Fair value of plan assets	(76,928,135,614)	(87,138,882,974)
Defined benefit obligations (assets)	(1,509,318,367)	(9,689,545,632)

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning defined benefit obligations	77,449,337,342	68,723,266,014
Current service cost	8,394,491,811	7,799,757,441
Interest cost	2,467,443,714	2,602,450,344
Transfers between associates	(15,978,880)	127,639,280
Retirement benefit payment	(12,876,476,740)	(5,828,224,250)
Ending defined benefit obligations	75,418,817,247	73,424,888,829

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Beginning balance of plan assets	87,138,882,974	87,024,709,511
Interest income	2,787,750,144	3,326,977,638
Plan assets remeasurement (before tax)	(261,604,751)	101,764,696
Payment of severance payment form plan assets	(12,599,880,644)	(5,734,361,128)
Others	(137,012,109)	(97,091,243)
Ending balance of plan assets	76,928,135,614	84,621,999,474

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Current service cost	8,394,491,811	7,799,757,441
Net interest cost	(320,306,430)	(724,527,294)
Others	137,012,109	97,091,243
Total	8,211,197,490	7,172,321,390

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 18.8 percent in 2023).

25. Statement of Cash Flows

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Income tax expense	29,059,121,289	11,907,673,145
Depreciation	15,944,967,795	15,041,728,861
Allowance for inventory valuation (provision/reversal)	(4,592,579,911)	30,620,389,502
Reversal (provision) of right to recover returned goods	28,351,115	20,233,807
Loss on disposal of inventories	5,101,290,439	9,048,934,524
Provision (reversal) for return liabilities	(42,199,928)	(6,626,651)
Gain on disposal of tangible assets	(23,661,694)	(5,348,039,411)
Loss on disposal of tangible assets	170,740,604	1,384
Gain on disposal of intangible assets	124,327,232	102,849,472
Loss on disposal of intangible assets	6,470,258,892	5,837,699,907
Amortization of intangible assets	39,936,643	-
Impairment loss on tangible assets	8,211,197,490	7,172,321,390
Retirement benefits	(2,513,631,730)	(3,485,790,517)
Gain on foreign currency translation	4,966,202,847	1,658,380,593
Loss on foreign currency translation	(303,000,000)	(273,716,051)
Interest income	(13,514,536,050)	(8,486,472,463)
Interest expense	1,105,628,568	274,981,107
Provision (reversal) for sales warranty liabilities	2,725,009,929	13,989,103,532
Provision for other (loss) liabilities	236,263,805	-
Long-term employee benefits	294,027,417	263,392,149
Equity method profit (loss)	(1,154,696,300)	-
Loss on disposal of trade receivables	173,136,926	-
Miscellaneous	(158,421)	4,778,914
Total	52,505,996,957	78,341,823,194

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Trade receivables	(123,680,860,314)	(16,539,360,190)
Other payables	(5,174,037,128)	(3,302,742,849)
Other current assets	15,005,743,275	(576,203,366)
Inventories	97,281,350,869	(96,536,681,887)
Trade payables	88,948,346,832	26,989,874,053
Other current liabilities	(14,362,339,384)	4,476,946,369
Other payables	(632,072,807)	37,943,804,105
Long-term employee salary liabilities	(120,200,000)	(67,400,000)
Net defined benefit obligations	(292,574,976)	33,776,158
Lease receivables	-	562,687,778
Total	56,973,356,367	(47,015,299,829)

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

(Unit: KRW)		
Category	Q3 2024	Q3 2023
Transfer for tangible assets in progress	17,962,638,769	12,002,051,755
Transfer for intangible assets in progress	25,615,662,914	5,778,068,192
Increase (decrease) in payables relating to acquisition of tangible assets	(2,198,593,107)	(9,636,349,050)
Increase (decrease) in payables relating to acquisition of intangible assets	(623,045,189)	2,136,882,717
Recognition of lease liabilities and licensed assets under the lease agreement	9,308,394,687	1,077,147,224
Reclassification of lease liabilities to current liabilities	5,131,341,200	1,686,645,103
Reclassification of lease receivables to current receivables	-	570,314,176
Reclassification of loans to current loans	599,485,675	1,106,705,107

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

① Q3 2024

(Unit: KRW)				
Category	1 January 2024	Cash flow from financial activities	Non-cash transaction	30 September 2024
Dividends payable	-	(29,275,659,685)	29,275,740,000	80,315
Lease liabilities	19,183,732,432	(5,396,009,292)	8,982,400,640	22,770,123,780

② Q3 2023

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

26. Restricted Financial Instruments

The financial instruments restricted for use as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)			
Items	Category	30 September 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 30 September 2024 and 31 December 2023 are as follows:

Type of special relationship	30 September 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.
	LX Semicon Taiwan Co. Ltd.(*1)	-
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) LX Semicon Taiwan Co., Ltd. was established in Q3 2024, and the Company newly acquired 100 percent ownership.

(*2) 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 third quarter of 2024 and 2023 are as follows:

(Unit: KRW)						
Special relationship	Name	Details	Q3 2024		Q3 2023	
			3 months	Cumulative	3 months	Cumulative
Subsidiaries	LX Semicon U.S.A., Inc	Operating expenses	975,326,954	3,179,656,983	895,472,683	2,843,665,785
		Operating revenue	16,392,023	16,392,023	-	-
	LX Semicon China Co., Ltd.	Operating expenses	4,678,431,661	12,963,471,309	4,408,973,036	12,779,671,937
	LX Semicon Japan Co., Ltd.	Operating expenses	2,308,425,518	6,265,136,185	1,412,770,820	3,560,609,683
	LX Semicon Taiwan Co. Ltd.	Operating expenses	332,807,541	546,337,208	-	-
		Operating revenue	8,032,497	8,032,497	-	-
Associates and joint ventures	FJ Composite Materials Co., Ltd.	Operating expenses	2,578,260	1,392,773,195	-	56,733,504
		Dividends	-	-	76,766,051	76,766,051
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	Operating expenses	-	303,000,000	-	196,950,000
Other large corporate group affiliates	LX Hausys Co., Ltd.	Operating expenses	68,512,500	68,512,500	19,300,000	208,500,000
	LX Pantos Co., Ltd.	Operating expenses	1,201,673,438	3,526,886,837	1,091,282,721	3,590,114,520
	LX MDI Co., Ltd.	Operating expenses	270,210,580	737,435,850	289,276,800	1,253,465,480
	LX International Co., Ltd.	Operating expenses	-	4,343,868	30,978,300	30,978,300
	LX INTERNATIONAL JAPAN LTD.	Operating expenses	-	7,751,174	3,197,690	41,860,629

(3) The receivables and payables of related parties as of 30 September 2024 and 31 December 2023 are as follows:

(Unit: KRW)					
Category	Name	30 September 2024		31 December 2023	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Subsidiaries	LX Semicon U.S.A., Inc	3,233,997	356,573,457	-	367,326,322
	LX Semicon China Co., Ltd.	-	1,657,987,196	-	2,001,759,235
	LX Semicon Japan Co., Ltd.	-	791,937,281	-	659,756,055
	LX Semicon Taiwan Co. Ltd.	8,032,497	122,826,982	-	-
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	-	-	1,368,990,000
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	132,823,000	-	434,734,000	-
Other large corporate group affiliates	LX Hausys Co., Ltd.	-	68,512,500	-	7,700,000
	LX Pantos Co., Ltd.	-	728,080,183	-	825,695,817
	LX MDI Co., Ltd.	-	-	-	23,329,662

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

(Unit: KRW)							
Category	Name	Q3 2024			Q3 2023		
		Dividends received	Dividends paid	Cash contribution, etc.	Dividends paid	Dividends received	Cash contribution, etc.
Subsidiaries	LX Semicon Taiwan Co. Ltd.	-	-	716,890,000	-	-	-
Associates and joint ventures	FJ Composite Materials Co., Ltd.	-	-	-	-	-	2,887,050,000
	Telechips Inc.	303,000,000	-	-	196,950,000	-	-
Companies exercising significant influence on the Company	LX Holdings Co., Ltd.	-	9,684,943,200	-	-	24,212,358,000	-
Total		303,000,000	9,684,943,200	716,890,000	196,950,000	24,212,358,000	2,887,050,000

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

(Unit: KRW)				
Category	Q3 2024		Q3 2023	
	3 months	Cumulative	3 months	Cumulative
Short-term salaries	3,010,096,763	9,377,563,835	3,183,527,037	9,655,893,567
Retirement benefits	140,011,756	843,652,236	372,264,715	1,152,699,744
Total	3,150,108,519	10,221,216,071	3,555,791,752	10,808,593,311

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 30 September 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 30 September 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 30 September 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	-
Currency forward	Shinhan Bank	-	10,000,000
Currency forward	MUFG Bank	-	20,000,000

(3) The Company has an export receivable transfer transaction agreement with the financial institutions in relation to the collection of trade receivables as follows: the limit details of the Company as of 30 September 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 30 September 2024.

(5) The Company has no ongoing litigation or disputes as of 30 September 2024.

(6) The details of the Company's investment commitments as of 30 September 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

This information is not included in the quarter report in accordance with corporate disclosure form preparation standards (to be included in the annual business report).

7. Fundraising Through Securities Issuance

7-1. Fundraising Performance Through Securities Issuance

[Issuance of Equity Securities, etc.]

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the annual business report).

A. Issuance of Debt Securities, etc.

[Issuance of Debt Securities, etc.]

(1) Issuance of Debt Securities, etc.

(As of 30 September 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 30 September 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 30 September 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 30 September 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 30 September 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 30 September 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 30 September 2024]

(Unit: KRW million, %)

Category	Account	Receivable Amount	Allowance for bad debts	Allowance rate
Q3 2024	Trade receivables	323,928	-	0.0
	Other payables	8,260	-	0.0
	Non-current other receivables	10,798	-	0.0
	Total	342,986	-	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 30 September 2024]

(Unit: KRW Million)

Category	Q3 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 30 September 2024]

(Unit: KRW Million)

Category	Elapsed period		Total
	Within 6 months	Over 6 months	
Trade receivables	323,928	-	323,928
Total	323,928	-	323,928
Ratio (%)	100.00	-	100.00

C. Inventory Status

(1) Status on Inventories Per Business Division

[As of 30 September 2024]

(Unit: KRW Million)

Business sector	Items	Q3 2024	2023	2022	Remarks
System IC	Finished goods	68,546	102,921	184,831	-
	Merchandise	0	21	47	-
	Inventories	169,527	232,949	297,678	-
Total		238,073	335,891	482,556	-
Portion of inventory over gross assets (%) [Total inventories ÷ Total assets as of 31 December × 100]		16.9	27.9	37.4	-
Inventory turnover ratio (Collection) [Cost of goods sold ÷ {(Beginning inventory + Ending inventory) ÷ 2}]		6.4	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 30 September 2024 are as follows:

[As of 30 September 2024]

(Unit: KRW Million)

Items	Acquisition cost	Holding amount	Valuation allowance	Balance as of 30 September 2024
Inventories	308,641	308,641	(70,568)	238,073

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	30 September 2024	
	Book value	Fair value (*2)
Financial assets:		
Items at FVTOCI		
Trade receivables	276,821,634,886	(*2)
Items measured at amortized cost		
Cash and cash equivalents	255,181,808,353	(*2)
Short-term financial instruments	180,188,740,000	(*2)
Trade receivables	47,105,880,070	(*2)
Other receivables	19,058,263,795	(*2)
Sub-total	501,534,692,218	
Derivatives for hedging purposes		
Derivative assets	1,154,696,300	1,154,696,300
Total		
Financial liabilities:		
Items measured at amortized cost		
Trade payables	185,092,889,638	(*2)
Other payables (*1)	71,090,278,924	(*2)
Sub-total	256,183,168,562	
Derivatives for hedging purposes		
Derivative liabilities	173,136,926	173,136,926
Others		
Lease liabilities	25,565,927,968	(*3)
Total	281,922,233,456	

(*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 report 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
Q3 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
Q3 2024	Samil PwC	Quarterly and semi-annual reviews Audit of separate and consolidated financial statements and internal control over financial reporting	300	3,200	225	1,650
2023	Samil PwC	Quarterly and semi-annual reviews Audit of separate and consolidated financial statements and internal control over financial reporting	280	3,200	280	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
Q3 2024	Aug. 2024	Tax advisory services	Aug. 2024 ~ Mar. 2025	12	-
	Jun. 2024	Implementation of agreed procedures for verification of financial information	Jun. 2024 ~ Jun. 2024	0	-
	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
9	25.07.2024	Company: 3 Audit Committee members Auditor: Engagement Partner	In-person	Report on the annual audit plan and semi-annual review progress
10	12.11.2024	Company: 3 Audit Committee members Auditor: Engagement Partner	In-person	Report on 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

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

VI. Board of Directors and Corporate Governance

1. Board of Directors

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

2. Audit System

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

3. General Meeting of Shareholders, etc.

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the first quarter, semi-annual, and annual business reports).

VII. Shareholders

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

VIII. Executives and Employees

1. Status of Executives and Employees

A. Status of Executives

(As of 30 September 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	-
Yoon Ho-Kwon	M	01.1968	MD	Unreg. Dir.	Reg.	Marketing	PhD in Electronic Engineering, The Ohio State Univ. Head of Sales and Marketing Division, ABOV Semiconductor					
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.	Overall responsibility for product planning and R&D	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	-	-	Unreg. Exec. affiliates (LX Semicon)	12.08.2019 ~present	

Inc.												
Jeon Hyun-Gyu	M	02.1971	Dir.	Unreg. Dir.	Reg.	Under Research 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 Kwang-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) Noh 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 30 September 2024.

*13) Park Byung-Hoo, an executive director, retired on 30 September 2024.

*14) Jang Jae-Ryang, a director, retired on 30 September 2024.

*15) Woo Young-Jin, a managing director, retired on 30 June 2024.

*16) Yoon Ho-Kwon, a managing director, was newly appointed on 5 August 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

The status of employees, etc., is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

2. Executives Remuneration

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

IX. Affiliates

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

X. Transactions with Large Shareholders

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

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 30 September 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.

D. Green Management

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

XII. Detailed Tables

1. Consolidated Subsidiaries (Details)

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

2. Status of Affiliates (Summary)

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

3. Status of Investment in Other Corporations (Details)

This information is not included in the quarterly report in accordance with corporate disclosure form preparation standards (to be included in the semi-annual and annual business reports).

【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.