

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission file number 1-32238

LG Display Co., Ltd.

(Exact name of Registrant as specified in its charter)

LG Display Co., Ltd.

(Translation of Registrant's name into English)

The Republic of Korea

(Jurisdiction of incorporation or organization)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of each exchange on which registered
American Depositary Shares, each representing one-half of one share of Common Stock	LPL	New York Stock Exchange
Common Stock, par value ₩5,000 per share	LPL	New York Stock Exchange*

*Not for trading, but only in connection with the registration of the American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

500,000,000 shares of common stock, par value ₩5,000 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing: U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

Auditor Name: Samil PricewaterhouseCoopers Auditor Location: Seoul, Korea Auditor Firm ID: 1103

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

TABLE OF CONTENTS

	Page
<u>Presentation of Financial and Other Information</u>	1
<u>Forward-Looking Statements</u>	2
<u>PART I</u>	
Item 1. <u>Identity of Directors, Senior Management and Advisers</u>	3
Item 2. <u>Offer Statistics and Expected Timetable</u>	3
Item 3. <u>Key Information</u>	3
<u>Item 3.A. [RESERVED]</u>	3
<u>Item 3.B. Capitalization and Indebtedness</u>	3
<u>Item 3.C. Reasons for the Offer and Use of Proceeds</u>	3
<u>Item 3.D. Risk Factors</u>	3
Item 4. <u>Information on the Company</u>	24
<u>Item 4.A. History and Development of the Company</u>	24
<u>Item 4.B. Business Overview</u>	26
<u>Item 4.C. Organizational Structure</u>	38
<u>Item 4.D. Property, Plants and Equipment</u>	39
Item 4A. <u>Unresolved Staff Comments</u>	40
Item 5. <u>Operating and Financial Review and Prospects</u>	41
<u>Item 5.A. Operating Results</u>	41
<u>Item 5.B. Liquidity and Capital Resources</u>	53
<u>Item 5.C. Research and Development, Patents and Licenses, etc.</u>	58
<u>Item 5.D. Trend Information</u>	60
<u>Item 5.E. Critical Accounting Estimates</u>	60
Item 6. <u>Directors, Senior Management and Employees</u>	60
<u>Item 6.A. Directors and Senior Management</u>	60
<u>Item 6.B. Compensation</u>	63
<u>Item 6.C. Board Practices</u>	63
<u>Item 6.D. Employees</u>	65
<u>Item 6.E. Share Ownership</u>	66
<u>Item 6.F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation</u>	66
Item 7. <u>Major Shareholders and Related Party Transactions</u>	66
<u>Item 7.A. Major Shareholders</u>	66
<u>Item 7.B. Related Party Transactions</u>	67
<u>Item 7.C. Interests of Experts and Counsel</u>	68
Item 8. <u>Financial Information</u>	69
<u>Item 8.A. Consolidated Statements and Other Financial Information</u>	69
<u>Item 8.B. Significant Changes</u>	70
Item 9. <u>The Offer and Listing</u>	71
<u>Item 9.A. Offer and Listing Details</u>	71
<u>Item 9.B. Plan of Distribution</u>	71
<u>Item 9.C. Markets</u>	71

	<u>Item 9.D. Selling Shareholders</u>	71
	<u>Item 9.E. Dilution</u>	71
	<u>Item 9.F. Expenses of the Issue</u>	71
Item 10.	<u>Additional Information</u>	71
	<u>Item 10.A. Share Capital</u>	71
	<u>Item 10.B. Memorandum and Articles of Association</u>	71
	<u>Item 10.C. Material Contracts</u>	76
	<u>Item 10.D. Exchange Controls</u>	77
	<u>Item 10.E. Taxation</u>	80
	<u>Item 10.F. Dividends and Paying Agents</u>	86
	<u>Item 10.G. Statements by Experts</u>	86
	<u>Item 10.H. Documents on Display</u>	86
	<u>Item 10.I. Subsidiary Information</u>	86
	<u>Item 10.J. Annual Report to Security Holders</u>	86
Item 11.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	86
Item 12.	<u>Description of Securities Other than Equity Securities</u>	89
	<u>PART II</u>	
Item 13.	<u>Defaults, Dividend Arrearages and Delinquencies</u>	91
Item 14.	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	91
Item 15.	<u>Controls and Procedures</u>	91
Item 16.	<u>[RESERVED]</u>	92
Item 16A.	<u>Audit Committee Financial Expert</u>	92
Item 16B.	<u>Code of Ethics</u>	92
Item 16C.	<u>Principal Accountant Fees and Services</u>	92
Item 16D.	<u>Exemptions from the Listing Standards for Audit Committees</u>	92
Item 16E.	<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	93
Item 16F.	<u>Change in Registrant’s Certifying Accountant</u>	93
Item 16G.	<u>Corporate Governance</u>	93
Item 16H.	<u>Mine Safety Disclosure</u>	95
Item 16I.	<u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	95
Item 16J.	<u>Insider Trading Policies</u>	95
Item 16K.	<u>Cybersecurity</u>	95
	<u>PART III</u>	
Item 17.	<u>Financial Statements</u>	97
Item 18.	<u>Financial Statements</u>	97
Item 19.	<u>Exhibits</u>	98

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this annual report, the terms “we,” “us,” “our” and “LG Display” refer to LG Display Co., Ltd. and, unless otherwise indicated or required by context, our consolidated subsidiaries. Notwithstanding the foregoing, in the context of any legal proceedings or governmental investigations, “LG Display” refers to LG Display Co., Ltd. and does not include any of its subsidiaries, or any other entities or persons.

The financial statements included in this annual report are prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the International Accounting Standards Board (“IASB”). As such, we make an explicit and unreserved statement of compliance with IFRS Accounting Standards as issued by the IASB, with respect to our consolidated financial statements as of December 31, 2024 and 2025 and for each of the years ended in the three-year period ended December 31, 2025 included in this annual report.

In addition to preparing financial statements in accordance with IFRS Accounting Standards as issued by the IASB included in this annual report, we also prepare financial statements in accordance with Korean International Financial Reporting Standards, or K-IFRS, as adopted by the Korean Accounting Standards Board, or KASB, which we are required to file with the Financial Services Commission and the Korea Exchange under the Financial Investment Services and Capital Markets Act of Korea. See “Item 10.B. Memorandum and Articles of Association—Business Report.” English translations of such financial statements are furnished to the SEC on Form 6-K, which are not incorporated by reference to this or any of our previous annual reports on Form 20-F. The operating profit or loss presented in the consolidated statements of comprehensive income or loss prepared in accordance with K-IFRS for the years ended December 31, 2024 and 2025 included in the Form 6-K furnished to the SEC on February 27, 2026 is a loss of ₩561 billion and a profit of ₩517 billion, respectively. For further information, please see the Form 6-K furnished to the SEC on February 27, 2026, which is not incorporated by reference to this annual report.

Pursuant to the IFRS Accounting Standards as issued by the IASB, we are not required to separately present operating profit or loss in our consolidated statements of comprehensive income or loss prepared in accordance with IFRS Accounting Standards as issued by the IASB. Therefore, the financial statements included in this annual report, which are prepared in accordance with IFRS Accounting Standards as issued by the IASB, do not present operating profit or loss as a separate line item.

Unless expressly stated otherwise, all financial data included in this annual report are presented on a consolidated basis.

All references to “Korean Won,” “Won” or “₩” in this annual report are to the currency of the Republic of Korea, all references to “U.S. dollars” or “US\$” are to the currency of the United States, all references to “Japanese Yen” are to the currency of Japan, all references to “CNY” or “Chinese Yuan” are to the currency of the People’s Republic of China, all references to “Vietnamese Dong” are to the currency of Vietnam, all references to “Euro” or “€” are to the official currency of the European Economic and Monetary Union, all references to “£” are to the lawful currency of the United Kingdom, and all references to “R\$” are to the currency of Brazil.

Any discrepancies in any table between the totals and the sums of the amounts listed are due to rounding.

For your convenience, this annual report contains translations of Won amounts into U.S. dollars at the noon buying rate in New York City for cable transfers in Korean Won as certified by the Federal Reserve Bank of New York for customs purposes in effect on December 31, 2025, which was ₩1,444.55 = US\$1.00.

FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this annual report. Our forward-looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. Words such as “contemplate,” “seek to,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan” and similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements. These forward-looking statements reflect management’s present expectations and projections about future events and are not a guarantee of future performance. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us, including, among other things:

- the cyclical nature of our industry;
- adverse developments in the global financial markets and industry;
- our dependence on introducing new products on a timely basis;
- our dependence on growth in the demand for our products, which in turn is partly dependent on the growth of our downstream industries;
- our ability to compete effectively;
- our dependence on a select group of key customers;
- our ability to successfully manage our capacity expansion and allocation in response to changing industry and market conditions;
- our dependence on key personnel;
- general economic and political conditions, including those related to the display panel industry;
- possible disruptions in commercial activities caused by events such as natural disasters, health epidemics, terrorist activity and armed conflict;
- fluctuations in interest rates and foreign currency exchange rates; and
- those other risks identified in the “Risk Factors” section of this annual report.

Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the events discussed in the forward-looking statements in this annual report might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

Item 3. KEY INFORMATION

Item 3.A. [RESERVED]

Item 3.B. *Capitalization and Indebtedness*

Not applicable.

Item 3.C. *Reasons for the Offer and Use of Proceeds*

Not applicable.

Item 3.D. *Risk Factors*

You should carefully consider the risks described below.

Risks Relating to Our Industry

Our revenue depends on continuing demand for IT products, mobile and other products, televisions, and auto products with panels of the type we produce. Our sales may not grow at the rate we expect if consumers do not purchase these products.

The business in which we are engaged is directly affected by the business conditions of the downstream industries which utilize display panels in their products. Currently, our total sales are derived principally from customers who use our products in “IT products” (which term is used by us to collectively refer to notebook computers, desktop monitors and tablet computers in this annual report), mobile and other products, televisions, and “auto products” (which term is used by us to refer to automotive products in this annual report) with display devices. In particular, a substantial percentage of our sales is derived from end-brand customers, or their designated system integrators, who use our panels in their IT products, which accounted for 36.8%, 35.4% and 36.8% of our total revenue in 2023, 2024 and 2025, respectively. A substantial portion of our sales is also derived from end-brand customers, or their designated system integrators, who use our panels in their mobile and other products, which accounted for 33.1%, 33.0% and 35.4% of our total revenue in 2023, 2024 and 2025, respectively, those who use our panels in their televisions, which accounted for 20.3%, 22.4% and 18.6% of our total revenue in 2023, 2024 and 2025, respectively, and those who use our panels in their auto products, which accounted for 9.4%, 8.6% and 8.3% of our total revenue in 2023, 2024 and 2025, respectively.

The overall demand for end products that utilize certain types of our display panels, including IT and television products, has remained weak in recent years due in part to heightened macroeconomic uncertainty and volatility in global markets. See “Risks Relating to Our Industry — A global economic downturn may result in reduced demand for our products and adversely affect our profitability.” As each of our IT products, mobile and other products, televisions and auto product segments significantly contributes to our total sales, we will continue to be dependent on continuing demand from each of the IT products industry, the mobile device industry, the television industry and the automotive industry for a substantial portion of our sales. A prolonged downturn in any of those industries in which our customers operate would result in reduced demand for our products, which may in turn result in reduced revenue, lower average selling prices and/or reduced margins.

The display panel industry is subject to cyclical fluctuations, including recurring periods of capacity increases, that may adversely affect our results of operations.

The current global supply of medium- and large-sized display panels is manufactured primarily based on thin-film transistor liquid crystal display, or TFT-LCD, technology, and to a lesser but increasing extent, organic light-emitting diode, or OLED, technology, and a majority of small-sized display panels is now manufactured primarily based on OLED technology. While TFT-LCD technology remains the predominant technology in the notebook computer and desktop monitor segments and continues to account for the majority of the overall medium- and large-sized display panel market, the proportion of OLED panels in such market has been steadily increasing in recent years, particularly in the high-end downstream product segments. Display panel manufacturers in general are vulnerable to cyclical market conditions. Intense competition and expectations of growth in demand across the display panel industry may cause manufacturers to make additional investments in manufacturing capacity on similar schedules, resulting in a surge in capacity when production is ramped up at new fabrication facilities. During such surges in capacity growth, as evidenced by past experiences, customers can exert strong downward pricing pressure, resulting in sharp declines in average selling prices and significant fluctuations in the panel manufacturers' gross margins. Conversely, demand surges and fluctuations in the supply chain can lead to price increases.

From time to time, we have been affected by overcapacity in the display panel industry relative to the general demand for such panels which, together with uncertainties in the current global economic environment, has contributed to a general decline in the average selling prices of a number of our display panel products. We attempt to counteract the effects of overcapacity in the industry by increasing the proportion of high-value, differentiated specialty products based on newer technologies in our product mix, including products that utilize OLED technology, which accounted for 61% of our revenues in 2025 and are relatively less affected by the industry-wide overcapacity problems, while also engaging in cost reduction efforts. We also address overcapacity issues by, in the short-term, adjusting the utilization rates of our existing fabrication facilities based on our assessment of industry inventory levels and demand for our products and, in the mid- to long-term, by fine-tuning our investment strategies relating to product development and capacity growth in light of our assessment of future market conditions.

Our average revenue per square meter of net display area, which is derived by dividing our total revenue by total square meters of net display area shipped, decreased by 2.5% from ₩1,103 thousand in 2023 to ₩1,076 thousand in 2024, largely due to the continued sluggish demand for medium-sized IT panel products, the effect of which was partly offset by an increase in the sales volume and proportion of small-sized panels for mobile and other products, which generally have higher sales price per net display area compared to their larger-sized counterparts, in our product mix. Our average revenue per square meter of net display area increased by 38.9% to ₩1,495 thousand in 2025, which primarily reflected our ongoing efforts to increase the sales volume and proportion of OLED panels (especially small-sized panels for mobile and other applications, which generally have higher sales price per net display area compared to larger-sized panels) in our product mix. This increase also reflected the discontinuation of our TFT-LCD television panel production in April 2025 and our continued reduction of lower-margin TFT-LCD panels for IT products to increasingly focus on differentiated, higher-end products in such segment. In addition, the depreciation of the Korean Won against the U.S. dollar during 2025 further enhanced this increase.

While we believe that overcapacity and other cyclical issues in the industry are best addressed by increasing the proportion of high-value, differentiated specialty products based on newer technologies (such as OLED technology) in our product mix that are tailored to our customers' evolving needs, we cannot provide any assurance that an increase in demand, which has helped to mitigate the impact of industry-wide overcapacity in the past, will recur or be sustained in future periods. We will therefore continue to closely monitor any overcapacity issues in the industry and respond accordingly. However, construction of new fabrication facilities and other capacity expansion projects in the display panel industry, including those currently under construction or planned to be constructed by us and other major display panel manufacturers in China and Korea, are undertaken with a multi-year time horizon based on expectations of future market trends. Therefore, even if overcapacity issues persist in the industry, there may be continued capacity expansion in the near future due to pre-committed capacity expansion projects in the industry that were undertaken in past years. Any significant industry-wide capacity increases that are not accompanied by a sufficient increase in demand could further drive down the average selling price of our panels, which would negatively affect our gross margin. Any decline in prices may be further compounded by a seasonal weakening in demand growth for end products such as personal computer products, consumer electronics products and mobile devices. Furthermore, once the differentiated products that had a positive impact on our performance mature in their technology cycle, our ability to counter the impact of cyclical market conditions on our gross margins would be further limited if we are not able to develop and commercialize newer products to offset the price erosion of such maturing products in a timely manner. We cannot provide assurance that any future downturns resulting from any large increases in capacity or other factors affecting the industry would not have a material adverse effect on our business, financial condition and results of operations.

In addition, we may recognize impairment losses on our property, plant and equipment and intangible assets in connection with deteriorating market conditions. For example, in 2022, partly due to less favorable industry outlook in light of continued and exacerbated uncertainty in the prospects of the global economy, we recognized significant impairment losses in connection with a decrease in the estimated recovery value of our property, plant and equipment and intangible assets relating to our large-sized OLED display panel business. We cannot provide assurance that any future downturns will not result in additional recognition of impairment losses on our property, plant and equipment and intangible assets, which may have a material adverse effect on our financial condition and results of operations.

A global economic downturn may result in reduced demand for our products and adversely affect our profitability.

In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices and the general weakness of the global economy have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. Global economic downturns in the past have adversely affected demand for consumer products manufactured by our customers in Korea and overseas, including IT products, televisions, mobile devices and auto products utilizing display panels, which in turn led them to adjust their production levels.

Uncertainties in the global economy have increased in recent years, with global financial and capital markets experiencing substantial volatility. In particular, the COVID-19 pandemic that began in late 2019 and fluctuations in interest rates globally have materially and adversely affected the global economy and financial markets in recent years. See “—Risks Relating to Our Company—Earthquakes, tsunamis, floods, severe health epidemics and other natural calamities could materially adversely affect our business, results of operations or financial condition.” Such uncertainties have been, and continue to be, exacerbated by, among other things, a deterioration in economic and trade relations between the United States and its trading partners (including as a result of the imposition of significant tariffs by the United States on its trading partners) which has been followed by retaliatory tariffs in some cases, escalations in trade protectionism globally, the invasion of Ukraine by Russia and ensuing sanctions against Russia, the slowdown of economic growth in China and other major emerging market economies, adverse economic and political conditions in Europe and Latin America and continuing geopolitical and social instability in North Korea and various parts of the Middle East, including the military conflicts between Iran and other countries, including the United States and Israel. We cannot provide any assurance that demand for our products can be sustained at current levels in future periods or that the demand for our products will not decrease in the future due to such economic downturns, which may adversely affect our profitability.

We have from time to time adjusted, and may decide to adjust in the future, our production levels subject to market demand for our products, the production outlook of the global display panel industry, any significant disruptions in our supply chain and global economic conditions in general. As part of our continued efforts to increase the proportion of OLED panels in our product mix, we have been reducing the production level of TFT-LCD panels in recent years. Between 2022 and 2023, we closed certain TFT-LCD fabrication facilities, including P5 (where we had produced TFT-LCD panels for notebook computers and mobile and other products), P7 (where we had produced TFT-LCD panels for televisions) and P62 (where we had produced TFT-LCD panels for notebook computers and desktop monitors), in light of our continued efforts to increase the proportion of OLED panels in our product mix and the production capacity for such panels and further reduce our production level of TFT-LCD panels, which we believe to be relatively more sensitive to market conditions and generally allow for fewer opportunities for product differentiation. In September 2024, as part of our efforts to accelerate the ongoing shift in our strategic direction to focus on OLED panels, we entered into an agreement with TCL China Star Optoelectronics Technology (“TCL CSOT”), a leading Chinese display panel manufacturer, to dispose of our entire equity interest in LG Display (China) Co., Ltd. and LG Display Guangzhou Co., Ltd. (such subsidiaries collectively referred to in this annual report as the “China TFT-LCD Television Panel Subsidiaries”), which engaged in TFT-LCD panel manufacturing and TFT-LCD module manufacturing for televisions, respectively, for approximately ₩2.2 trillion. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025, and we have fully discontinued the production of TFT-LCD panels for televisions. See Note 1(c) of the notes to our financial statements for further discussion. Any decline in demand for display panel products may adversely affect our business, results of operations and/or financial condition.

Our industry continues to experience steady declines in the average selling prices of display panels irrespective of cyclical fluctuations in the industry, and our margins would be adversely impacted if prices decrease faster than we are able to reduce our costs.

The average selling prices of display panels have declined in general and are expected to continually decline with time irrespective of industry-wide cyclical fluctuations as a result of, among other factors, technological advancements and

cost reductions. Although we may be able to take advantage of the higher selling prices typically associated with new products and technologies when they are first introduced in the market, such prices decline over time, and in certain cases, very rapidly, as a result of market competition or otherwise, and we may have difficulties with setting the prices of our display panels at levels at which we can secure sufficient margins. For example, in part due to weaker market demand and increased competition, our gross margin fell to 1.6% in 2023 before rebounding to 9.7% in 2024 and 13.1% in 2025, which increases primarily reflected our continued efforts to increase the proportion of high-value, differentiated specialty products based on newer technologies (such as OLED technology) in recent years. If we are unable to effectively anticipate and counter the price erosion that accompanies our products, or if the average selling prices of our display panels decrease faster than the speed at which we are able to reduce our manufacturing costs, our gross margin would decrease and our results of operations and financial condition may be materially and adversely affected.

We operate in a highly competitive environment and we may not be able to sustain our current market position.

The display panel industry is highly competitive. Our main competitors in the industry include leading display manufacturers in China, Korea, Taiwan and Japan. We have experienced pressure on the prices and margins of our major products due largely to additional capacity from panel makers in Asia, particularly in China. The market share of Chinese manufacturers in the global TFT-LCD display market has significantly increased in recent years primarily due to their large investments in production facilities and production of large volumes of lower-priced panels with the support of the Chinese government as part of its efforts to encourage Chinese consumers to purchase domestically manufactured products. Chinese display panel manufacturers have also been increasingly making capital investments in OLED technology, especially with respect to small- and mid-sized OLED display panels. For example, BOE, China's largest display panel manufacturer, has continued to make capital investments aimed at expanding its OLED production capabilities across multiple manufacturing facilities in China, including in Chengdu and other regions. Moreover, Samsung Display, one of our primary competitors based in Korea, has been making significant capital investments in a new OLED manufacturing facility in Asan, Korea. Increased production capacity resulting from such investments as well as additional investments by our competitors in China and elsewhere may result in further intensified competition. See "Item 4.B. Business Overview—Competition."

Some of our competitors may currently, or at some point in the future, have greater financial, sales and marketing, manufacturing, research and development or technological resources than we do. In addition, our competitors may be able to manufacture panels on a larger scale or with greater cost efficiencies than we do, and we anticipate increases in production capacity in the future by other display panel manufacturers using similar display panel technologies as ours. Any price erosion resulting from strong global competition or additional industry capacity may materially adversely affect our financial condition and results of operations.

Mergers or consolidations within the industry in which we operate may result in increased competition as the entities emerging from such consolidation may have greater financial, manufacturing, research and development and other resources than we do, especially if such mergers or consolidations result in vertical integration and operational efficiencies. Increased competition resulting from such mergers or consolidations may lead to decreased margins, which may have a material adverse effect on our financial condition and results of operations.

Our ability to compete successfully also depends on factors both within and outside our control, including product pricing, performance and reliability, our relationship with customers, successful and timely investment and product development, success or failure of our end-brand customers in marketing their brands and products, newly established industry standards, component and raw material supply costs, and general economic and industry conditions. We cannot provide assurance that we will be able to maintain a competitive advantage with respect to all these factors and, as a result, we may be unable to sustain our current market position.

Our operating results fluctuate from period to period, so you should not rely on period-to-period comparisons to predict our future performance.

Our industry is affected by market conditions that are often outside the control of manufacturers. Our results of operations may fluctuate significantly from period to period due to a number of factors, including seasonal variations in consumer demand, capacity ramp-up by competitors, industry-wide technological changes, the loss of a key customer and the postponement, rescheduling or cancellation of large orders by a key customer, any of which may or may not reflect a continued trend from one period to the next. As a result of these factors and other risks discussed in this section, you should not rely on period-to-period comparisons to predict our future performance.

Risks Relating to Our Company

Our financial condition may be adversely affected if we cannot introduce new products to adapt to rapidly evolving customer needs on a timely basis.

Our success will depend greatly on our ability to respond quickly to rapidly evolving customer requirements and to develop and efficiently manufacture new and differentiated products in anticipation of future demand. A failure or delay on our part to develop and efficiently manufacture products of such quality and technical specifications that meet our customers' evolving needs may adversely affect our business.

Close cooperation with our customers to gain insights into their product needs and to understand general trends in the end-product market is a key component of our strategy to produce successful products. In addition, when developing new products, we often work closely with equipment suppliers to design equipment that will make our production processes for such new products more efficient. If we are unable to work together effectively with our customers and equipment suppliers, or to sufficiently understand their respective needs and capabilities or general market trends, we may not be able to introduce or efficiently manufacture new products in a timely manner, which may have a material adverse effect on our financial situation.

In addition, product differentiation, especially the ability to develop and market differentiated specialty products that command higher premiums in a timely manner, has become a key competitive strategy in the display panel market. This is in part due to trends in consumer electronics and other markets, such as IT products, televisions, mobile devices and auto products where the growth in demand is led by end products employing newer technologies with specifications tailored to deliver enhanced performance, convenience and user experience in a cost-efficient and timely manner. Accordingly, we have focused our efforts on developing and marketing differentiated specialty products, such as OLED display panels for televisions and commercial displays including our next-generation "META" display panels (which apply advanced technologies to offer brighter and more stable images), transparent OLED display panels as well as OLED display panels for gaming monitors. We also strive to deliver differentiated values to meet our consumers' demand for various display panels including (i) panels utilizing ultra-high definition, or Ultra HD, technology and low power consumption with oxide TFT backplanes, (ii) Advanced High-Performance In-Plane Switching, or AH-IPS, panels for IT products and televisions, and (iii) plastic OLED display panels for smartphones, auto products and wearable devices. We have also focused our efforts on cost reductions in the production process, in particular of our OLED display panels, in order to improve or maintain our profit margins while offering competitive prices to our customers.

We have developed differentiated sales and marketing strategies to promote our panels for differentiated specialty products as part of our strategy to grow our operations to meet increasing demand for new applications in consumer electronics and other markets. However, we cannot provide assurance that the differentiated products we develop and market will be responsive to our end customers' needs nor that our products will be successfully incorporated into end products or new applications that lead market growth in consumer electronics or other markets.

Problems with product quality, including defects, in our products could result in a decrease in customers and sales, unexpected expenses and loss of market share.

Our products are manufactured using advanced, and often new, technology and must meet stringent quality requirements. Products manufactured using more advanced and newer technology, such as our OLED technology, may contain undetected errors or defects, especially when first introduced. For example, our latest display panels may contain defects that are not detected until after they are shipped or installed because we cannot test for all possible scenarios. Such defects could cause us to incur significant re-designing costs, divert the attention of our technology personnel from product development efforts and significantly affect our customer relations and business reputation. In addition, future product

failures could cause us to incur substantial expense to repair or replace defective products. We recognize a provision for warranty obligations based on the estimated costs that we expect to incur under our basic limited warranty for our products, which covers defective products and is valid for a period of time mutually agreed between us and the relevant customer from the date of purchase by such customer. The warranty provision is largely based on historical and anticipated rates of warranty claims, and therefore we cannot provide assurance that the provision would be sufficient to cover any surge in future warranty expenses that significantly exceed historical and anticipated rates of warranty claims. In addition, if we deliver products with errors or defects, or if there is a perception that our products contain errors or defects, our credibility and the market acceptance and sales of our products could be harmed. Widespread product failures may damage our market reputation, and/or reduce our market share and cause our sales to decline.

We sell our products to a select group of key customers, including our largest shareholder and its affiliates, and any significant decrease in their order levels or material deterioration in their financial condition will negatively affect our financial condition and results of operations.

A substantial portion of our sales is attributable to a limited group of end-brand customers and their designated system integrators. In particular, our sales of high value-added display panels are largely concentrated to a limited number of leading global end-brand customers and their system integrators with the requisite technological capabilities to produce products that require such high-value-added display panels. Sales attributed to our end-brand customers are for their end-brand products and do not include sales to these customers for their system integration activities for other end-brand products, if any. Our top ten end-brand customers, including LG Electronics Inc., our largest shareholder, together accounted for a substantial majority of our sales in each of 2023, 2024 and 2025.

We benefit from the strong collaborative relationships we maintain with our end-brand customers by participating in the development of their products and gaining insights about levels of future demand for our products and other industry trends. Customers look to us for a dependable supply of quality products, even during downturns in the industry, and we benefit from the brand recognition of our customers' end products. The loss of these end-brand customers, as a result of their entering into strategic supplier arrangements with our competitors or otherwise, would thus result not only in reduced sales, but also in the loss of these benefits. We cannot provide assurance that a select group of key end-brand customers, including our largest shareholder, will continue to place orders with us in the future at the same levels as in prior periods, or at all.

We expect that we will continue to be dependent upon LG Electronics and its affiliates for a material portion of our revenue for the foreseeable future. See "Item 7.B. Related Party Transactions" for a description of these related party transactions with LG Electronics and its affiliates. Our results of operations and financial condition could therefore be affected by the overall performance of LG Electronics and its affiliates.

Furthermore, although we have not experienced any material problems relating to customer payments to date, as a result of our significant dependence on a concentrated group of end-brand customers and their designated system integrators, we are exposed to credit risks associated with these entities.

Consolidation and other changes at our end-brand customers could cause sales of our products to decline.

Mergers, acquisitions, divestments or consolidations involving our end-brand customers can present risks to our business, as management at the new entity may change the way they do business, including their transactions with us, or may decide not to use us as one of their suppliers of display panels. In addition, we cannot provide assurance that a combined entity resulting from a merger, acquisition or consolidation or a newly formed entity resulting from a divestment will continue to purchase display panels from us at the same level, if at all, as each entity purchased in the aggregate when they were separate companies or that a divested company will purchase panels from us at the same level, if at all, as prior to the divestment.

Our results of operations depend on our ability to keep pace with changes in technology.

Advances in technology typically lead to rapid declines in sales volumes for products made with older technologies and may lead to these products becoming less competitive in the marketplace, or even obsolete. As a result, we have made, and will likely be required to continue to make, significant expenditures to develop or acquire new process and product technologies, along with corresponding manufacturing capabilities. For example, in August 2021, we announced plans to make investments in an aggregate amount of up to ₩3.3 trillion in a new fabrication complex in Paju, Korea, P10, which will be used for the production of small- and medium-sized OLED panels. We completed the construction of our AP5 fabrication facility located within such complex in February 2024, and have subsequently commenced mass production of medium-sized

OLED panels at such facility. In June 2025, we announced plans to invest approximately ₩1.3 trillion in next-generation OLED technologies and infrastructure, primarily at our fabrication complex in Paju, Korea, and such investment is currently in progress. In addition, on April 22, 2026, we announced plans to make investments in an aggregate amount of ₩1.1 trillion in new facilities for the purpose of enhancing our technological competitiveness and strengthening our basis for growth through the advancement of OLED technologies, with an expected completion date of June 30, 2028.

Through the addition of 97-inch OLED televisions to our line-up of available products in 2022 and the earlier launch of OLED televisions in various sizes up to 88-inches, we have been striving to maintain a competitive edge in the OLED television panel market. Additionally, we have deployed, and are continuing to deploy, significant resources into plastic OLED panels for mobile and other products and auto products, as well as medium-sized OLED panels for IT products, to further expand our market presence. Our ability to develop differentiated products with new display technologies and utilize advanced manufacturing processes to increase production yields while lowering production cost will be critical to our sustained competitiveness. However, we cannot provide assurance that we will be able to continue to successfully develop new products or manufacturing processes through our research and development efforts or through obtaining technology licenses, or that we will keep pace with technological changes in the marketplace.

Earthquakes, tsunamis, floods, severe health epidemics and other natural calamities could materially adversely affect our business, results of operations or financial condition.

If earthquakes, tsunamis, floods, severe health epidemics or any other natural calamities were to occur in the future in any area where any of our assets, suppliers or customers are located, our business, results of operations or financial condition could be adversely affected. A number of suppliers of our raw materials, components and manufacturing equipment, as well as certain of our manufacturing facilities, are located in countries which have historically suffered natural calamities from time to time, such as China, Japan, Taiwan and Vietnam, as well as Korea. Any occurrence of such natural calamities in countries where our suppliers are located may lead to shortages or delays in the supply of raw materials, components or manufacturing equipment. In addition, natural calamities in areas where our customers are located, including China, the United States, Europe, Korea and Japan, may cause disruptions in their businesses, which in turn could adversely impact their demand for our products.

The outbreak of any infectious diseases, such as COVID-19, could expose us to a number of risks, including but not limited to:

- an increase in unemployment among, and/or decrease in disposable income of, consumers who purchase the products manufactured by our end-brand customers and a decline in overall consumer confidence and spending levels, which in turn may decrease demand for our products;
- disruption in the normal operations of the businesses of our customers, which in turn may decrease demand for our products;
- disruption in the supply of raw materials, components and equipment, including semiconductors, from our suppliers and vendors;
- disruption in the delivery of our products to our customers;
- disruption in the normal operations of our business resulting from contraction of infectious diseases by our employees, which may necessitate our employees to be quarantined and/or our manufacturing facilities or offices to be temporarily shut down;
- disruption resulting from the necessity for social distancing, including implementation of temporary adjustment of work arrangements requiring employees to work remotely and restriction on overseas and domestic business travel, which may lead to a reduction in labor productivity;
- fluctuations of the Won against major foreign currencies (see “—Our results of operations are subject to exchange rate fluctuations”);
- unstable global and Korean financial markets, which may adversely affect our ability to meet our funding needs on a timely and cost-effective basis; and
- decreases in the fair value of our investments in companies that may be adversely affected by the pandemic.

In the event that a future recurrence of COVID-19 or an occurrence of other types of widespread infectious diseases cannot be effectively and timely contained, our business, financial condition and results of operations may be materially adversely affected.

We are continuing to transition our business focus from TFT-LCD to OLED technology, and if we cannot successfully manage this transition or if OLED revenue growth does not offset declining TFT-LCD sales, our financial condition and results of operations may be materially adversely affected.

While our revenue and sales volume had historically been predominantly derived from the sale of display panels with TFT-LCD technology, OLED technology is widely seen in the display industry as a successor technology to TFT-LCD technology and has gained wider market acceptance for use in display panels for IT products, televisions, auto products, mobile devices and other products, including commercial displays, entertainment systems and medical diagnostic equipment, and the proportion of our sales derived from our panel products utilizing OLED technology have been continually increasing in recent years and account for the majority of our total revenue in 2025. We have recognized the importance and potential of OLED technology and have in recent years engaged in research and development and invested in production facilities to further develop and commercialize OLED panels for small-, medium- and large-sized products. For example, in August 2021, we announced plans to make investments in an aggregate amount of up to ₩3.3 trillion in a new fabrication complex in Paju, Korea, P10, which will be used for the production of small- and medium-sized OLED panels. We completed the construction of our AP5 fabrication facility located within such complex in February 2024 and have subsequently commenced mass production of medium-sized OLED panels at such facility. In June 2025, we announced plans to invest approximately ₩1.3 trillion in next-generation OLED technologies and infrastructure, primarily at our fabrication complex in Paju, Korea, and such investment is currently in progress. In addition, on April 22, 2026, we announced plans to make investments in an aggregate amount of ₩1.1 trillion in new facilities for the purpose of enhancing our technological competitiveness and strengthening our basis for growth through the advancement of OLED technologies, with an expected completion date of June 30, 2028. At the same time, we have been strategically reducing the production level of our TFT-LCD panels, including through the disposal of our equity interest in our Chinese subsidiaries engaged in the manufacturing of TFT-LCD panels and modules for televisions. See “—A global economic downturn may result in reduced demand for our products and adversely affect our profitability.” above.

Our continued efforts in developing and commercializing OLED technology have been recognized by various display panel industry groups in recent years. For example, in January 2023, our newly developed thin actuator sound solution for automobiles received the CES 2023 Innovation Award. In August 2024, our television and gaming OLED panels featuring META Technology 2.0 received the Korea Display of the Year award at the International Meeting on Information Display, the largest annual display industry conference held in Korea. While we strive to maintain our competitive edge in the market for OLED panels, which have become the dominant type of panels in the smartphone industry and are becoming increasingly adopted for IT and television products, the market for OLED panels as a whole remains smaller compared to the market for TFT-LCD panels, and we expect competition will continue to intensify in the future. In addition, the speed at which we achieve cost reduction for our OLED technology-based new products or at which significant demand for such products develops may be slower than our current expectations.

As OLED panels continue to gain market acceptance as an alternative to TFT-LCD panels, if we are unable to continue to develop and commercialize OLED technology in a commercially viable and timely manner to offset declining sales of our TFT-LCD panels, or if customers prefer panels developed and manufactured by our competitors utilizing competing technologies to OLED technology, this would have a material adverse effect on our financial condition and results of operations. See also “—We operate in a highly competitive environment and we may not be able to sustain our current market position.” above.

We will have significant capital requirements in connection with our business strategy and if capital resources are not available we may not be able to implement our strategy and future plans.

In connection with our strategy to further enhance the diversity and capacity of our display panel production, we anticipate that we will continue to incur significant capital expenditures for the construction of new production facilities and the maintenance and enhancement of existing production facilities, particularly in connection with our continued investments in OLED technology. Our significant recent and pending capital expenditures include the following:

- In April 2026, we announced plans to make investments in an aggregate amount of ₩1.1 trillion in new facilities for the purpose of enhancing our technological competitiveness and strengthening our basis for growth through the advancement of OLED technologies, with an expected completion date of June 30, 2028.
- In June 2025, we announced plans to invest approximately ₩1.3 trillion in next-generation OLED technologies and infrastructure, primarily at our fabrication complex in Paju, Korea, and such investment is currently in progress.
- In August 2021, we announced plans to make investments in an aggregate amount of up to ₩3.3 trillion in a new fabrication complex in Paju, Korea, P10, which will be used for the production of small- and medium-sized OLED panels. We completed the construction of our AP5 fabrication facility located within such complex in February 2024 and have subsequently commenced mass production of medium-sized OLED panels at such facility.
- In July 2017, we announced plans to make investments in an aggregate amount of up to ₩7.8 trillion mainly in new large-sized and plastic OLED production lines in Paju, Korea. In July 2019, we announced plans to make additional investments of ₩3.0 trillion in the previously announced new large-sized OLED production lines. Certain of such investments have already been completed with respect to plastic OLED panels and we commenced mass production of such panels in July 2019. However, our scheduled investments in large-sized OLED panels pursuant to the July 2017 and July 2019 announcements have been extended until the first quarter of 2028 due in part to increased uncertainties in the global economic environment. We are in the process of developing and assessing the specifics of such planned investments, including the timing.

We have continued to make investments to construct new production facilities as well as for other purposes in order to proactively respond to the technological changes in the display industry and maintain a competitive market position. However, we have reduced our capital expenditure levels in recent periods as part of our efforts to gain financial stability by focusing on certain essential investments required to operate our business. In 2025, our total cash outflows for capital expenditure, consisting of cash used in acquisition of property, plant and equipment, amounted to ₩1.3 trillion, which represented a 36.7% decrease from ₩2.1 trillion in 2024. We currently expect that, in 2026, our total capital expenditures on a cash out basis will be higher compared to 2025 and will be used primarily to continue to fund our previously announced investments related to our continued and ongoing transition to an OLED-centric business structure, as well as other essential recurring investments. Such expected capital expenditures are subject to periodic assessment, and we cannot provide any assurance that such expected capital expenditures may not change materially after assessment.

These capital expenditures will be made well in advance of any additional sales that will be generated from these expenditures. However, in the event of adverse market conditions, or if our actual expenditures significantly exceed our planned expenditures, our external financing activities combined with our internal sources of liquidity may not be sufficient to carry out our current and future operational plans, and we may decide not to expand the capacity of certain of our facilities or construct new production facilities as scheduled or at all. Our ability to obtain additional financing will depend upon a number of factors outside our control, including general economic, financial, competitive, regulatory and other considerations.

In the past, difficulties affecting the global financial sectors, adverse conditions and volatility in the worldwide credit and financial markets, fluctuations in oil and commodity prices and the general weakness of the global economy have increased the uncertainty of global economic prospects in general and have adversely affected the global and Korean economies. Because we rely on financing both within and outside of Korea from time to time, difficulties affecting the global and Korean economies, including any increase in market volatility and their lingering effects (including those in relation to the global COVID-19 pandemic and rapid increases in interest rates globally from the second half of 2021 until recently to combat inflation, a deterioration in economic and trade relations between the United States and its trading partners (including as a result of the imposition of significant tariffs by the United States on its trading partners) which has been followed by retaliatory tariffs in some cases, escalations in trade protectionism globally, the invasion of Ukraine by Russia and ensuing sanctions against Russia, the slowdown of economic growth in China and other major emerging market economies, adverse economic and political conditions in Europe and Latin America and continuing geopolitical and social instability in North Korea and various parts of the Middle East, including the military conflicts between Iran and other countries, including the United States and Israel), could adversely affect our ability to obtain sufficient financing on commercially reasonable terms. The failure to obtain sufficient financing on commercially reasonable terms to complete our expansion plans could delay or impair our ability to pursue our business strategy, which could materially and adversely affect our business and results of operations.

Our manufacturing processes are complex and periodic improvements to increase efficiency can expose us to potential disruptions in operations.

The manufacturing processes for TFT-LCD, OLED and other display products are highly complex, requiring sophisticated and costly equipment that is periodically modified and upgraded to improve manufacturing yields and product performance, and reduce unit manufacturing costs. These updates expose us to the risk that from time to time production difficulties will arise that could cause delivery delays, reduced output or both. We cannot provide assurance that we will not experience manufacturing problems in achieving acceptable output, product delivery delays or both as a result of, among other factors, construction delays, difficulties in upgrading or modifying existing production lines or building new plants, difficulties in modifying existing or adopting new manufacturing line technologies or processes or delays in equipment deliveries, any of which could constrain our capacity and adversely affect our results of operations.

We may be unable to successfully execute our growth strategy or manage and sustain our growth on a timely basis, if at all, and, as a result, our business may be harmed.

We have experienced, and expect to continue to experience, periods of rapid growth in the scope and/or complexity of our operations due to the construction of new fabrication facilities and the expansion and conversion of existing fabrication facilities to meet the evolving and anticipated demands of our customers. For example, we established our AP4 fabrication facility in July 2019 to increase our production capacity of plastic OLED panels for mobile and other products. In addition, we completed the construction of our AP5 fabrication facility (which constitutes a part of, and is located within, the larger P10 fabrication complex) to increase our production capacity of medium-sized OLED panels in February 2024. See “Item 4.D. Property, Plants and Equipment—Current Facilities.” With respect to our overseas facilities, in response to and in anticipation of growing demand in the China market, in July 2018, we established and acquired a majority ownership interest in, a joint venture with the government of Guangzhou to construct our new CO fabrication facility to manufacture next generation large-sized OLED panels in Guangzhou, China. We commenced mass production of large-sized OLED panels at the CO fabrication facility in July 2020. See also “—We will have significant capital requirements in connection with our business strategy and if capital resources are not available we may not be able to implement our strategy and future plans.” above.

As part of our continued efforts to increase the proportion of higher-value OLED panels with higher degrees of manufacturing complexity in our product mix, we have also been reducing the production level of TFT-LCD panels in recent years, including by ceasing production of such panels at, and closing several of, our manufacturing facilities. See “—Risks Relating to Our Industry—A global economic downturn may result in reduced demand for our products and adversely affect our profitability.” In addition, we implemented a phased exit strategy for our TFT-LCD television panel manufacturing facility in China in light of TFT-LCD television panels’ higher degree of sensitivity to market volatility and oversupply in the TFT-LCD television display panel market. As part of such strategy, in September 2024, we entered into an agreement with TCL CSOT to dispose of our entire equity interest in the China TFT-LCD Television Panel Subsidiaries. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025.

Sustained growth in the scope and complexity of our operations may strain our managerial, financial, manufacturing and other resources. We may experience manufacturing difficulties in starting new production lines, upgrading existing facilities or building new plants as a result of cost overruns, construction delays or shortages of, or quality problems with, materials, labor or equipment, any of which could result in a loss of future revenue. We may also incur opportunity costs if we misjudge the anticipated demand for certain display panel products and allocate our limited resources in increasing production capacity for such display panel products at the cost of maintaining existing or increasing production capacity of other display panel products that turn out to be more popular. In addition, we may incur various costs and/or losses in connection with closing or disposing of certain facilities in connection with rebalancing our product portfolio. Moreover, failure to keep up with our competitors in future investments in next-generation panel fabrication facilities or in the upgrading of manufacturing capacity of existing facilities would impair our ability to effectively compete within the display panel industry. Failure to obtain intended economic benefits from expansion and other strategic projects could adversely affect our business, financial condition and results of operations.

If we cannot maintain high capacity utilization rates, our profitability will be adversely affected.

The production of display panels entails high fixed costs resulting from considerable expenditures for the construction of complex fabrication and assembly facilities and the purchase of costly equipment, particularly for productions involving new technologies, such as OLED. We aim to maintain high capacity utilization rates so that we can allocate these fixed costs over a greater number of panels produced and realize a higher gross margin. However, due to any number of

reasons, including fluctuating demand for our products, overcapacity in the display industry or a significant disruption in the supply chain of raw materials, equipment and labor, we may need to reduce or delay the production of our products, resulting in lower-than-optimal capacity utilization rates. The high degree of uncertainty regarding global economic prospects resulting from global pandemics, rapid increases in policy interest rates globally to combat rising inflationary pressures, a deterioration in economic and trade relations between the United States and its trading partners (including as a result of the imposition of significant tariffs by the United States on its trading partners) which has been followed by retaliatory tariffs in some cases, escalations in trade protectionism globally, the invasion of Ukraine by Russia and ensuing sanctions against Russia, the slowdown of economic growth in China and other major emerging market economies, adverse economic and political conditions in Europe and Latin America and continuing geopolitical and social instability in North Korea and various parts of the Middle East, including the military conflicts between Iran and other countries, including the United States and Israel, have adversely impacted and may further adversely impact global demand for our products. For example, in 2024, we adjusted the production capacity of large-sized OLED display panels downward in response to changing market conditions to improve our profitability. As such, we cannot provide assurance that we will be able to sustain our capacity utilization rates in the future nor can we provide assurance that we will not reduce our utilization rates in the future as market and industry conditions change.

Limited availability of raw materials, components and manufacturing equipment could materially and adversely affect our business, results of operations or financial condition.

Our production operations depend on obtaining adequate supplies of quality raw materials and components on a timely basis. As a result, it is important for us to control our raw material and component costs and reduce the effects of fluctuations in price and availability. In general, we source most of our raw materials as well as key components, such as glass substrates, driver integrated circuits and polarizers used in both our TFT-LCD and OLED products, backlight units and liquid crystal materials used in our TFT-LCD products and hole transport materials and emission materials used in our OLED products, from two or more suppliers for each key component. However, we may establish a working relationship with a single supplier if we believe it is advantageous to do so due to performance, quality, support, delivery, capacity, price or other considerations. We may experience shortages in the supply of these key components, as well as other components or raw materials, as a result of, among other things, anticipated capacity expansion in the display industry, our dependence on a limited number of suppliers or temporary disruptions in the supply chain thereof due to factors outside of our control (including military conflicts such as the ongoing invasion of Ukraine by Russia and between Iran and other countries, including the United States and Israel, natural disasters, health hazards such as the COVID-19 pandemic, civil unrest, work stoppages, strikes or other labor-related disruptions involving our key suppliers, or trade sanctions or restrictions). Our results of operations would be adversely affected if we were unable to obtain adequate supplies of high-quality raw materials or components in a timely manner or make alternative arrangements for such supplies in a timely manner.

Furthermore, we may be limited in our ability to pass on increases in the cost of raw materials and components to our customers. We do not typically enter into binding long-term contracts with our customers, and even in those cases where we do enter into long-term agreements with certain of our major end-brand customers, the price terms are contained in the purchase orders which are generally placed by them several weeks in advance of delivery. Except under certain special circumstances, the price terms in the purchase orders are not subject to change. Prices for our products are generally determined through negotiations with our customers, based generally on the complexity of the product specifications and the labor and technology involved in the design or production processes. However, if we become subject to any significant increase in the cost of raw materials or components that were not anticipated when negotiating the price terms after the purchase orders have been placed, we may be unable to pass on such cost increases to our customers.

We have purchased, and expect to purchase, a substantial portion of our equipment from a limited number of qualified foreign and local suppliers. From time to time, increased demand for new equipment or replacement parts may cause lead times to extend beyond those normally required by the equipment vendors. The unavailability of equipment, delays in the delivery of equipment, or the delivery of equipment that does not meet our specifications, in each case including replacement parts, could delay implementation of our expansion or other capital expenditure plans and impair our ability to meet customer orders. This could result in a loss of revenue and cause financial stress on our operations.

Advance purchase orders from our customers vary in volume from period to period, and we operate with a modest level of inventory, which may make it difficult for us to efficiently allocate capacity on a timely basis in response to changes in demand.

As part of our ongoing efforts to enhance our overall business structure, including efforts to improve our profitability and reduce production volatility, we have been actively seeking, and plan to continue, to increase the proportion

of products manufactured under advance supply agreements that leverage our stable production capabilities and technological leadership in advanced display products, including those utilizing OLED technology. However, we continue to generate a majority of our sales from transactions pursuant to purchase orders on an ongoing basis from our global customers. See “Item 4.B. Business Overview—Sales.” Generally, our major customers and their designated system integrators provide us with advance rolling forecasts of their product requirements. However, in certain situations, the volume of products under their firm purchase orders ultimately placed may be less than anticipated based on these prior forecasts. Due to the cyclicity of the display industry, purchase order levels from our customers have varied from period to period. Although we typically operate with an inventory level estimated for several weeks, it may be difficult for us to adjust production costs or to allocate production capacity in a timely manner to compensate for any such volatility in order volumes. Our inability to respond quickly to changes in overall demand for display products as well as changes in product mix and specifications may result in lost revenue, which would adversely affect our results of operations.

We may experience losses on inventories.

The lifecycle of products in the consumer electronics industries, which constitute the primary downstream industries of our business, is continuing to decrease due to rapid technological advancements. Accordingly, frequent new product introductions in the consumer electronics industries can result in a decline in the average selling prices of our display panels and the obsolescence of our existing display panel inventory. In addition, from time to time, we have experienced, and may continue to experience, inventory accumulation of certain of our display panel products as a result of continued slowdown in demand from downstream industries, which in turn was in part due to longer replacement cycles for products that utilize our display panels. Such events can result in a decrease in the stated value of our panel inventory, which we value at the lower of cost or net realizable value.

We manage our inventory based on our customers’ and our own forecasts and typically operate with an inventory level estimated for several weeks. Although adjustments are regularly made based on market conditions, we typically deliver our goods to the customers within several weeks after a firm order has been placed. While we maintain open channels of communication with our major customers to avoid unexpected decreases in firm orders or subsequent changes to placed orders, and try to minimize our inventory levels, such actions by our customers may have an adverse effect on our inventory management. An increase in our inventory levels may cause, among other things, an increase in the cost of managing such inventories and a reduction in the value of inventory over time, which in turn may negatively affect our results of operations due to higher cost of sales resulting from the recognition of inventory valuation losses.

Unfavorable outcomes in investigations and proceedings against us and other TFT-LCD panel producers for possible anti-competitive activities may have a direct and indirect material impact on our operations.

Since 2006, we and certain other TFT-LCD panel producers have been subject to an investigation by the U.S. Department of Justice, various and separate claims brought by direct and indirect purchasers, and a number of legal proceedings brought by attorneys general of various states in the United States, with respect to possible anti-competitive activities in the TFT-LCD industry. We have since settled and resolved the investigation and various subsequent legal proceedings, with the exception of the attorney general of the Commonwealth of Puerto Rico. The settlements were duly approved by the applicable courts and, in the case of the state attorneys general actions, by their respective state governments. In October 2022, the United States District Court for the District of Puerto Rico dismissed the case without prejudice for failure to prosecute.

We have also been subject to investigations outside of the United States, including by the European Commission, with respect to the same subject matter. We have since settled, resolved, and/or paid fines for such actual investigations brought by the relevant competition authorities. Following the European Commission’s decision, various follow-on claims were initiated in the United Kingdom by various claimants alleging damages as a result of violation of European competition laws. We have since reached settlements with each of the claimants, with the exception of a follow-on damages claim filed by Granville Technology Group and others (“Granville”) in the U.K. in December 2016. In February 2024, the court rendered its judgment on such follow-on damages claim against the defendants, including us. In March 2025, Granville appealed such decision, and on April 1, 2026, the Court of Appeal rendered its judgment on the appeal against the defendants. As of April 16, 2026, the amount for which we will be liable remain subject to further determination by the Court of Appeal.

In addition, in December 2013, a class action complaint was filed by Hatzlacha, a consumer organization, on behalf of Israeli consumers against LG Display and other defendants in the Central District in Israel. As of April 16, 2026, we have not been served with the complaint from Hatzlacha.

See “Item 8.A. Consolidated Statements and Other Financial Information—Legal Proceedings—Antitrust and Others” for a more detailed description of these matters as well as other material legal proceedings that we are involved in.

In each of the foregoing matters that are ongoing, we are continually evaluating the merits of the respective claims and vigorously defending ourselves. Irrespective of the validity or the successful assertion of the claims described above, we may incur significant costs with respect to litigating or settling any or all of the asserted claims. While we continue to vigorously defend the various ongoing proceedings that we are involved in, it is possible that one or more proceedings may result in cash outflow to settle or resolve these claims, which may have an adverse effect on our operating results or financial condition.

We need to observe certain financial and other covenants under the terms of our debt obligations, the failure to comply with which would put us in default under such debt obligations.

We rely on debt financing to satisfy a significant portion of our cash requirements for capital investments. As of December 31, 2025, we had outstanding short-term borrowings of ₩811 billion (US\$561 million) and long-term debt (including current portion and prior to deducting discounts on bonds) in the amount of ₩11,854 billion (US\$8,206 million), consisting of ₩380 billion of Korean Won denominated bonds, US\$100 million of U.S. dollar denominated bonds, US\$2,350 million of U.S. dollar denominated long-term borrowings, CNY19,332 million of CNY denominated long-term borrowings and ₩4,000 billion of Korean Won denominated long-term borrowings. We are subject to financial and other covenants, including maintenance of credit ratings and debt-to-equity ratios, under certain of our debt obligations. The documentation for such debt also contains negative pledge provisions limiting our ability to provide liens on our assets as well as cross-default and cross-acceleration clauses, which give related creditors the right to accelerate the amounts due under such debt if an event of default or acceleration has occurred with respect to our existing or future indebtedness, or if any material part of our indebtedness or indebtedness of our subsidiaries is capable of being declared payable before the stated maturity date. In addition, such covenants restrict our ability to raise future debt financing.

If we breach the financial or other covenants contained in the documentation governing our debt obligations, our financial condition will be adversely affected to the extent we are not able to cure such breaches, obtain a waiver from the relevant lenders or debtholders or repay the relevant debt.

Our results of operations are subject to exchange rate fluctuations.

There has been considerable volatility in foreign exchange rates between the Korean Won and major foreign currencies in recent years. To the extent that we incur costs in one currency and make sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies.

Our sales of display panels are denominated mainly in U.S. dollars, while our purchases of raw materials are denominated mainly in U.S. dollars and, to a much lesser extent, Chinese Yuan and Japanese Yen. The largest proportion of our expenditures on capital equipment is denominated in Korean Won and, to a lesser extent, U.S. dollars, Vietnamese Dong and Chinese Yuan. Accordingly, fluctuations in exchange rates, in particular between the U.S. dollar and the Korean Won as well as between the Chinese Yuan and the Korean Won, between the Japanese Yen and the Korean Won and between the Vietnamese Dong and the Korean Won, affect our pre-tax income, and in recent years, the value of the Won relative to the U.S. dollar, Chinese Yuan, Japanese Yen and Vietnamese Dong has fluctuated widely. Although a depreciation of the Korean Won against the U.S. dollar increases the Korean Won value of our export sales and enhances the price-competitiveness of our products in foreign markets in U.S. dollar terms, it also increases the cost of imported raw materials and components in Korean Won terms and our cost in Korean Won of servicing our U.S. dollar-denominated debt. A depreciation of the Korean Won against the Chinese Yuan, Japanese Yen or Vietnamese Dong increases the Korean Won cost of our Chinese Yuan-, Japanese Yen- or Vietnamese Dong-denominated purchases of equipment, raw materials or components, as applicable, and, to the extent we have any debt denominated in Chinese Yuan or Japanese Yen, our cost in Korean Won of servicing such debt, but has relatively little impact on our sales as most of our sales are denominated in U.S. dollars. In addition, continued exchange rate volatility may also result in foreign exchange losses for us. Although a depreciation of the Korean Won against the U.S. dollar, in general, has a net positive impact on our results of operations that more than offsets the net negative impact caused by a depreciation of the Korean Won against the Chinese Yuan, Japanese Yen or Vietnamese Dong, we cannot provide assurance that the exchange rate of the Korean Won against foreign currencies will not be subject to significant fluctuations, or that the impact of such fluctuations will not adversely affect the results of our operations.

Our business relies on our patent rights which may be narrowed in scope or found to be invalid or otherwise unenforceable.

Our success will depend, to a significant extent, on our ability to obtain and enforce our patent rights both in Korea and worldwide. The coverage claimed in a patent application can be significantly reduced before a patent is issued, either in Korea or abroad. Consequently, we cannot provide assurance that any of our pending or future patent applications will result in the issuance of patents. Patents issued to us may be subjected to further proceedings limiting their scope and may not provide significant proprietary protection or competitive advantage. Our patents also may be challenged, circumvented, invalidated or deemed unenforceable. In addition, because patent applications in certain countries generally are not published until more than 18 months after they are first filed, and because publication of discoveries in scientific or patent literature often lags behind actual discoveries, we cannot be certain that we were, or any of our licensors was, the first creator of inventions covered by pending patent applications, that we or any of our licensors will be entitled to any rights in purported inventions claimed in pending or future patent applications, or that we were, or any of our licensors was, the first to file patent applications on such inventions.

Furthermore, pending patent applications or patents already issued to us or our licensors may become subject to dispute, and any dispute could be resolved against us. For example, we may become involved in re-examination, reissue or interference proceedings and the result of these proceedings could be the invalidation or substantial narrowing of our patent claims. We also could be subject to court proceedings that could find our patents invalid or unenforceable or could substantially narrow the scope of our patent claims. In addition, depending on the jurisdiction, statutory differences in patentable subject matter may limit the protection we can obtain on some of our inventions.

Failure to protect our intellectual property rights could impair our competitiveness and harm our business and future prospects.

We believe that developing new products and technologies that can be differentiated from those of our competitors is critical to the success of our business. We take active measures to obtain international protection of our intellectual property by obtaining patents and undertaking monitoring activities in our major markets. However, we cannot assure you that the measures we are taking will effectively deter competitors from improper use of our proprietary technologies. Our competitors may misappropriate our intellectual property, disputes as to ownership of intellectual property may arise and our intellectual property may otherwise become known or independently developed by our competitors.

Any failure to protect our intellectual property could impair our competitiveness and harm our business and future prospects.

Our rapid introduction of new technologies and products may increase the likelihood that third parties will assert claims that our products infringe upon their proprietary rights.

The rapid technological changes that characterize our industry require that we quickly implement new processes and components with respect to our products. Often with respect to recently developed processes and components, a degree of uncertainty exists as to who may rightfully claim ownership rights in such processes and components. Uncertainty of this type increases the risk that claims alleging that such components or processes infringe upon third party rights may be brought against us. Although we take and will continue to take steps to ensure that our new products do not infringe upon third party rights, if our products or manufacturing processes are found to infringe upon third party rights, we may be subject to significant liabilities and be required to change our manufacturing processes or be prohibited from manufacturing certain products, which could have a material adverse effect on our operations and financial condition.

We may be required to defend against charges of infringement of patent or other proprietary rights of third parties. Although patent and other intellectual property disputes in our industry have often been settled through licensing or similar arrangements, such defense could require us to incur substantial expense and to divert significant resources of our technical and management personnel, and could result in our loss of rights to develop or make certain products or require us to pay monetary damages or royalties to license proprietary rights from third parties. Furthermore, we cannot be certain that the necessary licenses would be available to us on acceptable terms, if at all. Accordingly, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from manufacturing and selling certain of our products. Any such litigation, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources, either of which could adversely affect our business.

We rely on technology provided by third parties and our business will suffer if we are unable to renew our licensing arrangements with them.

From time to time, we have obtained licenses for patent, copyright, trademark and other intellectual property rights to process and device technologies used in the production of our display panels. We have entered into key licensing arrangements with third parties, for which we have made, and continue to make, periodic license fee payments. In addition, we also have cross-license agreements with certain other third parties. These agreements terminate upon the expiration of the respective terms of the patents. See “Item 5.C. Research and Development, Patents and Licenses, etc.—Intellectual Property—License Agreements.”

If we are unable to renew our technology licensing arrangements on acceptable terms, we may lose the legal protection to use certain of the processes we employ to manufacture our products and be prohibited from using those processes, which may prevent us from manufacturing and selling certain of our products, including our key products. In addition, we could be at a disadvantage if our competitors obtain licenses for protected technologies on more favorable terms than we do.

In the future, we may also need to obtain additional patent licenses for new or existing technologies. We cannot provide assurance that these license agreements can be obtained or renewed on acceptable terms or at all, and if not, our business and operating results could be adversely affected.

We rely upon trade secrets and other unpatented proprietary know-how to maintain our competitive position in the display panel industry and any loss of our rights to, or unauthorized disclosure of, our trade secrets or other unpatented proprietary know-how could negatively affect our business.

We rely upon trade secrets, unpatented proprietary know-how and information, as well as continuing technological innovation in our business. The information we rely upon includes price forecasts, core technology and key customer information. We enter into confidentiality agreements with each of our employees and consultants upon the commencement of an employment or consulting relationship. These agreements generally provide that all inventions, ideas, discoveries, improvements and copyrightable material made or conceived by the individual arising out of the employment or consulting relationship and all confidential information developed or made known to the individual during the term of the relationship is our exclusive property. We cannot provide assurance that these types of agreements will be sufficient to prevent the misappropriation of our intellectual property rights, will be fully enforceable, or that they will not be breached. We also cannot be certain that we will have adequate remedies for any such breach. The disclosure of our trade secrets or other know-how as a result of such a breach could adversely affect our business. In addition, our competitors may come to know about or determine our trade secrets and other proprietary information through a variety of methods. Disputes may arise concerning the ownership of intellectual property or the applicability or enforceability of our confidentiality agreements, and there can be no assurance that any such disputes would be resolved in our favor. Furthermore, others may acquire or independently develop similar technology, or if patents are not issued with respect to technologies arising from our research, we may not be able to maintain information pertinent to such research as proprietary technology or trade secrets and that could have an adverse effect on our competitive position within the display panel industry.

If our cybersecurity is breached, we may incur significant legal and financial exposure, damage to our reputation and a loss of confidence of our customers.

Our business involves the storage and transmission of confidential information relating to us as well as our customers and suppliers, and any breach in our cybersecurity could expose us to a risk of loss, the improper use or disclosure of such information, ensuing potential liability or litigation, any of which could harm our reputation and adversely affect our business. Although there has been no material instance where an unauthorized party was able to obtain access to our data or our customers’ data, there can be no assurance that we will not be vulnerable to cyber-attacks in the future. See “Item 16K. Cybersecurity.”

Our cybersecurity measures may also fail due to employee error, malfeasance or otherwise. Instituting appropriate access controls and safeguards across our information technology infrastructure is challenging. Furthermore, outside parties may attempt to fraudulently induce employees to disclose sensitive information in order to gain access to our data or our customers’ data or accounts or may otherwise obtain access to such data or accounts. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our cybersecurity occurs or the market perception of the effectiveness of our cybersecurity

measures is adversely affected, we may incur significant legal and financial exposure, including legal claims and regulatory fines and penalties, damage to our reputation and a loss of confidence of our customers, which could have an adverse effect on our business, financial condition and results of operations.

We rely on key researchers and engineers, senior management and production facility operators, and the loss of the services of any such personnel or the inability to attract and retain them may negatively affect our business.

Our success depends to a significant extent upon the continued service of our research and development and engineering personnel, and on our ability to continue to attract, retain and motivate qualified researchers and engineers, especially during periods of rapid growth. In particular, our focus on leading the market in introducing new products and advanced manufacturing processes has meant that we must continue to recruit research and development personnel and engineers with expertise in cutting-edge technologies.

We also depend on the services of experienced key senior management, and if we lose their services, it would be difficult to find and integrate replacement personnel in a timely manner, if at all. We also employ highly skilled line operators at our various production facilities.

Although as part of our efforts to recruit and retain key personnel, we offer various benefits such as salary increases, promotions, housing and children's education expenses, there can be no assurance that such benefits will be sufficient to attract and retain key personnel. The loss of the services of any of our key research and development and engineering personnel, senior management or skilled operators without adequate replacement, or the inability to attract new qualified personnel, would have a material adverse effect on our operations.

The interests of LG Electronics, our largest shareholder, and any directors or officers nominated by it, may differ from or conflict with those of us or our other shareholders.

When exercising its rights as our largest shareholder, LG Electronics may take into account not only our interests but also its interests and the interests of its affiliates. LG Electronics' interests may at times conflict with ours in a number of areas relating to our business, including potential acquisitions of businesses or properties, incurrence of indebtedness, financial commitments, sales and marketing functions, indemnity arrangements, service arrangements and the exercise by LG Electronics of significant influence over our management and affairs. See "Item 6.A. Directors and Senior Management" for a description of the composition of our current board of directors and senior management.

Labor unrest may disrupt our operations.

As of December 31, 2025, more than half of our employees based in Korea were union members, and production employees accounted for substantially all of these members. We have a collective bargaining arrangement with our labor union, which is negotiated once a year. Any deterioration in our relationship with our employees or labor unrest resulting in a work stoppage or strike may have a material adverse effect on our financial condition and results of operations.

We are subject to strict safety and environmental regulations and we may be subject to fines or restrictions that could cause our operations to be interrupted.

Our manufacturing processes involve hazardous materials and generate chemical waste, waste water and other industrial waste at various stages in the manufacturing process, and we are subject to a variety of laws and regulations relating to the use, storage, discharge and disposal of such chemical by-products and waste substances. We have enacted safety measures, engaged in employee education on handling such materials and installed various types of safety and anti-pollution equipment, consistent with industry standards, for the treatment of chemical waste and equipment for the recycling of treated waste water at our various facilities. See "Item 4.B. Business Overview—Environmental Matters" for a description of the anti-pollution equipment that we have installed in our various facilities. However, we cannot provide assurance that our protocols will always be followed and safety or environmental related claims will not be brought against us or that the local or national governments will not take steps toward adopting more stringent safety or environmental standards.

Any failure on our part to comply with any present or future safety and environmental regulations could result in the assessment of damages or imposition of fines and penalties against us, suspension of production or a cessation of operations. From January 1, 2023 to December 31, 2025, we and certain of our current and former employees have received and paid aggregate fines and penalties of approximately ₩25 million in connection with violations of applicable safety and environmental regulations under Korean law.

Furthermore, safety and environmental regulations could require us to acquire costly equipment or to incur other significant compliance expenses that may materially and negatively affect our financial condition and results of operations.

Impositions of anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs may have an adverse impact on our export sales.

As a manufacturer with global sales and operations, we export a significant portion of our products manufactured in Korea, China and Vietnam. We continue to carefully monitor developments with respect to trade remedy policies, including quotas, tariffs, anti-dumping duties, safeguard duties or countervailing duties, in all major markets in which we sell our products and seek to mitigate the related risks by adjusting supply and export arrangements as necessary. However, there can be no assurance that the free trade agreements between Korea and its major trading partners will not be amended or anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs will not be imposed on our sales of products abroad in the future. The occurrence of any such events, including those described below, may have a material adverse impact on our business, financial condition and results of operation.

Since early 2025, the U.S. government has implemented a series of tariff measures that have affected our business. In April 2025, under the International Emergency Economic Powers Act of 1977 (the “IEEPA”), the U.S. President imposed a universal 10% “reciprocal” tariff on imports from all trading partners, including those with free trade agreements with the United States, along with higher country-specific rates of 25% for Korea, 125% for China (on top of a previously applicable 20% tariff) and 46% for Vietnam. Following inter-governmental negotiations and subsequent adjustments made by the U.S. government, the applicable country-specific rates with respect to these countries were generally reduced to 15% for Korea, 20% for China and 20% for Vietnam. In February 2026, the United States Supreme Court ruled that the U.S. President has no peacetime authority to impose such tariffs under the IEEPA and that the power to impose such tariffs must come from a clear congressional grant to the U.S. President. In response, on the same day the decision was published, the U.S. President issued a Proclamation “Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems,” imposing a 10% temporary import surcharge on imports from all U.S. trading partners under section 122 of the Trade Act of 1974. Such “Section 122” tariff took effect on February 24, 2026, and remains in effect for 150 days. No assurance can be provided that such tariffs will not be extended or that similar tariffs will not be imposed in the future on different grounds. While our direct exports to customers in the United States are relatively small, any such tariffs may have a material adverse effect on our downstream customers that manufacture finished products using our display panels in countries subject to such tariffs and export those products to the United States. If tariffs on the products manufactured by our downstream customers increase, the resulting price increases may reduce consumer demand for such products in the United States, which may in turn adversely affect the demand for our display panels.

Historically, tariffs have led to increased trade and political tensions. In response to tariffs imposed by the U.S. government, various countries have implemented, or have announced plans to implement, retaliatory measures on goods produced in the United States. Political tensions and increased uncertainty as a result of actual or anticipated changes in trade policies could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. If applicable tariff rates on our products or related raw materials or components further increase, additional tariffs are imposed on a broader range of goods, or further retaliatory trade measures are taken by impacted foreign countries in response to additional tariffs, we may be required to raise our prices or incur additional expenses, which may have a material adverse impact on our business, financial condition and results of operations.

Risks Relating to our American Depositary Shares, or ADSs, or our Common Stock

Future sales of shares of our common stock or convertible securities in the public market may depress our stock price and make it difficult for you to recover the full value of your investment in our common stock or our ADSs.

We cannot predict the effect, if any, that market sales of shares of our common stock or other securities that may be converted into shares of our common stock or the availability of such shares or securities for sale will have on the market price of our common stock prevailing from time to time.

In March 2024, as part of our ongoing efforts to improve our financial condition and liquidity, we issued 142,184,300 new shares of common stock (including 1,038,078 new shares represented by 2,076,156 ADSs) at a subscription price of ₩9,090 per share (and US\$3.450019 per ADS) pursuant to a preemptive rights offering to our existing shareholders, including ADS holders, followed by a public offering in Korea with respect to the fractional shares from the rights offering. We have used the proceeds of such offering to fund our capital investments, general corporate purposes (including purchases

of raw materials) and the repayment of certain of our outstanding debt. Immediately following the completion of such offering, the number of issued and outstanding shares of our common stock increased to 500,000,000. In particular, our largest shareholder, LG Electronics, subscribed for 47,968,206 new shares of our common stock for a cash consideration of ₩436 billion under such offering. As a result of its participation, following the completion of such offering, LG Electronics' shareholding in us decreased from 37.9% to 36.7%. LG Electronics currently owns 36.7% of our voting stock. There is no assurance that LG Electronics will not sell all or a part of its ownership interest in us in the future.

We have no current plans for any additional offerings of our common stock, ADSs or securities exchangeable for or convertible into such securities. However, it is possible that we may decide to offer or sell such securities in the future. Any future sales by LG Electronics or any future issuance by us of a significant number of shares of our common stock or other securities that may be converted into shares of our common stock in the public market, or the perception that any of these events may occur, could cause the market price of our common stock to decrease or to be lower than it might be in the absence of these events or perceptions.

Our public shareholders may have more difficulty protecting their interests than they would as shareholders of a U.S. corporation.

Our corporate affairs are governed by our articles of incorporation and by the laws governing Korean corporations. The rights and responsibilities of our shareholders and members of our board of directors under Korean law may be different from those that apply to shareholders and directors of a U.S. corporation. For example, minority shareholder rights afforded under Korean law often require the minority shareholder to meet minimum shareholding requirements in order to exercise certain rights. In the case of public companies, a shareholder must own, individually or collectively with other shareholders, at least 1% of our common stock, or 0.01% of our common stock for at least six consecutive months, in order to file a derivative suit on our behalf. While the facts and circumstances of each case will differ, the duty of care required of a director under Korean law may not be the same as the fiduciary duty of a director of a U.S. corporation. Therefore, holders of our common stock or our ADSs may have more difficulty protecting their interests against actions of our management, members of our board of directors or largest shareholders than they would as shareholders of a U.S. corporation.

You may be limited in your ability to deposit or withdraw the common stock underlying the ADSs, which may adversely affect the value of your investment.

Under the terms of our deposit agreement, holders of common stock may deposit such common stock with the depository's custodian in Korea and obtain ADSs, and holders of ADSs may surrender ADSs to the depository and receive common stock. However, to the extent that a deposit of common stock exceeds the difference between:

- the aggregate number of shares of common stock we have consented to allow to be deposited for the issuance of ADSs (including deposits in connection with offerings of ADSs and stock dividends or other distributions relating to ADSs); and
- the number of shares of common stock on deposit with the custodian for the benefit of the depository at the time of such proposed deposit,

such common stock will not be accepted for deposit unless (1) our consent, subject to governmental authorization, with respect to such deposit has been obtained or (2) such consent is no longer required under Korean laws and regulations.

Under the terms of the deposit agreement, no consent is required if the shares of common stock are obtained through a dividend, free distribution, rights offering or reclassification of such stock. The current limit on the number of shares that may be deposited into our ADR facility is 68,095,700 as of April 16, 2026. The number of shares issued or sold in any subsequent offering by us or our major shareholders, subject to government authorization, raises the limit on the number of shares that may be deposited into the ADR facility, except to the extent such deposit is prohibited by applicable laws or violates our articles of incorporation, or we decide with the ADR depository to limit the number of shares of common stock so offered that would be eligible for deposit under the deposit agreement in order to maintain liquidity for the shares in Korea as may be requested by the relevant Korean authorities. We might not consent to the deposit of any additional shares of common stock. As a result, if a holder surrenders ADSs and withdraws common stock, it may not be able to deposit the common stock again to obtain ADSs.

Holders of ADSs will not have preemptive rights in some circumstances.

The Korean Commercial Code, as amended, and our articles of incorporation require us, with some exceptions, to offer shareholders the right to subscribe for new shares of our common stock in proportion to their existing shareholding ratio whenever new shares are issued, except under certain circumstances as provided in our articles of incorporation. Accordingly, if we issue new shares to non-shareholders based on such exception, a holder of our ADSs may experience dilution in its holdings. Furthermore, if we offer any right to subscribe for additional shares of our common stock or any rights of any other nature to existing shareholders subject to their preemptive rights, the depositary, after consultation with us, may make the rights available to holders of our ADSs or use reasonable efforts to dispose of the rights on behalf of such holders and make the net proceeds available to such holders. The depositary, however, is not required to make available to holders any rights to purchase any additional shares of our common stock unless it deems that doing so is lawful and feasible and

- a registration statement filed by us under the U.S. Securities Act of 1933, as amended, is in effect with respect to those shares; or
- the offering and sale of those shares is exempt from or is not subject to the registration requirements of the Securities Act.

We are under no obligation to file any registration statement with the SEC or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, a holder of our ADSs may be unable to participate in our rights offerings and may experience dilution in its holdings. If a registration statement is required for a holder of our ADSs to exercise preemptive rights but is not filed by us or is not declared effective, the holder will not be able to exercise its preemptive rights for additional ADSs and it will suffer dilution of its equity interest in us. If the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or feasible, it will allow the rights to lapse, in which case the holder will receive no value for these rights.

Holders of ADSs will not be able to exercise dissent and appraisal rights unless they have withdrawn the underlying shares of our common stock and become our direct shareholders.

In some limited circumstances, including the transfer of the whole or any significant part of our business and our merger or consolidation with another company, dissenting shareholders have the right to require us to purchase their shares under Korean law. However, a holder of our ADSs will not be able to exercise such dissent and appraisal rights if the depositary refuses to do so on their behalf. Our deposit agreement does not require the depositary to take any action in respect of exercising dissent and appraisal rights. In such a situation, holders of our ADSs must initiate the withdrawal of the underlying common stock from the ADS facility (and incur charges relating to that withdrawal) by the day immediately following the date of public disclosure of our board of directors' resolution of a merger or other events triggering appraisal rights and become our direct shareholder prior to the record date of the shareholders' meeting at which the relevant transaction is to be approved, in order to exercise dissent and appraisal rights.

Dividend payments and the amount you may realize upon a sale of our common stock or ADSs that you hold will be affected by fluctuations in the exchange rate between the U.S. dollar and the Korean Won.

Cash dividends, if any, in respect of the shares represented by our ADSs will be paid to the depositary in Korean Won and then converted by the depositary into U.S. dollars, subject to certain conditions. Accordingly, fluctuations in the exchange rate between the Korean Won and the U.S. dollar will affect, among other things, the amounts a holder will receive from the depositary in respect of dividends, the U.S. dollar value of the proceeds that a holder would receive upon sale in Korea of the shares of our common stock obtained upon surrender of ADSs and the secondary market price of ADSs. Such fluctuations will also affect the U.S. dollar value of dividends and sales proceeds received by holders of our common stock.

Risks Relating to Korea

If economic conditions in Korea deteriorate, our current business and future growth could be materially and adversely affected.

We are incorporated in Korea, and a substantial portion of our operations and assets are located in Korea. As a result, we are subject to political, economic, legal and regulatory risks specific to Korea, and our performance and successful fulfillment of our operational strategies are dependent in large part on the overall Korean economy.

In addition, the future growth of the Korean economy is subject to many factors beyond our control, including developments in the global economy. In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, mainly due to the Russia-Ukraine war and ensuing sanctions against Russia, difficulties faced by several banks in the United States and Europe, the military conflicts between Iran and other countries, including the United States and Israel, as well as rapid increases in policy interest rates globally have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy.

The value of the Won relative to major foreign currencies, in particular the U.S. dollar, has fluctuated significantly and, as a result of uncertain global and Korean economic, social and political conditions, there has been significant volatility in the stock prices of Korean companies recently. Future declines in the Korea Composite Stock Price Index (the “KOSPI”), and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect our business, financial condition and results of operations.

Other developments that could have an adverse impact on Korea’s economy include:

- declines in consumer confidence and a slowdown in consumer spending, including as a result of severe health epidemics and higher levels of market interest rates;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;
- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including increases in tariffs) and increased uncertainties in the global financial markets and industry;
- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the military conflicts between Iran and other countries, including the United States and Israel) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;
- hostilities, political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing actions against Russia) and any resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;
- adverse changes or volatility in foreign currency reserve levels, interest rates, inflation rates, commodity prices (including oil prices), exchange rates (including fluctuations of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Yuan) or stock markets;
- the occurrence of severe health epidemics, such as the COVID-19 pandemic, in Korea and other parts of the world;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;
- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;
- increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;
- deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea;
- investigations of large Korean business groups and their senior management for possible misconduct;
- shortages of imported raw materials, natural resources, rare earth minerals or component parts, including semiconductors, due to disruptions to the global supply chain;

- a continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;
- social and labor unrest;
- substantial changes in the market prices of Korean real estate;
- a substantial decrease in tax revenues and a substantial increase in the Korean government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs, which would likely lead to a national budget deficit as well as an increase in the Korean government's debt;
- financial problems or lack of progress in the restructuring of Korean business groups, other large, troubled companies, their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues concerning certain Korean companies;
- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;
- a continued decrease in the population and birthrates in Korea;
- geo-political uncertainty and the risk of further attacks by terrorist groups around the world;
- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners; and
- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States.

Escalations in tensions with North Korea could have an adverse effect on us and the market value of our common stock and ADSs.

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between Korea and North Korea has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon, ballistic missile and satellite programs as well as its hostile military actions against Korea.

North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including missiles launched from submarines and intercontinental missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Korean government has repeatedly condemned North Korea's provocations and flagrant violations of relevant United Nations Security Council resolutions. Over the years, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea, as did the United States and the European Union.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea. Although bilateral summit meetings were held between Korea and North Korea in April, May and September 2018 and between North Korea and the United States in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. Any increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea and North Korea or between the United States and North Korea break down or further military hostilities occur, could have a material adverse effect on the Korean economy and on our business, financial condition and results of operations and the market value of our common stock and ADSs.

If the Korean government deems that emergency circumstances are likely to occur, it may restrict holders of our ADSs and the depositary from converting and remitting dividends and other amounts in U.S. dollars.

Under the Korean Foreign Exchange Transaction Law, if the Korean government deems that certain emergency circumstances, including sudden fluctuations in interest rates or exchange rates, extreme difficulty in stabilizing the balance of payments or substantial disturbance in the Korean financial and capital markets, are likely to occur, it may impose any necessary restrictions as requiring Korean or foreign investors to obtain prior approval from the Ministry of Economy and Finance for the acquisition of Korean securities or the repatriation of interest, dividends or sales proceeds arising from disposition of such securities or other transactions involving foreign exchange. See “Item 10.D. Exchange Controls.”

Item 4. INFORMATION ON THE COMPANY

Item 4.A. History and Development of the Company

We are a leading innovator of TFT-LCD, OLED and other display panel technologies. We manufacture display panels in a broad range of sizes and specifications primarily for use in IT products (comprising notebook computers, desktop monitors and tablet computers), televisions and various other applications, including mobile devices and automotive displays.

The origin of our display business, which first started with TFT-LCD panels, can be traced to the TFT-LCD research that began in 1987 at the Goldstar R&D Center, which was then part of LG Electronics Inc. TFT-LCD research continued at the Anyang R&D Center, a research and development center established by LG Electronics in 1990 in Anyang, Korea, which was subsequently moved to our Paju Display Cluster in 2008, and which today continues to lead our technology innovation efforts. In 1993, the TFT-LCD business division was launched within LG Electronics, and in September 1995 mass production of TFT-LCD panels began at P1, its first fabrication facility, producing mainly TFT-LCD panels for notebook computers and other applications. In December 1997, LG Semicon Inc., a subsidiary of LG Electronics, began mass production at P2, producing mainly TFT-LCD panels for notebook computers.

We were incorporated in 1985 under the laws of the Republic of Korea under the original name of Goldstar Software Co., Ltd., a subsidiary of LG Electronics whose main business was the development and marketing of software, which changed its name to LG Software, Ltd. in January 1995 and subsequently to LG Soft, Ltd. in January 1997. At the end of 1998, LG Electronics and LG Semicon transferred their respective TFT-LCD-related businesses to LG Soft, which, as part of the business transfer, changed its name to LG LCD Co., Ltd.

In July 1999, LG Electronics entered into a joint venture agreement with Koninklijke Philips Electronics N.V., pursuant to which Philips Electronics acquired a 50% interest in LG LCD. In connection with this transaction, LG LCD transferred its existing software-related business to LG Electronics in order to focus solely on the TFT-LCD business. The joint venture, which was renamed LG.Philips LCD Co., Ltd., was officially launched in August 1999. In July 2004, we completed our initial public offering and listed shares of our common stock on the Korea Exchange under the identifying code “034220” and our ADSs on the New York Stock Exchange under the symbol “LPL”. Prior to the listings, LG Electronics and Philips Electronics terminated the joint venture agreement and entered into a shareholders’ agreement to reflect new arrangements between them as controlling shareholders. The shareholders’ agreement automatically terminated upon Philips Electronics’ sale of all of its remaining ownership interest in us in March 2009. Effective March 3, 2008, we changed our name from LG.Philips LCD Co., Ltd. to LG Display Co., Ltd. in order to reflect the expansion of our business scope and shift in business model, fully expressing our commitment to the future.

We launched our OLED Business Unit in June 2008 following our acquisition of LG Electronics’ active matrix OLED, or AMOLED, business in January 2008, which included inventory, intellectual property rights and employees. In 2012, we restructured our internal organization to reflect the growing importance of OLED, transferring the mobile-related OLED business to the IT/Mobile Business Division and the OLED television panel business to the Television Business Division. In December 2014, we established a separate OLED Business Division to strengthen our competitive position, and in December 2016, we further integrated our OLED capabilities across the Television Business Division, the IT Business Division and the Mobile Business Division. In December 2021, we combined the Television Business Division into a new Large Display Business Unit and combined our IT Business Division and the Mobile Business Division into a Medium-Small Display Business Unit to increase product synergies.

In order to secure and maintain competitiveness of our overall business and facilitate our sustainable growth, we have continued to engage in various activities to accelerate the transition of the focus of our overall business to OLED and restructure our TFT-LCD business. Between 2022 and 2023, we closed certain TFT-LCD fabrication facilities, including P5 (where we had produced TFT-LCD panels for notebook computers and mobile and other products), P7 (where we had produced TFT-LCD panels for televisions) and P62 (where we had produced TFT-LCD panels for notebook computers and desktop monitors), in light of our continued efforts to increase the proportion of OLED panels in our product mix and the production capacity for such panels and further reduce our production level of TFT-LCD panels, which we believe to be relatively more sensitive to market conditions and generally allow for fewer opportunities for product differentiation. We also implemented a phased exit strategy for our TFT-LCD television panel manufacturing facility in China and, in September 2024, as part of such strategy, we entered into an agreement with TCL CSOT to dispose of our entire equity interest in the China TFT-LCD Television Panel Subsidiaries for approximately ₩2.2 trillion. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025. More recently, in February 2026, to further improve our overall operational efficiency and upgrade our business structure by outsourcing the in-house production of automotive display TFT-LCD modules, we entered into an agreement with Top Run Total Solution to transfer the automotive display TFT-LCD module business of LG Display Nanjing Co., Ltd., which transfer is expected to be completed in July 2026.

Our principal executive offices are located at LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336 and our telephone number is +82-2-3777-1010. Our website address is <http://www.lgdisplay.com>.

We have continued to develop our manufacturing process technologies and expand our production facilities. Each successive generation of our fabrication facilities has generally been designed to process larger-size glass substrates, allowing us to produce more panels and a variety of display sizes. The ability to process larger glass substrates allows us to produce a larger variety of display sizes to accommodate evolving business and consumer demands. In addition, due to the large number of fabrication facilities we operate, we have the flexibility to make strategic decisions based on market demand to convert existing production lines housed within a fabrication facility to manufacture display panels based on newer technologies.

As part of our ongoing expansion plans, we have constructed several manufacturing facilities for OLED panels in Korea in recent years, including our AP4 fabrication facility for plastic OLED panels for mobile and other products, which commenced mass production in July 2019. Furthermore, in response to and in anticipation of growing demand in the China market, we established a joint venture with the government of Guangzhou to construct our new CO fabrication facility to manufacture next generation large-sized OLED panels, which was established under the name of LG Display High-Tech (China) Co., Ltd., in July 2018. We currently hold a 70% ownership interest in the joint venture and the government of Guangzhou holds the remaining 30% ownership interest, and we commenced mass production of large-sized OLED panels at the CO fabrication facility in July 2020. In February 2024, we completed the construction of our AP5 fabrication facility and have subsequently commenced mass production of medium-sized OLED panels at such facility. Each of our on-going expansion projects are generally subject to market conditions and any changes in our investment timetable. See “Item 4.D. Property, Plants and Equipment—Capital Expenditures.”

With respect to our assembly facilities, from 1995 to early 2003, we assembled all panels in our Gumi assembly facility adjacent to our P1 facility. Since 2003, in order to better serve the needs of our global customers, we have commenced operations at various assembly facilities in Korea and several other countries. For more information on our module assembly facilities, see “Item 4.D. Property, Plants and Equipment—Current Facilities.”

For a description of cash outflows relating to our capital expenditures in the past three fiscal years, see “Item 5.A. Operating Results—Overview—Manufacturing Productivity and Costs.”

The U.S. Securities and Exchange Commission, or the SEC, maintains a website (<http://www.sec.gov>), which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Item 4.B. Business Overview

Overview

We manufacture TFT-LCD and OLED technology-based display panels in a broad range of sizes and specifications primarily for use in IT products (comprising notebook computers, desktop monitors and tablet computers), televisions, mobile devices, including smartphones, as well as auto products, and we are one of the world's leading suppliers of large-sized OLED television panels. We also manufacture display panels for industrial and other applications, including entertainment systems and medical diagnostic equipment. In 2025, we sold a total of 101.3 million display panels that are nine inches or larger. According to OMDIA, we had a global market share for display panels of nine inches or larger of approximately 13% and for those smaller than nine inches of approximately 16%, each based on sales revenue in 2025.

We currently operate fabrication facilities, which include separately designated sets of fabrication production lines housed in certain facilities, located in our fabrication complexes in Gumi and Paju, Korea and in Guangzhou, China. We also operate module assembly facilities in Korea and abroad. For a full description of our current facilities, see "Item 4.D. Property, Plants and Equipment—Current Facilities."

We seek to build our market position based on collaborative relationships with our customers and suppliers, a focus on high-end differentiated specialty display products and manufacturing productivity. Our end-brand customers include many of the world's leading manufacturers of IT products and televisions, including LG Electronics, as well as mobile devices and automobiles. For a description of our sales to LG Electronics, our largest shareholder, see "Item 7.B. Related Party Transactions."

At the direction of our end-brand customers, we typically ship our display panels to their original equipment manufacturers, known as "system integrators," who use our display panels in products they assemble on a contract basis for our end-brand customers. We engage in direct sales (including through our overseas subsidiaries), as well as indirect sales through trading companies, including our formerly affiliated trading company, LX International (formerly known as "LG International Corp.") and its subsidiaries, to end-brand customers and their system integrators. Pursuant to the separation of certain companies, including LX International, from the LG Group to form a separate business group named the LX Group, which separation was approved by the Korea Fair Trade Commission in June 2022, LX International is no longer our affiliated company.

Our sales were ₩21,331 billion in 2023, ₩26,615 billion in 2024 and ₩25,810 billion (US\$17,867 million) in 2025.

Technology Description

TFT-LCD Technology

A TFT-LCD panel consists of two thin glass substrates and polarizer films between which a layer of liquid crystals is deposited and behind which a light source called a backlight unit is mounted. The frontplane glass substrate is fitted with a color filter, while the backplane glass substrate, also called a TFT array, has many thin film transistors, or TFT, formed on its surface. The liquid crystals are normally aligned to allow the polarized light from the backlight unit to pass through the two glass panels. When voltage is applied to the transistors on the TFT array, the liquid crystals change their alignment and alter the amount of light that passes through them. Meanwhile, the color filter on the frontplane glass substrate gives each pixel its own color. The combination of these pixels in different colors and levels of brightness forms the image on the panel.

The process for manufacturing a TFT-LCD panel consists of four steps:

- *TFT array process* – involves fabricating a large number of thin film transistors on the backplane glass substrate. The number of transistors corresponds to the number of pixels on the screen. The process is similar to the process for manufacturing semiconductor chips, except that transistors are fabricated on large glass substrates instead of silicon wafers. Unlike in the semiconductor industry, however, the number of transistors per glass substrate is not a primary driver of the manufacturing costs for TFT-LCD panels;
- *Color filter process* – involves fabricating a large number of color regions on the frontplane glass substrate that will overlay the TFT array prior to the cell process. The colored dots of red, green and blue combine to form various colors. The process is similar to the TFT array process but involves depositing colored pigments instead of transistors;

- *Cell process* – involves joining together the backplane glass substrate that is arrayed with transistors and the frontplane glass substrate that is patterned with a color filter. The space between the two glass substrates is filled with liquid crystal materials. The resulting adjoined substrate is called a cell; and
- *Module assembly process* – involves connecting additional components, such as driver integrated circuits and backlight units, to the cell.

The TFT array, color filter and cell processes are capital-intensive and require highly automated production equipment and are the primary determinants of fixed manufacturing cost. In contrast, the module assembly process involves semi-automated production equipment and manual labor to assemble the various components. Materials are the primary drivers of variable manufacturing cost.

IPS Technology

In-Plane Switching, or IPS, is a liquid crystal switching technology that was developed to address commonly faced problems with TFT-LCD panels that utilized other liquid crystal technologies, namely narrow viewing angles, inconsistent picture uniformity and slow response times. Unlike other liquid crystal technologies where the liquid crystals are aligned vertically or at an angle in relation to the glass substrate, with IPS technology, the liquid crystals are aligned horizontally in parallel to the glass substrate, which allows for wider viewing angles, greater picture uniformity and faster response times. Our TFT-LCD display panels, including our TFT-LCD television panels, utilize IPS technology.

Advanced High Performance IPS, or AH-IPS, is an IPS technology that integrates ultra-fine pitch technology and high transmittance technology, which allows for ultra-high resolution imagery, increased luminance and greater energy efficiency. AH-IPS is currently utilized in our panels for certain types of IT products, smartphones and other mobile display products.

OLED Technology

An OLED panel consists of a thin film of organic material encased between anode and cathode electrodes. When a current is applied, light is emitted directly from the organic material. Because a separate backlight is not needed, OLED panels can be lighter and thinner compared to TFT-LCD panels, which require a separate backlight. In addition, images projected on OLED panels have higher contrast ratios and more realistic color reproduction compared to images projected on TFT-LCD panels.

We utilize different types of sub-pixel and backplane technologies in our OLED panels. Under the RGB sub-pixel structure, a combination of red, green and blue sub-pixels without color filters or white sub-pixels are used to produce a range of colors. While we, along with most of our competitors, utilize RGB sub-pixel technology for small- and medium-sized products, there are various technical challenges in scaling RGB sub-pixel technology for large-sized products, such as television panels. For our OLED television panels, we have overcome these challenges by opting to utilize our WRGB sub-pixel structure, whereby red, green and blue color filters are placed over white OLED sub-pixels to produce a range of colors and began production of OLED television panels at our OP1 fabrication facility in 2013.

We also utilize Tandem OLED technology, which we first commercialized in 2019, in certain of our products. Tandem OLED technology utilizes multiple stacks of organic light emitting layers, which offer enhanced durability, brightness and lifespan compared to single-layer OLED panels. We have applied Tandem OLED technology to our panels for select types of auto products and IT products, including notebook computers and tablet computers.

Mass production of our plastic OLED panels for mobile and other products began at our AP3 and AP4 fabrication facilities in August 2017 and July 2019, respectively. In July 2020, we commenced mass production of large-sized OLED panels at our CO fabrication facility, located in Guangzhou, China. In February 2024, we completed the construction of our AP5 fabrication facility and have subsequently commenced mass production of medium-sized OLED panels at such facility. As for backplane technology, our large-sized OLED products are produced using oxide TFT backplane technology as compared to our smaller-sized OLED products which utilize low-temperature polycrystalline silicon (“LTPS”), or low-temperature polycrystalline oxide (“LTPO”), backplane technology, as described in greater detail below.

Backplane Technology

Oxide TFT

We use oxide TFT technology to produce backplanes for use in our large-sized OLED panels, such as the panels used in OLED television products. The traditional amorphous silicon-based TFT, or a-Si TFT, backplane technology has certain limitations that render it unsuitable for producing backplanes for use in large-sized OLED panels with high resolutions and fast refresh rates. For example, in larger and higher-resolution display panels, a-Si TFT backplanes consume increased rates of power and experience a decrease in the rate at which each transistor is able to switch between images, or the rate of mobility.

As an alternative to a-Si TFT backplane technology, we have successfully adopted a metal oxide-based TFT, or simply oxide TFT, backplane technology. In place of the amorphous silicon-based semiconductors used in a-Si TFT backplanes, oxide TFT backplanes utilize metal oxide-based semiconductors, which consume less energy, have a higher rate of mobility and allow for construction of display panels with narrower bezels as compared to display panels with traditional a-Si TFT backplanes.

We were the first company in the display industry to successfully adopt oxide TFT technology in large-sized OLED products, which has been a key factor in reducing the costs of manufacturing large-sized OLED panels in large quantities. Because the manufacturing process of oxide TFT-based OLED panels is similar to the process used to manufacture TFT-LCD panels, we are able to use our existing TFT-based production lines with relatively little modification to mass produce large-sized OLED panels.

LTPS and LTPO

LTPS backplanes are suitable for use in the production of high-resolution display panels due to their higher mobility rates compared to a-Si TFT or oxide TFT backplanes. However, due to a complex manufacturing process, LTPS backplanes have relatively higher production costs compared to a-Si TFT or oxide TFT backplanes, making it uneconomical to use in the production of large-sized panels. As a result, we generally utilize LTPS backplanes in the production of small- and medium-sized TFT-LCD panels and OLED smartphone and other applications.

We also use LTPO backplane technology in our wearable devices and smartphones, which combines elements of both LTPS and oxide TFT technologies to produce backplanes with greater energy savings than LTPS backplanes.

Products

We manufacture display panels of various specifications that are integrated by our customers into principally the following products:

- IT products, which comprise notebook computers (utilizing display panels ranging from 11.6 inches to 18 inches in size), desktop monitors (utilizing display panels ranging from 15.6 inches to 51.5 inches in size) and tablet computers (utilizing display panels ranging from 7.85 inches to 13 inches in size);
- Televisions, which utilize display panels in various sizes ranging from 22.3 inches to 98 inches in size;
- Mobile and other products, which utilize a wide array of display panel sizes, including smartphones and other types of mobile phones and industrial and other applications, such as entertainment systems and medical diagnostic equipment; and
- Auto products, which utilize a variety of display panel sizes ranging from 6.1 inches to 38.9 inches in size.

Unless otherwise specified, when we refer to panels in this annual report, we mean assembled cells with added components, such as driver integrated circuits and backlight units.

We design and manufacture our panels to meet the various size and performance specifications of our customers, including specifications relating to thinness, weight, resolution, color quality, power consumption, response times and viewing angles. The specifications vary from product to product. For television panels, a premium is placed on faster response times, wider viewing angles, higher resolution and greater color fidelity. Notebook computer panels require an emphasis on thinness, light weight and power efficiency, while desktop monitor panels demand a greater focus on brightness, color brilliance, faster response times and wide viewing angles. For mobile panels, particularly smartphones, an emphasis is placed on brightness and power efficiency. For automotive display panels, the focus is on high luminance, longer lifespan, temperature reliability and lower power consumption.

In addition to manufacturing and selling display panels, we also manufacture and sell desktop monitors through our joint venture companies. See “—Joint Ventures.”

IT Products

Our panels for IT products comprise display panels for notebook computers (ranging from 11.6 inches to 18 inches in size), desktop monitors (ranging from 15.6 inches to 51.5 inches in size) and tablet computers (display panels ranging from 7.85 inches to 13 inches in size). Revenue from sales of our IT product panels was ₩7,853 billion, or 36.8% of our total revenue, in 2023, ₩9,420 billion, or 35.4% of our total revenue, in 2024 and ₩9,509 billion (US\$6,583 million), or 36.8% of our total revenue, in 2025. In 2025, our principal products in terms of sales revenue in this category included panels of various sizes ranging from 13 inches to 16.0 inches for notebook computers, 21.5 inches to 27 inches for desktop monitors and 10.86 inches to 13 inches for tablet computers.

The overall demand for IT products generally declined in 2023, primarily due to a general decrease in consumer consumption levels due in part to rising inflation and interest rates and economic volatility and uncertainty globally. However, in 2024, the IT market experienced a rebound, mainly driven by increased demand for low-cost IT products and growth in emerging markets, and our revenue from this segment was further boosted by the commencement of mass production of medium-sized OLED panels at our AP5 facility. In 2025, demand continued to grow, which was primarily attributable to an increase in demand for notebook computers as products purchased during the peak of the COVID-19 pandemic reached their replacement cycles, as well as increased replacement demand associated with the Windows 10 end-of-support transition. Demand for desktop monitors remained relatively stable in 2025 compared to 2024, as weaker sales in developed markets were largely offset by solid demand for gaming products and new models in emerging markets.

Televisions

Our television display panels range from 22.3 inches to 98 inches in size. We began mass production of television display panels in 2001. Our sales of display panels for televisions were ₩4,331 billion, or 20.3% of our total revenue, in 2023, ₩5,973 billion, or 22.4% of our total revenue, in 2024 and ₩4,791 billion (US\$3,317 million), or 18.6% of our total revenue, in 2025. In 2025, our principal products in this category in terms of sales revenue consisted of display panels of sizes between 55 inches and 77 inches. Our sales of television display panels, which had historically been our largest product category by revenue in prior years, have been affected by our strategic decision to reduce and ultimately cease all of our production of TFT-LCD television display panels (which had historically comprised a substantial majority of our television display panels) in response to weakening market demand and intensifying price competition. In 2022, we reduced our production capacity of TFT-LCD panels for televisions at our manufacturing facilities in China and ceased production at, and closed, our P7 facility (where we had produced TFT-LCD panels for televisions) in December 2022, in light of our continued efforts to increase the proportion of OLED television panels in our product mix and the production capacity for such panels and further reduce our production level of TFT-LCD panels, which we believe to be relatively more sensitive to market conditions and generally allow for fewer opportunities for product differentiation. We also implemented a phased exit strategy for our TFT-LCD television panel manufacturing facility in China and, in September 2024, as part of our efforts to accelerate the ongoing shift in our strategic direction to focus on OLED panels, entered into an agreement with TCL CSOT to dispose of our entire equity interest in the China TFT-LCD Television Panel Subsidiaries. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025, and we have fully discontinued the production of TFT-LCD television panels and are currently focusing on ultra-large OLED television panels and premium business-to-consumer products.

Consumer demand for both TFT-LCD and OLED televisions decreased in 2023 due in part to the tapering of the temporary surge in demand for such products caused by the COVID-19 pandemic. Additionally, products purchased during the peak of the pandemic had not yet reached their replacement cycles, and there was a prolonged general decrease in consumer consumption levels due to rising inflation and interest rates and economic volatility and uncertainty globally. In 2024, while the overall television market conditions continued to remain weak amid continued economic volatility and uncertainty in many parts of the world and intensifying competition between OLED and mini-LED technologies, our revenue from television display panels increased due to our strategic focus on diversifying our product mix and increasing the proportion of gaming OLED and ultra-large display panels. In 2025, while the global television market remained relatively flat amid increased macroeconomic uncertainty and intensified price competition in TFT-LCD technologies, adoption of high-end display technologies such as OLED and mini-LED continued to increase, particularly in premium products offered by global television manufacturers. Against this backdrop, our revenue from television display panels decreased due to a significant decline in our TFT-LCD panel production following the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025, which more than offset increased OLED panel production supported by stable demand from key customers.

Brand manufacturers of televisions and their distribution channels prefer long-term arrangements with a limited number of display panel suppliers that can offer a full product line, and we believe that we will continue to be well positioned to meet their requirements with our strengths in technology, manufacturing scale and efficiency as well as the breadth of our product portfolio.

Mobile and Other Products

Our product portfolio also includes panels for mobile and other products, which utilize a wide array of display panel sizes, including smartphones and other types of mobile phones and industrial and other applications, including entertainment systems and medical diagnostic equipment. Display panels that are nine inches and smaller are referred to as small- and medium-sized panels.

The market for smartphones recorded negative growth in 2023 and 2024 mainly due to a prolonged decline in demand for smartphones as a result of geopolitical conflicts, rising inflation and interest rates and economic volatility and uncertainty globally, as well as the high penetration rate of smartphones, according to Counterpoint Technology Market Research. In 2025, the smartphone market experienced modest growth, driven primarily by increased demand in China and certain emerging markets; however, overall growth remained constrained due to market saturation, extended device replacement cycles and the continued expansion of the secondary handset market. Revenue from sales of our display panels for mobile and other products were ₩7,071 billion, or 33.1% of our total revenue, in 2023, ₩8,782 billion, or 33.0% of our total revenue, in 2024 and ₩9,132 billion (US\$6,322 million), or 35.4% of our total revenue, in 2025. In 2025, sales of panels for smartphones constituted a majority in terms of both sales revenue and sales volume in the mobile and other products category. In recent years, we have increased the proportion of OLED panels (including plastic OLED panels) for mobile and other products that command relatively higher prices in our product mix.

Some of the panels we produce for industrial products, such as medical diagnostic equipment, are highly specialized niche products manufactured and designed to the specifications of our clients, while others, such as industrial controllers, may be manufactured by slightly modifying a standard product design for our other products, such as desktop monitors. Display panels for these other products broaden our sales base and product mix. They are also often a good channel through which we can commercialize a particular technology that we have developed. We generally determine the production level and specification of our display panels for mobile and other products by assessing various business opportunities as they arise.

Auto products

We produce a variety of display products based on OLED and TFT-LCD technologies in various sizes and shapes for auto products. We are further developing innovative new products and technologies for auto products, including ultra-large pillar-to-pillar displays and OLED curved displays, both of which are currently in mass production, as well as switchable privacy OLED and TFT-LCD displays, for both of which core technologies have been secured, and infrared camera under-display panels and slidable display designs that are under development. Our panels for auto products range from 6.1 inches to 38.9 inches in size. Our sales of display panels for auto products were ₩1,999 billion, or 9.4% of our total revenue, in 2023, ₩2,281 billion, or 8.6% of our total revenue, in 2024 and ₩2,136 billion (US\$1,479 million), or 8.3% of our total revenue, in 2025. In 2025, our principal products in this category in terms of sales revenue consisted of display panels of sizes between 8 inches and 16 inches. Our panels for auto products are designed and manufactured to the specifications of our customers, which mainly consist of leading global automobile manufacturers. From 2023 to 2024, the

demand for automotive panels experienced gradual growth, driven by the recovery of the automobile market and increasing adoption of display panels, partly due to a recovery in demand for automobiles following the COVID-19 pandemic. Our revenue also grew during this period, supported by the increasing share of premium displays based on OLED and LTPS technologies as well as the trend toward larger display sizes. In 2025, global automobile sales continued to grow across most regions, and the automotive display panel market expanded further as the adoption of in-vehicle display panels continued to increase. Our revenue in this segment declined primarily due to a decrease in demand in the downstream automobile market, driven by intensifying competition from Chinese electric vehicle manufacturers. In recent years, we have been focusing on developing and manufacturing differentiated OLED automotive display panels to address the growth of software-defined vehicles and the development of autonomous driving technology.

Sales and Marketing

Customer Profile

Our display panels are included primarily in IT products, televisions, mobile devices, automobiles and other products sold by our global end-brand customers, including LG Electronics. LG Electronics is our largest shareholder, and the terms of our sales to LG Electronics are negotiated based on then-prevailing market prices as adjusted for LG Electronics' requirements, including volume and specifications. See "Item 7.B. Related Party Transactions" for further description of our sales to LG Electronics.

We negotiate directly with our end-brand customers concerning the terms and conditions of the sales, but typically ship our display panels to designated system integrators at the direction of these end-brand customers. Sales data to end-brand customers include direct sales to these end-brand customers as well as sales to their designated system integrators, including through our formerly affiliated trading company, LX International, and its subsidiaries, as further discussed below under "—Sales."

A substantial portion of our sales is attributable to a limited number of our end-brand customers. Our top ten end-brand customers together accounted for a significant majority of our sales in each of 2023, 2024 and 2025. Of our top ten end-brand customers, two of them each accounted for more than 10% of our sales on an individual basis for each of the past three years. For example, sales to LG Electronics, including as a system integrator, amounted to approximately 16%, 14% and 13% of our sales in 2023, 2024 and 2025, respectively.

In addition to our top ten end-brand customers, we sell a portion of our display panels to a variety of other manufacturers of computers and electronic products.

The following table sets forth for the years indicated the geographic breakdown of our sales based on the location of our customers.

	Year ended December 31,						
	2023		2024		2025		
	Sales	%	Sales	%	Sales	Sales ⁽³⁾	
	(in billions of Won and millions of US\$, except for percentages)						
Korea	₩ 634	3.0%	₩ 1,007	3.8%	₩ 990	US\$ 685	3.8%
China	14,704	68.9	18,150	68.2	16,592	11,486	64.3
Asia (excluding China) ⁽¹⁾	2,398	11.3	3,228	12.1	4,541	3,144	17.7
Americas ⁽²⁾	2,080	9.7	2,283	8.6	1,970	1,364	7.6
Europe	1,515	7.1	1,947	7.3	1,717	1,188	6.6
Total ⁽³⁾	₩ 21,331	100.0%	₩ 26,615	100.0%	₩ 25,810	US\$ 17,867	100.0%

(1) Includes Oceania, Africa and the Middle East.

(2) Includes North and South America.

(3) For convenience, the Korean Won amounts are expressed in U.S. dollars at the rate of ₩1,444.55 to US\$1.00, the noon buying rate in effect on December 31, 2025 as certified by the Federal Reserve Bank of New York for customs purposes. This translation should not be construed as a representation that the Korean Won amounts represent, have been or could be converted to U.S. dollars at that rate or any other rate.

Sales

Our sales and marketing departments seek to maintain and strengthen relationships with our current customers in existing markets as well as expand our business in new markets and with new customers. We currently have wholly-owned sales subsidiaries in the United States, Japan, Germany, Taiwan, China and Singapore.

The focus of our sales activities is on strengthening our relationships with large end-brand customers, with whom we maintain strong collaborative relationships. Customers look to us for a reliable supply of a wide range of display products. We believe our reliability and scale as a supplier helps support our customers' product positions. We view our relationships with our end-brand customers as important to their product development strategies, and we collaborate with our end-brand customers in the design and development stages of their new products. In addition, our sales teams coordinate closely with our end-brand customers' designated system integrators to ensure timely delivery. For each key customer, we appoint an account manager who is primarily responsible for our relationship with that specific customer, complemented by a product development team consisting of engineers who participate in meetings with that customer to understand the customer's specific needs.

In 2025, and historically, the majority of our sales were generated from transactions pursuant to purchase orders on an ongoing basis from our global customers. Typically, our end-brand customers or their designated system integrators place purchase orders with us a few weeks prior to delivery. Generally, the head office of an end-brand customer provides us with advance rolling forecasts, which, together with our own forecasts, enable us to plan our production schedule in advance. However, the volume and pricing of our display panel products are generally influenced by various factors including market conditions, such as competition with other vendors, the complexity of product specifications and the labor and technology involved in the design and production processes.

As part of our ongoing efforts to enhance our overall business structure, including efforts to improve our profitability and reduce production volatility, we have been actively seeking, and plan to continue, to increase the proportion of products manufactured under advance supply agreements that leverage our stable production capabilities and technological leadership in advanced display products, including those utilizing OLED technology. Through these supply agreements, we aim to mitigate our exposure to fluctuations in the volume and market pricing of display products across our business areas, as long as there is no significant decline in demand caused by macroeconomic uncertainties. While these supply agreements provide an indication of the size and key components of a customer's order, neither party is obligated to supply or purchase any products until a firm purchase order is issued.

We primarily engage in direct sales (including through our overseas subsidiaries), and to a lesser extent, indirect sales through trading companies and its subsidiaries, to end-brand customers and their system integrators. Our sales subsidiaries procure purchase orders from, and distribute our products to, system integrators and end-brand customers located in their region. In regions where we do not have a sales subsidiary, or where doing so is consistent with local market practices, we sell our products to trading companies and its subsidiaries. These subsidiaries of trading companies process orders from and distribute products to customers located in their region.

We generally provide a limited warranty to our end-brand customers, including the provision of replacement parts and warranty services for our products. Costs incurred under our warranty liabilities consist primarily of repairs. We set aside a warranty reserve based on our historical experience and future expectations as to the rate and cost of claims under our warranties.

Where system integrators located in certain regions are invoiced directly, we have established certain measures, such as factoring arrangements and accounts receivable insurance programs, to protect us from excessive exposure to credit risks.

Competition

The display panel industry is highly competitive. Due to the capital intensive nature of the display panel industry and the high production volumes required to achieve economies of scale, the international market for display devices is characterized by significant barriers to entry, but the competition among the relatively small number of major producers is intense. In the case of TFT-LCD panel manufacturers, currently almost all of them are located in Asia, and we compete principally with manufacturers from Korea, Taiwan, China and Japan. We have experienced pressure on the prices and margins of our major products due largely to additional capacity from panel makers in Asia, particularly in China. The market share of Chinese manufacturers in the global TFT-LCD display market has significantly increased in recent years primarily due to their large investments in production facilities and production of large volumes of lower-priced panels with

the support of the Chinese government as part of its efforts to encourage Chinese consumers to purchase domestically manufactured products. Chinese display panel manufacturers have also been increasingly making capital investments in OLED technology, especially with respect to small- and mid-sized OLED display panels. For example, BOE, China's largest display panel manufacturer, has continued to make capital investments aimed at expanding its OLED production capabilities across multiple manufacturing facilities in China, including in Chengdu and other regions. Moreover, Samsung Display, one of our primary competitors based in Korea, has continued making significant capital investments in a new OLED manufacturing facility in Asan, Korea. Increased production capacity resulting from such investments as well as additional investments by our competitors in China and elsewhere may result in further intensified competition.

The principal elements of competition for customers in the display panel market include:

- product portfolio range and availability;
- product specifications and performance;
- price;
- capacity allocation and reliability;
- customer service, including product design support; and
- logistics support and proximity of regional stocking facilities.

Our principal competitors are:

- Samsung Display in Korea;
- AU Optronics and Innolux in Taiwan;
- Sharp in Japan; and
- BOE, TCL CSOT and HKC in China.

According to OMDIA, in 2025, Korean display panel manufacturers had a market share of 18% of the 9-inch or larger display panel market based on revenue, Chinese manufacturers had 63%, Taiwanese manufacturers had 15% and Japanese manufacturers had 4%. Our market share of the 9-inch or larger panel market based on revenue was approximately 13%. Also according to the same source, in 2025, Korean display panel manufacturers had a market share of 47% of the smaller than 9-inch display panel market based on revenue, Chinese manufacturers had 42%, Taiwanese manufacturers had 7% and Japanese manufacturers had 4%. Our market share of the smaller than 9-inch display panel market based on revenue was approximately 16%.

Components, Raw Materials and Suppliers

Components and raw materials accounted for approximately 55%, 57% and 58% of our cost of sales in 2023, 2024 and 2025, respectively. The key components and raw materials of our display products include glass substrates, driver integrated circuits and polarizers used in both our TFT-LCD and OLED products, backlight units and liquid crystal materials used in our TFT-LCD products, and hole transport materials and emission materials used in our OLED products. We source these components and raw materials from outside sources, although, unlike many other display panel manufacturers, we produce a substantial portion of the color filters we use. With respect to glass substrates, Paju Electric Glass Co., Ltd., a joint venture company in which we own a 40% equity interest, provides us with a stable supply at competitive prices.

We generally negotiate non-binding master supply agreements with our suppliers several times a year, but pricing terms are negotiated on a quarterly basis, or if necessary, on a monthly basis. Firm purchase orders are issued generally six weeks prior to the scheduled delivery, except in the case of purchase orders for driver integrated circuits, which are issued generally several months prior to the scheduled delivery. We purchase our components and raw materials based on forecasts from our end-brand customers as well as our own assessments of our end-brand customers' needs.

In order to reduce our component and raw material costs and our dependence on any one supplier, we generally develop compatible components and raw materials and purchase our components and raw materials from more than one source. However, we source certain key components and raw materials from a limited group of suppliers in order to ensure timely supply and consistent quality. Also, in order to facilitate implementation of our cost reduction strategies, we continually review for potential cost savings in sourcing our components and raw materials from suppliers based in Korea

and those based abroad, including competitiveness of the prices offered by such suppliers and any potential for reduction in logistics and transportation costs. We perform periodic evaluations of our component and raw material suppliers based on a number of factors, including the quality and price of the components, delivery and response time, the quality of the services and the financial health of the suppliers. We reassess our supplier pool accordingly.

We maintain a strategic relationship with many of our material suppliers, and from time to time, we make equity investments in our material suppliers as part of our efforts to secure a stable supply of key components and raw materials.

In addition to components and raw materials, the manufacturing of our products requires significant quantities of electricity and water. In order to obtain and maintain reliable electric power and water supplies, we have our own back-up power generation facilities and water storage tanks as well as easy access to nearby water sources.

Equipment, Suppliers and Third Party Processors

We depend on a limited number of equipment manufacturers for equipment tailored to specific requirements. Since our manufacturing processes depend on the quality and technological capacity of our equipment, we work closely with the equipment manufacturers in the design process to ensure that the equipment meets our specifications. The principal types of equipment we use to manufacture display panels include deposition equipment, steppers, developers and coaters.

We purchase equipment from a small number of qualified vendors to ensure consistent quality, timely delivery and performance. We maintain strategic relationships with many equipment manufacturers as part of our efforts to ensure quality while reducing costs.

Historically, we have relied on a small number of overseas vendors for equipment purchases, but in recent years, we have diversified and localized our equipment purchases by shifting some of our purchases to Korean vendors. As a result of such efforts, most of our equipment for our facilities in Korea in 2025 was purchased from Korean vendors on an invoiced basis.

Our engineers begin discussions with equipment manufacturers far in advance of the planned installation of equipment in a new fabrication facility, and we typically execute a letter of intent with the vendors in advance of our planned installation to ensure timely delivery of main equipment with long-term delivery schedules. Engineers from our vendors typically accompany the new equipment to our fabrication facilities to assist in the installation process to ensure proper operation. In addition, we outsource certain manufacturing processes to third party processors from time to time to supplement our processing capacity, and in certain cases, we maintain strategic relationships with such third party processors.

Quality Control

We believe that our advanced production capabilities and our reputation for high quality and reliable products have been important factors in attracting and retaining key customers. We have implemented quality inspection and testing procedures at all of our fabrication facilities and assembly facilities. Our quality control procedures are carried out at three stages of the manufacturing process:

- incoming quality control with respect to components and raw materials;
- in-process quality control, which is conducted at a series of control points in the manufacturing process; and
- outgoing quality control, which focuses on packaging, delivery and post-delivery services to customers.

With respect to incoming quality control, we perform quality control procedures for the raw materials and components that we purchase. These procedures include testing samples of large batches, obtaining vendor testing reports and testing to ensure compatibility with other components and raw materials, as well as vendor qualification and vendor rating. Our in-process quality control includes various programs designed to detect, as well as prevent, quality deviations, reduce manufacturing costs, ensure on-time delivery, increase in-process yields and improve field reliability of our products. We perform outgoing quality control based on burn-in testing and final visual inspection of our products and accelerated life testing of samples. We inspect and test our completed display panels to ensure that they meet our high production standards. We also provide post-delivery services to our customers, and maintain warranty exchange inventories in regional hubs to meet our customers' needs.

Our quality assurance team works to ensure effective and consistent application of our quality control procedures, which include six-sigma quality control procedures, and to introduce new methodologies that could further enhance our quality control procedures. Our quality assurance programs have received accredited ISO/IATF 16949 certifications. The ISO/IATF certification process involves subjecting our manufacturing processes and quality management systems to reviews and observation for various fixed periods. ISO/IATF certification is required by certain European countries and the United States in connection with sales of industrial products in those countries, and provides independent verification to our customers regarding the quality control measures employed in our manufacturing and assembly processes.

Insurance

We currently have property insurance coverage, including business interruption coverage, for our production facilities in Gumi and Paju, Korea, for up to ₩2.5 trillion in the aggregate, and for our panel fabrication facilities located in Guangzhou, China for up to CNY 12.2 billion in the aggregate. We also have insurance coverage for work-related injuries to our employees, accidents during overseas business travel, damage during construction, damage to products and equipment during shipment, damage to equipment during installation at our fabrication facilities, automobile accidents, bodily injury and property damage from gas accidents, as well as mandatory unemployment insurance for our workers and director and officer liability insurance. In addition, we maintain general and product liability, employment practice liability, aviation product liability and world-wide cargo insurance. Our dormitories in Gumi and Paju, Korea, have fire insurance coverage for up to approximately ₩1.0 trillion in the aggregate. Our subsidiaries also have insurance coverage for damage to office fixtures and equipment and life and disability insurance for their employees. All of our overseas manufacturing subsidiaries also carry property insurance, business interruption insurance and commercial general liability insurance.

Environmental Matters

Our production processes generate various forms of chemical and other industrial waste, waste water and greenhouse gas emissions at various stages in the manufacturing process. We have installed various types of anti-pollution equipment for the treatment and recycling of such waste products and aggressively engage in greenhouse gas emission reduction and energy conservation efforts.

As a member of the World Display device Industry Cooperation Committee, or WDICC, a display industry organization focusing on environmental issues, we have voluntarily agreed to reduce emission of greenhouse gases, such as nitrogen trifluoride, or NF₃, sulfur hexafluoride, or SF₆, and carbon tetrafluoride, or CF₄, gases, by developing and adopting cost-effective abatement technologies and systems and increasing the number of abatement systems installed in our facilities. We installed NF₃ abatement systems at all of our production lines when the production facilities were being constructed. In addition, we have installed SF₆ and CF₄ abatement systems, and developed and applied processes that utilize substitute gases with lower global warming potential than SF₆, in each of our facilities in Gumi and Paju, Korea. In addition, starting in 2021, we have begun to use electricity generated from eco-friendly sources such as solar power, wind power and hydropower instead of fossil fuels to satisfy our electricity needs in part and plan to further expand our reliance on renewable energy in the future.

In order to respond to applicable domestic and overseas environmental regulations, such as the European Union's Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) that restrict the use of certain hazardous substances, we operate a hazardous substance management program that implements a four-step procedure that manages various stages of our production cycle, beginning with the registration process of our business partners up to the mass production stage. In addition, in order to preemptively address four types of phthalate substances that became additionally regulated pursuant to the RoHS in 2016 and officially went into effect in July 2019, we replaced the latent risk elements in advance as well as implemented a more stable management process with respect to such substances. In implementing this process, we collaborated with external agencies to ascertain regulatory trends and establish our response strategy, and we formulated and applied effective management measures through the collaborative efforts of our development, procurement, quality assurance and analysis teams. For the more efficient operation of our waste water treatment equipment, we have also entered into an agreement with Suviol for the operation of our water treatment system.

We also operate a “Hazardous Substance Management System for Products” that effectively manages hazardous substances by classifying them into four levels: A-I, A-II, B-I, and B-II. In particular, in addition to substances prohibited by global hazardous substance regulations on products, we have designated substances causing harm to the human body and the environment as Level B substances, which categories represent substances subject to voluntary reduction or under observation for future action. By developing alternative technologies and parts and applying them to our products, we continually strive to achieve a gradual reduction and elimination of non-prohibited hazardous substances.

Operations at our manufacturing plants are subject to regulation and periodic scheduled and unscheduled on-site inspections by the Korean Ministry of Environment and local environmental protection authorities. We believe that we have adopted adequate anti-pollution measures for the effective maintenance of environmental protection standards consistent with local industry practice, and that we are in compliance in all material respects with the applicable environmental laws and regulations in Korea, including the Framework Act on Low Carbon, Green Growth, the Korean government, under which we are required to submit periodic greenhouse gas emission and energy usage statements, performance reports and greenhouse gas emission and energy usage reduction plans to the Korean government. Expenditures related to such compliance may be substantial and are generally included in capital expenditures. As required by Korean law, we employ licensed environmental specialists for each environmental area, including air quality, water quality, toxic materials and radiation.

As part of our efforts to establish and operate environmental-friendly energy management systems at our domestic and overseas fabrication facilities and production plants, we have received the International Organization for Standardization (“ISO”) 14001 (environmental management system) and ISO 50001 (energy management system) certifications for all of our domestic and overseas production sites. In 2022, we achieved the Gold rating for Zero Waste to Landfill (“ZWTL”) for our Paju and Gumi facilities and the Platinum rating for our Nanjing facility. Through ongoing efforts to improve our recycling rate, our Paju facility achieved a Platinum rating in June 2024 and maintained its Platinum rating following the 2025 reassessment in July 2025. Our Gumi facility achieved a Platinum rating in July 2025, and our Guangzhou facility achieved a Platinum rating in December 2024. In November 2025, we achieved the Gold rating for our Vietnam facility, completing ZWTL certification for all of our production sites. Furthermore, in accordance with the Korean government’s waste management policy, we introduced a resource recycling certification program in 2022 and have obtained circular resource certification for a number of our waste materials. We continue to maintain these certifications through annual verification and ongoing improvement activities and intend to further strengthen our resource recycling program by minimizing waste generation and maximizing recycling rates.

In addition, we are continually pursuing ESG management activities based on the spirit of “value creation for consumers” and “human-first management,” and we plan to obtain further recognitions for our eco-friendly management and share relevant information with our stakeholders.

In 2021, we received the “Green Technology Certification” from the Korean Ministry of Science and ICT for our advanced incell touch display technology, an eco-friendly technology, which reduces carbon emissions and the use of rare metals. Also, since 2021, we have continued to obtain an eco-friendly certification from TUV SUD, a globally recognized accreditation agency based in Germany, for excellence in resource circulation and compliance with Waste Electrical and Electronic Equipment (WEEE) regulations and the non-use of specific hazardous substances in our OLED television display panels, plastic OLED mobile and smartwatch display products, OLED tablet display panels and TFT-LCD panels for IT products. In 2022, we became the first company in the industry to receive the SGS Eco Label accreditation from SGS, a global product testing and certification agency, for our automotive display products utilizing plastic OLED and low-temperature polycrystalline silicon LCD. This recognition was awarded for reducing the power consumption of such products by enhancing the luminous efficiency of their organic elements, improving their liquid crystal transmittance rates, and minimizing hazardous substances. In 2024, this accreditation was updated to the “SGS EEPs accreditation.”

In 2023, we received the SGS Eco Label accreditation for our high-end LCD display panels for certain IT products (27 inches or smaller in size) applying recycled materials for the first time and was the first in the industry to receive such accreditation for our 30-inch and 55-inch transparent display products applying hazardous substance reduction technology. We also received the SGS Performance Mark accreditation for our commercial display products applying energy consumption reduction technology and for our high-end IT display products (27 inches or smaller in size) for reducing energy consumption through the implementation of proprietary algorithms and improving panel transmittance. In addition, we received the SGS performance accreditation for our IT display products applying antibacterial films.

In addition, we received the Product Carbon Footprint (PCF) certification from TÜV Rheinland, a global independent testing, inspection and certification agency, in 2023 for our high-end IT display products (27-inch or smaller in size) for achieving a reduction in carbon emissions through the application of recycled materials and low energy consumption technologies. Our OLED panels for auto products also received the same certification for achieving a reduction in carbon emissions through the application of light-control film integration technology. In 2024, our 14-inch high-end LCD display panel for notebook computers received the Product Carbon Footprint Reduction (PCR) certification from TÜV Rheinland through the application of bio-plastics, recycled materials and ultra-precision micro-processing technology. Additionally, after verification by Underwriters Laboratories (UL), a global inspection and certification agency, such display panel also received the Environmental Claim Validation (ECV) certification.

In 2025, we obtained the Product Carbon Footprint Calculation Method certification from TÜV Rheinland, reflecting our establishment of a system to evaluate carbon emissions generated throughout the entire product life cycle based on international standards and our proprietary evaluation methodology optimized for display panels, as well as an IT system for calculating product carbon footprints. In the same year, after enhancing and replacing PFAS-containing components in certain LCD panels for notebook computers, we obtained the SGS ECCS Mark – PFAS Screened.

Joint Ventures

We consider joint ventures an important part of our business, both operationally and strategically. We have used joint ventures to enter into new geographic markets, in particular China, to gain new customers and/or strengthen positions with existing customers and to procure certain components and raw materials. When entering new geographic markets where we do not have substantial local experience and infrastructure, teaming up with a local partner can reduce capital investment by leveraging the pre-existing infrastructure of local partners. In addition, local partners in these markets can provide knowledge and insight into local customs and practices and access to local suppliers of raw materials and components. All of these advantages can reduce the risk, and thereby enhance the prospects for the success, of an entry into a new geographic market. If the partner of the joint venture already has an established customer base, it can also be an effective means to acquire such new customers. Joint venture arrangements also allow us to access technology we would otherwise have to develop independently, thereby reducing the time and cost of development. They can also provide the opportunity to create synergies and applications of technology that would not otherwise be possible.

From time to time, we have pursued a number of joint venture initiatives. For example, in September 2012, we entered into a joint venture agreement with Guangzhou GET Technologies Development Co., Ltd., or GET Tech, and Shenzhen SKYWORTH-RGB Electronic Co., Ltd., or Skyworth, to establish LG Display (China) Co., Ltd., which owned and operated our CA fabrication facility in Guangzhou, China. We initially acquired a 70.0% equity interest in LG Display (China) and invested a total of approximately US\$927 million over a period of two years from the date of incorporation of LG Display (China). Each of GET Tech and Skyworth initially owned a 20.0% and 10.0% equity interest in LG Display (China), respectively. However, as part of our strategic shift to focus on OLED panels, we recently disposed of our equity interest in LG Display (China). In connection with such transaction, we first acquired Skyworth's 10% equity interest in the company and subsequently entered into a sale agreement with TCL CSOT in September 2024 to dispose of our entire 80% equity interest in LG Display (China). Following the completion of the sale, LG Display (China) was excluded from the scope of our consolidated subsidiaries effective April 1, 2025. See “—Products—Televisions.” In addition, in July 2018, we established and acquired a 69% ownership interest in a joint venture with the government of Guangzhou, LG Display High-Tech (China) Co., Ltd., to construct our new CO fabrication facility to manufacture next generation large-sized OLED panels in Guangzhou, China. We currently own a 70% equity interest in LG Display High-Tech (China) Co., Ltd., and we commenced mass production of large-sized OLED panels at the CO fabrication facility in July 2020.

We intend to continue to seek strategic acquisition and joint venture opportunities and conduct feasibility studies with respect to establishing new manufacturing subsidiaries in strategic locations to deepen our market penetration, achieve economies of scale, increase our customer base, expand our geographical reach and reduce costs.

Subsidiaries

The following table sets forth summary information for our subsidiaries as of December 31, 2025:

Subsidiary	Main Activities	Jurisdiction of Organization	Date of Organization	Percentage of Our Ownership Interest	Percentage of Our Voting Power
LG Display Taiwan Co., Ltd.	Sales	Taiwan	April 1999	100%	100%
LG Display America, Inc.	Sales	U.S.A.	September 1999	100%	100%
LG Display Japan Co., Ltd.	Sales	Japan	October 1999	100%	100%
LG Display Germany GmbH	Sales	Germany	October 1999	100%	100%
LG Display Nanjing Co., Ltd.	Manufacturing	China	July 2002	100%	100%
LG Display Shanghai Co., Ltd.	Sales	China	January 2003	100%	100%
LG Display Shenzhen Co., Ltd.	Sales	China	July 2007	100%	100%
LG Display Singapore Pte. Ltd.	Sales	Singapore	November 2008	100%	100%
LG Display Yantai Co., Ltd.	Manufacturing	China	March 2010	100%	100%
L&T Display Technology (Fujian) Ltd.	Manufacturing and sales	China	December 2009	51%	51%
Nanumnuri Co., Ltd.	Managing welfare facilities	Korea	March 2012	100%	100%
Unified Innovative Technology, LLC	Managing intellectual property	U.S.A.	March 2014	100%	100%
Global OLED Technology LLC	Managing intellectual property	U.S.A.	December 2009	100%	100%
LG Display Guangzhou Trading Co., Ltd.	Sales	China	April 2015	100%	100%
LG Display Vietnam Haiphong Co., Ltd.	Manufacturing and sales	Vietnam	May 2016	100%	100%
Suzhou Lehui Display Co., Ltd.	Manufacturing and sales	China	July 2016	100%	100%
LG Display Fund I LLC	Investing in new emerging companies	U.S.A.	May 2018	100%	100%
LG Display High-Tech (China) Co., Ltd.	Manufacturing and sales	China	July 2018	70%	70%

N.B. See Note 1(b) of the notes to our financial statements for changes to our subsidiaries during the year ended December 31, 2025.

Item 4.C. Organizational Structure

These matters are discussed under Item 4.B. where relevant.

Item 4.D. Property, Plants and Equipment

Current Facilities

The following table sets forth the size, location and primary use of our current fabrication facilities.

Fabrication Facility	Generation ⁽¹⁾	Mass Production Commencement	Location	Gross Floor Area (in square meters)	Primary Types of Panels Produced
Korea					
P62 (2)	6	April 2009	Gumi, Korea	—	TFT-LCD for IT products
AP3	6	February 2014	Gumi, Korea	288,634	Plastic OLED for mobile and other products
P8 (3)	8	March 2009	Paju, Korea	506,895	TFT-LCD for commercial displays and IT products
OP1 (4)	8	January 2013	Paju, Korea	See P8 above	OLED for television and IT products
P9 (5)	8	June 2012	Paju, Korea	534,777	TFT-LCD for IT products
AP4 (6)	6	July 2019	Paju, Korea	See P9 above	Plastic OLED for mobile and other products
AP5	6	February 2024 ⁽⁷⁾	Paju, Korea	915,482 ⁽⁸⁾	Glass OLED and plastic OLED for IT products and other applications
Overseas					
CO	8	July 2020	Guangzhou, China	426,139	OLED for television

(1) Based on internal reference to evolutions in facility design, material flows and input substrate sizes. There are several definitions of “generations” in the display industry. There has been no consensus in the display industry on a uniform definition. References to generations made in this annual report are based on our current definition of generations as indicated in the table below.

Substrate Sizes (in millimeters)	Gen 5	Gen 6	Gen 7	Gen 8
	1,000 x 1,200			
	1,100 x 1,250			
	1,100 x 1,300	1,500 x 1,800	1,870 x 2,200	
	1,200 x 1,300	1,500 x 1,850	1,950 x 2,250	2,200 x 2,500

- (2) We ceased production at, and closed, the P62 fabrication facility in June 2023.
- (3) Gross floor area of P8 fabrication facility includes the gross floor area of OP1 fabrication facility, which is located in the same complex.
- (4) The gross floor area of this fabrication facility is included within the P8 fabrication facility.
- (5) Gross floor area of P9 fabrication facility includes the gross floor area of AP4 fabrication facility, which is located in the same complex.
- (6) The gross floor area of this fabrication facility is included within the P9 fabrication facility.
- (7) Based on the construction completion date.
- (8) Represents the gross floor area for the overall P10 fabrication facility (in which AP5 facility is located), which is currently not yet completed.

For input substrate size, initial design capacity and year-end input capacity as a result of ramp-up for each of our fabrication facilities, please see “Item 5.A. Operating Results—Overview—Manufacturing Productivity and Costs.”

We also operate module assembly facilities in China (Nanjing, Guangzhou and Yantai), Korea (Gumi and Paju) and Vietnam (Haiphong). In addition, we operate a research and development facility in Paju, Korea, which we refer to as the R&D Center. We opened the R&D Center in April 2012 to consolidate our research and development efforts for next-generation display technologies. The following table sets forth the size of our R&D Center and module assembly facilities.

Facility	Gross Floor Area (in square meters)	Mass Production Commencement
R&D Center	69,871	Not applicable (opened in April 2012)
Gumi assembly facility	301,779	January 1995
Nanjing assembly facility ⁽¹⁾	159,448	May 2003
Paju assembly facility	225,093	January 2006
Guangzhou assembly facility	89,517 ⁽²⁾	December 2007
Yantai assembly facility	45,170	May 2010
Haiphong assembly facility	358,787	July 2017

(1) More recently, in February 2026, to further improve our overall operational efficiency and upgrade our business structure by outsourcing the in-house production of automotive display TFT-LCD modules, we entered into an agreement with Top Run Total Solution to transfer the automotive display TFT-LCD module business of LG Display Nanjing Co., Ltd., which transfer is expected to be completed in July 2026.

(2) The gross floor area for this facility excludes the floor area attributable to the module assembly facility relating to TFT-LCD television panels, which we disposed of as part of the sale of the related businesses to TCL CSOT.

Capital Expenditures

In July 2017, we announced plans to make investments in an aggregate amount of up to ₩7.8 trillion mainly in new large-sized and plastic OLED production lines in Paju, Korea. In July 2019, we announced plans to make additional investments of ₩3.0 trillion in the previously announced new large-sized OLED production lines. Certain of such investments have already been completed with respect to plastic OLED panels and we commenced mass production of such panels in July 2019. However, our scheduled investments in large-sized OLED panels pursuant to the July 2017 and July 2019 announcements have been extended until the first quarter of 2028 due in part to increased uncertainties in the global economic environment. We are in the process of developing and assessing the specifics of such planned investments, including the timing. In August 2021, we announced plans to make investments in an aggregate amount of up to ₩3.3 trillion in a new fabrication complex in Paju, Korea, P10, which will be used for the production of small- and medium-sized OLED panels. We completed the construction of our AP5 fabrication facility located within such complex in February 2024 and have subsequently commenced mass production of medium-sized OLED panels at such facility. In June 2025, we announced plans to invest approximately ₩1.3 trillion in next-generation OLED technologies and infrastructure, primarily at our fabrication complex in Paju, Korea, and such investment is currently in progress. In addition, on April 22, 2026, we announced plans to make investments in an aggregate amount of ₩1.1 trillion in new facilities for the purpose of enhancing our technological competitiveness and strengthening our basis for growth through the advancement of OLED technologies, with an expected completion date of June 30, 2028.

We currently expect that, in 2026, our total capital expenditures on a cash out basis will be higher compared to 2025 and will be used primarily to continue to fund our previously announced investments related to our continued and ongoing transition to an OLED-centric business structure, as well as other essential recurring investments. Such expected capital expenditures are subject to periodic assessment, and we cannot provide any assurance that such expected capital expenditures may not change materially after assessment. We may undertake further expansion projects in the future with respect to our existing facilities as our overall business strategy may require.

Item 4A. UNRESOLVED STAFF COMMENTS

We do not have any unresolved comments from the SEC staff regarding our periodic reports under the Exchange Act.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Item 5.A. Operating Results

Overview

Our results of operations are affected principally by overall market conditions, our manufacturing productivity and costs, and our product mix.

Market Conditions

The display industry in which we operate is affected by market conditions that are often outside the control of individual manufacturers. Our results of operations might fluctuate significantly from period to period due to market factors, such as seasonal variations in consumer demand, global economic conditions, external factors that impact the supply chain, surges in production capacity by competitors and changes in technology. Over the past decade, the display industry has been undergoing a transition from TFT-LCD panels to alternative display panels based on newer technologies, primarily OLED panels. While TFT-LCD panels account for a majority of the products supplied in the overall display industry, OLED technology is widely seen in the display industry as the successor technology to TFT-LCD technology and has continually gained wider market acceptance for use in display panels over the past decade. With respect to the TFT-LCD industry, sales volume decreased from 2,706 million units in 2012 to 2,526 million units in 2025, and market revenue decreased from US\$92 billion to US\$81 billion during the same period according to OMDIA. With respect to the OLED industry, sales volume significantly increased from 188 million units in 2012 to 1,063 million units in 2025, and market revenue also significantly increased from US\$7 billion to US\$52 billion during the same period, also according to OMDIA.

Currently, small-sized panels for use in mobile devices such as smartphones make up the bulk of the OLED panel market, accounting for approximately 83% of industry revenue from global sales of OLED panels in 2025. While the OLED market has historically been significantly smaller than the TFT-LCD market, we believe that the market has been evolving steadily as OLED panels have continued to achieve broader adoption across a wider range of applications and sizes, supported by technological advances and improvements in manufacturing efficiency. We have been engaged in the development and commercialization of OLED technology for over a decade and have accumulated experience in the mass production of OLED panels across various product categories. In recent years, we have significantly expanded our investment and production capabilities to support the commercialization of OLED panels at scale. For example, in August 2021, we announced plans to make investments in an aggregate amount of up to ₩3.3 trillion in a new fabrication complex in Paju, Korea, P10, which will be used for the production of small- and medium-sized OLED panels. We completed the construction of our AP5 fabrication facility located within such complex in February 2024, and have subsequently commenced mass production of medium-sized OLED panels at such facility. In June 2025, we announced plans to invest approximately ₩1.3 trillion in next-generation OLED technologies and infrastructure, primarily at our fabrication complex in Paju, Korea, and such investment is currently in progress. In addition, on April 22, 2026, we announced plans to make investments in an aggregate amount of ₩1.1 trillion in new facilities for the purpose of enhancing our technological competitiveness and strengthening our basis for growth through the advancement of OLED technologies, with an expected completion date of June 30, 2028. At the same time, we have been strategically reducing the production level of our TFT-LCD panels, including through the disposal of our equity interest in our Chinese subsidiaries engaged in the manufacturing of TFT-LCD panels and modules for televisions. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025. See “Risk Factors — Risks Relating to Our Industry — A global economic downturn may result in reduced demand for our products and adversely affect our profitability.”

While the display industry has shown periods of rapid growth in the past, it has also experienced business cycles with significant and rapid price declines from time to time. Historically, display panel manufacturers have increased display area fabrication capacity rapidly at times. Capacity expansion occurs especially rapidly when several manufacturers ramp-up new factories at the same time. Recently, Chinese display panel manufacturers have been increasingly making capital investments in OLED technology, especially with respect to small- and mid-sized OLED display panels. For example, BOE, China’s largest display panel manufacturer, has continued to make capital investments aimed at expanding its OLED production capabilities across multiple manufacturing facilities in China, including in Chengdu and other regions. Moreover, Samsung Display, one of our primary competitors based in Korea, has been making significant capital investments in a new OLED manufacturing facility in Asan, Korea. During periods of surges in the rate of supply growth, our customers are able to exert downward pricing pressure, leading to sharp declines in average selling prices and significant fluctuations in our gross margin. In addition, regardless of relative capacity expansion, we expect average selling prices of our existing products to decline as the cost of manufacturing declines due to technology advances and component cost reductions. Conversely,

constraints in the industry supply chain or increased demand for new technology products have led to increased prices for display panels in some past periods.

According to OMDIA, the display industry for panels that are nine inches or larger expanded in 2025 compared to 2024, with total market revenue increasing from approximately US\$71 billion in 2024 to US\$72 billion in 2025. The average selling price of those panels decreased during the same period by approximately 4% from approximately US\$80 in 2024 to US\$76 in 2025. Moreover, according to OMDIA, the display industry for panels that are smaller than nine inches contracted in 2025 compared to 2024, with total market revenue decreasing from US\$65 billion in 2024 to US\$63 billion in 2025. The average selling price of those panels decreased during the same period by approximately 3% from approximately US\$23 in 2024 to US\$22 in 2025. We believe that these decreases in the average selling prices of display panels were partly attributable to intensified competition in the display panel industry.

We strive to mitigate the effect of industry cyclicality and the resulting price fluctuations by planning capacity expansions and capacity allocations, or shifting our product mix, to capture premium prices in specific emerging, high-end product categories. As part of our strategy, we have been proceeding with additional investments to secure future technological competitiveness through timely development of new OLED technologies and related infrastructure, as well as upgrading and converting existing facilities and production lines to produce differentiated specialty display panels that command higher premiums. See “Item 4.D. Property, Plants and Equipment—Capital Expenditures.”

In addition, we are vigorously pursuing our strategy to develop differentiated specialty products and technologies that better address our customers’ needs, thereby delivering greater value to our customers. In many cases, these efforts go hand-in-hand with our efforts to develop products based on new technologies that allow us to realize greater premiums. For example, we have allocated significant resources to the development and production of specialized OLED panels for televisions and commercial displays (such as our next-generation “META” display panels (which apply advanced technologies to offer brighter and more stable images), transparent OLED display panels as well as OLED display panels for gaming monitors), display panels utilizing Ultra HD technology, low power consumption and AH-IPS technology for various IT products and televisions and plastic OLED technology for smartphones, automotive products and wearable devices. In particular, we have deployed, and are continuing to deploy, significant resources into plastic OLED panels for mobile and other products and auto products, as well as medium-sized OLED panels for IT products, to further expand our market presence and maintain our early competitive edge in such market.

Another key aspect of our strategy is to foster close cooperation with our customers and build on our strategic relationships with many of our key suppliers. Success of a new product depends on, among other things, working closely with our customers to gain insights into their product needs and to understand general trends in the market. At the same time, we often work with our equipment suppliers to design equipment that can enhance the efficiency of our production processes for such new products.

Uncertainties in the global economy have increased in recent years, with global financial and capital markets experiencing substantial volatility. In particular, the COVID-19 pandemic that began in late 2019 and rapid increases in interest rates globally starting in the second half of 2021 to combat inflation have materially and adversely affected the global economy and financial markets. Such uncertainties have been, and continue to be, exacerbated by, among other things, a deterioration in economic and trade relations between the United States and its trading partners (including as a result of the imposition of significant tariffs by the United States on its trading partners) which has been followed by retaliatory tariffs in some cases, escalations in trade protectionism globally, Russia’s invasion of Ukraine and ensuing sanctions against Russia, the slowdown of economic growth in China and other major emerging market economies, adverse economic and political conditions in Europe and Latin America and continuing geopolitical and social instability in North Korea and various parts of the Middle East, including the military conflicts between Iran and other countries, including the United States and Israel. See “Item 3.D. Risk Factors—Risks Relating to Our Industry—A global economic downturn may result in reduced demand for our products and adversely affect our profitability” and “Item 3.D. Risk Factors—Risks Relating to Our Company—Earthquakes, tsunamis, floods, severe health epidemics and other natural calamities could materially adversely affect our business, results of operations or financial condition.” We cannot provide any assurance that demand for our products can increase or be sustained at current levels in future periods, or that the demand for our products will not decrease in the future due to such economic downturns, which may adversely affect our profitability.

Manufacturing Productivity and Costs

We seek to continually enhance our manufacturing productivity and thereby reduce the cost of producing each panel. Over the years, we have expanded our production capacity by investing in fabrication facilities that can process larger-

size glass substrates, which allows us to improve manufacturing efficiency and produce more panels and a variety of display sizes to accommodate evolving business and consumer demands. The following table shows the input substrate size, initial design capacity and year-end input capacity as a result of ramp-up for each of our fabrication facilities as of the dates indicated:

Facility	Primary Input Substrates Size (in millimeters)	Year-end Input Capacity ⁽¹⁾		
		2023	2024	2025
(in thousands of input substrates per month)				
AP3	1,500 x 1,850	29	37	37
AP4	1,500 x 1,850	45	47	47
AP5	1,500 x 1,850	N/A ⁽³⁾	17	15
OP1	2,200 x 2,500	39	58	35
P62 ⁽²⁾	1,500 x 1,850	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾
P8	2,200 x 2,500	102	103	86
P9	2,200 x 2,500	70	70	69
CA ⁽⁴⁾	2,200 x 2,500	114	190	N/A ⁽³⁾
CO	2,200 x 2,500	65	75	91

(1) Year-end input capacity is the total input substrates for the month that had the highest monthly input substrates during the fiscal year.

(2) We ceased production at, and closed, the P62 fabrication facility in June 2023.

(3) N/A means not applicable.

(4) In September 2024, we entered into an agreement with TCL CSOT to dispose of our entire equity interest in LG Display (China) Co., Ltd., the company that owned and operated our CA fabrication facility. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025.

Our cash outflows for capital expenditures amounted to ₩3,483 billion in 2023, ₩2,130 billion in 2024 and ₩1,348 billion (US\$933 million) in 2025. Such capital expenditures related mainly to our investments in production facilities for medium-sized and plastic OLED panels and our ongoing efforts to secure future technological competitiveness through timely development of new OLED technologies and related infrastructure. Capital expenditures were also incurred for the acquisition of new equipment during the same period. Our depreciation expense as a percentage of revenue decreased from 17.0% in 2023 to 16.2% in 2024 and to 14.1% in 2025. Such decrease in 2025 compared to 2024 was a result of a relatively larger decrease in our depreciation expense compared to the decrease in our revenue. We currently expect that, in 2026, our total capital expenditures on a cash out basis will be higher compared to 2025 and will be used primarily to continue to fund our previously announced investments related to our continued and ongoing transition to an OLED-centric business structure, as well as other essential recurring investments. Such expected capital expenditures are subject to periodic assessment, and we cannot provide any assurance that such expected capital expenditures may not change materially after assessment.

Since our inception, we have designed our fabrication facilities in-house and co-developed most equipment sets with our suppliers. These efforts have enabled us to gain valuable experience in designing and operating next-generation fabrication facilities capable of processing increasingly larger-size glass substrates. We have been able to leverage this experience to achieve and maintain high production output and yields at our fabrication facilities, thereby lowering costs. In addition, in recent years, we have substituted a portion of our equipment purchased from overseas vendors with purchases from local vendors to diversify our supply source and reduce costs.

We also continue to make various process improvements at our fabrication facilities, including enhancing the performance of process equipment, efficiency of material flows and quality of process and product designs. Such process improvements result in increased unit output of our fabrication facilities without significant capital investment, thus enabling us to reduce fixed costs on a per panel basis. In addition, in commencing mass production of large-sized OLED products, we have made modifications to certain of our existing TFT-LCD production lines to convert them into OLED panel production lines. Because our large-sized OLED panels employ oxide TFT backplane technology, which can be produced using manufacturing processes similar to the processes used to manufacture TFT-LCD panels, relatively little modification has been necessary, thereby reducing the costs of additional investments needed for the conversion of our production lines. The size of our OLED manufacturing operations has also expanded considerably in recent years, enabling us to benefit from economies of scale.

Raw materials comprise the largest component of our costs. We monitor the prices at which we can procure raw materials from suppliers and to the extent overseas suppliers are able to provide raw materials at competitive prices, we have diversified our supplier base by procuring raw materials from such overseas suppliers. We have also been able to leverage our scale and leading industry position to obtain competitive prices from our suppliers.

Our cost reduction efforts in recent years also include our decision to substantially reduce the production of TFT-LCD panels in Korea and China in light of the continued overcapacity in the global TFT-LCD market and capital investments by other suppliers, particularly from China. Between 2022 and 2023, we closed certain TFT-LCD fabrication facilities, including P5 (where we had produced TFT-LCD panels for notebook computers and mobile and other products), P7 (where we had produced TFT-LCD panels for televisions) and P62 (where we had produced TFT-LCD panels for notebook computers and desktop monitors), in light of our continued efforts to increase the proportion of OLED panels in our product mix and the production capacity for such panels and further reduce our production level of TFT-LCD panels, which we believe to be relatively more sensitive to market conditions and generally allow for fewer opportunities for product differentiation. In September 2024, as part of our efforts to accelerate the ongoing shift in our strategic direction to focus on OLED panels, we entered into an agreement with TCL CSOT to dispose of our entire equity interest in the China TFT-LCD Television Panel Subsidiaries, which engaged in TFT-LCD panel manufacturing and TFT-LCD module manufacturing for televisions, for approximately ₩2.2 trillion. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025. Assets and liabilities relating to such subsidiaries were accounted for as assets and liabilities held for sale in our consolidated statements of financial position as of December 31, 2024. See Note 1(c) of the notes to our financial statements for further discussion. In addition, we launched a voluntary retirement program in late 2023 for our manufacturing personnel in Korea, in late 2024 for our non-manufacturing personnel and in late 2025 for both manufacturing and non-manufacturing personnel, in each case to optimize the size of our workforce, partly in connection with the reduced production of TFT-LCD panels as mentioned above. More recently, in February 2026, to further improve our overall operational efficiency and upgrade our business structure by outsourcing the in-house production of automotive display TFT-LCD modules, we entered into an agreement with Top Run Total Solution to transfer the automotive display TFT-LCD module business of LG Display Nanjing Co., Ltd., which transfer is expected to be completed in July 2026.

The above factors play significant roles in our efforts to manage our cost of sales per square meter of net display area, which is derived by dividing total costs of sales by total square meters of net display area shipped. Our cost of sales per square meter of net display area increased by 33.7% in 2025 compared to 2024, mainly due to changes in our product mix following the discontinuation of our TFT-LCD television panel production upon the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025. As shipments of large-sized TFT-LCD television panels, which generally have a lower cost of sales per square meter, decreased significantly, and shipments of smaller-sized OLED panels, which require more expensive raw materials and are generally more costly to manufacture, accounted for a greater proportion of our products in 2025, our cost of sales per square meter of net display area increased. The increase was also partly attributable to the continued overall depreciation of the Korean Won against the U.S. dollar, in which a significant portion of our purchases of raw materials and components are denominated, during 2025. Our cost of sales per square meter of net display area decreased by 10.5% in 2024 compared to 2023, mainly due to the increased production efficiency of our manufacturing processes and our implementation of various cost reduction measures, which were partially offset by an overall depreciation of the Korean won against the U.S. dollar during 2024.

Product Mix

Our product mix reflects our strategic capacity allocation among various product markets, and is continually reviewed and adjusted based on the demand for, and our assessment of the profitability of, display panels in different markets and size categories. In recent years, we believe market demand has been shaped by a shift toward differentiated specialty products based on newer technologies, including OLED technology, especially in the display panel markets for Ultra HD televisions as well as various types of IT products and mobile and other products. In response to such market trends, we have increased our production capacity and sales of OLED panels, which accounted for 61% of our revenue in 2025, and have also developed and commercialized differentiated specialty products for a variety of applications. For example, with respect to our television display panel product portfolio, the proportion of sales of our television panels equipped with OLED technology increased between 2023 and 2025, and we have introduced various new products utilizing our differentiated technologies and features, such as Ultra HD and our next-generation “META” technologies, as well as large-sized display panels for gaming OLED monitors (which are included in our television display panel segment) featuring high resolutions, rapid response times, fast refresh rates, curved designs and other advanced performance features, in recent years. In addition, with respect to our IT products, we have expanded our product portfolio to offer desktop panels with Full HD and higher resolutions in a variety of screen aspect ratios and form factors. In recent years, we have also introduced and expanded our product offerings of panels for IT products utilizing OLED technology as well as AH-IPS technology with increasingly higher resolution and other features, and panels for smartphones, automotive products and wearable devices utilizing plastic OLED technology.

As part of our continued efforts to increase the proportion of OLED panels in our product mix, we have been reducing the production level of less profitable types of TFT-LCD panels in recent years, including by disposing of our entire equity interest in our Chinese subsidiaries engaged in the manufacturing of TFT-LCD panels and modules for televisions. Following the completion of the sale, these entities were excluded from the scope of our consolidated subsidiaries effective April 1, 2025. Additionally, we have been closing some of our fabrication facilities in Korea, where we had previously produced TFT-LCD panels, as described above.

The following table sets forth our revenue by product category for the years indicated and revenue in each product category as a percentage of our total revenue:

Panels for:	Year ended December 31,								
	2023		2024		2025		2025		%
	Sales	%	Sales	%	Sales	Sales ⁽¹⁾	%		
	(in billions of Won and millions of US\$, except for percentages)								
Televisions	₩ 4,331	20.3%	₩ 5,973	22.4%	₩ 4,791	US\$ 3,317		18.6%	
IT Products ⁽²⁾	7,853	36.8	9,420	35.4	9,509	6,583		36.8	
Mobile and other products ⁽³⁾	7,071	33.1	8,782	33.0	9,132	6,321		35.4	
Auto Products	1,999	9.4	2,281	8.6	2,136	1,479		8.3	
Sales of goods	₩ 21,254	99.6%	₩ 26,456	99.4%	₩ 25,568	US\$ 17,700		99.1%	
Royalties and others	77	0.4	159	0.6	242	167		0.9	
Revenue	₩ 21,331	100.0%	₩ 26,615	100.0%	₩ 25,810	US\$ 17,867		100.0%	

- (1) For convenience, the Korean Won amounts are expressed in U.S. dollars at the rate of ₩1,444.55 to US\$1.00, the noon buying rate in effect on December 31, 2025 as certified by the Federal Reserve Bank of New York for customs purposes. This translation should not be construed as a representation that the Korean Won amounts represent, have been or could be converted to U.S. dollars at that rate or any other rate.
- (2) Comprises notebook computers, desktop monitors and tablet computers.
- (3) Includes, among others, panels for mobile devices, including smartphones and other types of mobile phones, and industrial and other applications, including entertainment systems and medical diagnostic equipment.

The following table sets forth our sales volume by product category for the years indicated and as a percentage of our total panels sold:

Panels for	Year ended December 31,					
	2023		2024		2025	
	Number of Panels	%	Number of Panels	%	Number of Panels	%
	(in thousands, except for percentages)					
Televisions	13,932	7.2%	20,512	9.1%	10,498	4.7%
IT Products ⁽¹⁾	78,176	40.2	81,554	36.1	78,571	35.5
Mobile and other products ⁽²⁾	84,855	43.6	103,803	46.0	113,826	51.6
Auto Products	17,414	9.0	19,745	8.8	18,153	8.2
Total	194,377	100.0%	225,614	100.0%	221,048	100.0%

- (1) Comprises notebook computers, desktop monitors and tablet computers.
- (2) Includes, among others, panels for mobile devices, including smartphones and other types of mobile phones, and industrial and other applications, including entertainment systems and medical diagnostic equipment.

Average Selling Prices

Our product mix has an impact on our average selling prices. In addition to business cycles, industry-wide supply and demand balances and other market- or industry-wide variables, our product cost and price vary with the product display area, as well as the technology and specification of such product. Therefore, the average selling price of our products can vary over time as a result of business cycles and the choices we make in capacity allocation for specific products. The overall average selling price of our display panels can fluctuate significantly. Our average selling price per panel, which is derived by dividing total sales of goods by the total number of panels sold, increased by 7.3% from ₩109 thousand in 2023 to ₩117 thousand in 2024, but slightly decreased by 0.9% to ₩116 thousand (US\$80) in 2025.

In 2024 compared to 2023, our average selling price increased mainly due to increases in the average selling price for certain IT products applying our tandem OLED technology, which allows for higher resolutions with lower power consumption and longer lifespan, and to a lesser extent, mobile and other products. Such increases were primarily attributable to our continued strategic focus to increase the proportion of high-end and differentiated products in our product mix as well as the overall depreciation of the Korean won against the U.S. dollar during 2024, in which substantially all of our sales are denominated. The impact of such increases was partially offset by a decrease in the average selling price for television products, which in turn was mainly due to continued weak demand in the overall television market, amid continued economic volatility and uncertainty globally.

In 2025 compared to 2024, our average selling price decreased slightly, mainly due to changes in our product mix following the discontinuation of our TFT-LCD television panel production as discussed above. As we discontinued production of TFT-LCD television panels and increased the proportion of panels for mobile and other applications, which are typically smaller in size and generally sold at a lower price per panel compared to panels for televisions, IT and automotive products, our average selling price decreased. The decrease was also partly attributable to a decline in the average selling price for mobile and other applications, which primarily reflected changes in product mix within the mobile and other applications segment, including a higher proportion of panels with comparatively lower average selling prices, as well as continued pricing pressure in certain end markets. The impact of such changes was offset in part by a significant increase in the average selling price of television panel products, which was mainly attributable to our continued efforts to focus on and increase sales of higher-priced OLED television panels, as well as increases in the average selling prices of IT and automotive panel products, primarily reflecting a higher proportion of higher-end and differentiated products in these product segments and the overall depreciation of the Korean won against the U.S. dollar during 2025, in which substantially all of our sales are denominated.

The following table sets forth our average selling price per panel by markets for the years indicated:

	Average Selling Price ⁽¹⁾							
	Year ended December 31,							
	2023		2024		2025 ⁽²⁾			
	(in thousands, except for US\$)							
Televisions	₩	311	₩	291	₩	456	US\$	316
IT Products ⁽³⁾		100		116		121		84
Mobile and other products ⁽⁴⁾		83		85		80		55
Auto Products		115		116		118		82
All panels		109		117		116		80

(1) Average selling price for each market represents revenue per market divided by unit sales per market.

(2) For convenience, the Korean Won amounts are expressed in U.S. dollars at the rate of ₩1,444.55 to US\$1.00, the noon buying rate in effect on December 31, 2025 as certified by the Federal Reserve Bank of New York for customs purposes. This translation should not be construed as a representation that the Korean Won amounts represent, have been or could be converted to U.S. dollars at that rate or any other rate.

(3) Comprises notebook computers, desktop monitors and tablet computers.

(4) Includes, among others, panels for mobile devices, including smartphones and other types of mobile phones, and industrial and other applications, including entertainment systems and medical diagnostic equipment.

Our average revenue per square meter of net display area, which is derived by dividing our total revenue by total square meters of net display area shipped, decreased by 2.5% from ₩1,103 thousand in 2023 to ₩1,076 thousand in 2024. In 2025, our average revenue per square meter of net display area shipped significantly increased by 38.9% to ₩1,495 thousand (US\$1,035).

Recent Accounting Changes

For a discussion of new standards, interpretations and amendments to existing standards that have been published, see Note 3 of the notes to our financial statements.

Operating Results

The following presents our consolidated results of operation information and as a percentage of our revenue for the years indicated:

	Year ended December 31,						
	2023	%	2024	%	2025	2025 ⁽¹⁾	%
(in billions of Won and in millions of US\$, except for percentages)							
Revenue	₩ 21,331	100.0%	₩ 26,615	100.0%	₩ 25,810	US\$ 17,867	100.0%
Cost of sales	(20,986)	98.4	(24,040)	90.3	(22,434)	(15,530)	86.9
Gross profit	345	1.6	2,575	9.7	3,376	2,337	13.1
Selling expenses	(576)	2.7	(585)	2.2	(481)	(333)	1.9
Administrative expenses	(900)	4.2	(1,104)	4.1	(968)	(670)	3.8
Research and development expenses	(1,380)	6.5	(1,448)	5.4	(1,411)	(977)	5.5
Other income	1,472	6.9	2,100	7.9	2,596	1,797	10.1
Other expenses	(1,786)	8.4	(2,798)	10.5	(2,039)	(1,412)	7.9
Finance income	1,122	5.3	883	3.3	578	400	2.2
Finance costs	(1,635)	7.7	(1,822)	6.8	(1,153)	(798)	4.5
Equity in income (loss) of equity accounted investees, net	(3)	0.0	5	0.0	2	1	0.0
Profit (Loss) before income tax	(3,339)	(15.7)	(2,192)	(8.2)	502	348	1.9
Income tax benefit (expense)	763	3.6	(218)	0.8	(198)	(137)	0.8
Profit (Loss) for the year	(2,577)	(12.1)	(2,409)	(9.1)	304	210	1.2

(1) For convenience, the Korean Won amounts are expressed in U.S. dollars at the rate of ₩1,444.55 to US\$1.00, the noon buying rate in effect on December 31, 2025 as certified by the Federal Reserve Bank of New York for customs purposes. This translation should not be construed as a representation that the Korean Won amounts represent, have been or could be converted to U.S. dollars at that rate or any other rate.

Comparison of 2025 to 2024

Revenue

Our revenue decreased by 3.0% from ₩26,615 billion in 2024 to ₩25,810 billion (US\$17,867 million) in 2025. The decrease in revenue resulted from decreases in revenue derived from sales of panels for televisions and auto products, which were in turn mainly due to decreases in the number of panels sold in both categories, offset in part by increases in revenue derived from sales of panels for mobile and other products and IT products.

Revenue attributable to sales of panels for televisions decreased by 19.8% from ₩5,973 billion in 2024 to ₩4,791 billion (US\$3,317 million) in 2025, resulting from a significant decrease in the number of units sold of panels in this category in 2025 compared to 2024, which was partially offset by a significant increase in the average selling price of panels in this category in 2025 compared to 2024. The total unit sales of panels for televisions decreased by 48.8% from 20.5 million panels in 2024 to 10.5 million panels in 2025, whereas the average selling price of panels in this category increased by 56.7% from ₩291 thousand in 2024 to ₩456 thousand (US\$316) in 2025. The decrease in the sales volume of panels for televisions was mainly attributable to the discontinuation of our TFT-LCD television panel production following the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025 as part of the continued implementation of our strategy to phase out the production of TFT-LCD television panels. The increase in the average selling price of panels for televisions was mainly due to an increase in the proportion of OLED television panels, which generally command higher selling prices than TFT-LCD television panels, in our product mix as we phased out the production of TFT-LCD television panels as described above, as well as the depreciation of the Korean Won against the U.S. dollar during 2025.

Revenue attributable to sales of panels for auto products decreased by 6.4% from ₩2,281 billion in 2024 to ₩2,136 billion (US\$1,479 million) in 2025, resulting from a decrease in the number of units sold of panels in this category in 2025 compared to 2024, which was partially offset by an increase in the average selling price of panels in this category in 2025 compared to 2024. The total unit sales of panels for auto products decreased by 7.6% from 19.7 million panels in 2024 to 18.2 million panels in 2025, whereas the average selling price of panels in this category increased slightly by 1.7% from ₩116 thousand in 2024 to ₩118 thousand (US\$82) in 2025. The decrease in the sales volume of panels for auto products was attributable to a decrease in orders from certain global automotive downstream customers, reflecting reduced electric vehicle sales by those customers amid reductions in government subsidies in certain major countries and intensifying competition from Chinese downstream manufacturers in the electric vehicle market. The slight increase in the average selling price of our panels for auto products was mainly due to a higher proportion of differentiated automotive display products with specialty features and newer technologies in our product mix, as well as the depreciation of the Korean Won against the U.S. dollar during 2025, as discussed above.

Revenue attributable to sales of panels for mobile and other products increased by 4.0% from ₩8,782 billion in 2024 to ₩9,132 billion (US\$6,321 million) in 2025, resulting from an increase in the number of units sold of panels in this category in 2025 compared to 2024, which was partially offset by a decrease in the average selling price of panels in this category in 2025 compared to 2024. The total unit sales of panels for mobile and other products increased by 9.6% from 103.8 million in 2024 to 113.8 million in 2025, whereas the average selling price of panels in this category decreased by 5.9% from ₩85 thousand in 2024 to ₩80 thousand (US\$55) in 2025. The increase in the sales volume of panels for mobile and other products was primarily attributable to our timely development of new panels and our achievement of increased stability in the mass production of our panels in this category, which together strengthened our collaboration with our end-brand customers. The decrease in the average selling price of panels in this category was mainly due to changes in our product mix within this segment and increased price competition among suppliers in the market for smartphone display panels, particularly in China, partially offset by the depreciation of the Korean Won against the U.S. dollar during 2025.

Revenue attributable to sales of panels for IT products slightly increased by 0.9% from ₩9,420 billion in 2024 to ₩9,509 billion (US\$6,583 million) in 2025, resulting from an increase in the average selling price of panels in this category in 2025 compared to 2024, which was partially offset by a decrease in the number of units sold of panels in this category in 2025 compared to 2024. The average selling price of panels for IT products increased by 4.3% from ₩116 thousand in 2024 to ₩121 thousand (US\$84) in 2025, whereas the total unit sales of panels in this category decreased by 3.7% from 81.6 million panels in 2024 to 78.6 million panels in 2025. The increase in the average selling price of our panels for IT products was mainly attributable to the depreciation of the Korean Won against the U.S. dollar during 2025, as discussed above, as well as changes in product mix, including an increased proportion of OLED panels and higher-end products and our continued efforts to improve profitability by discontinuing or reducing the production level of lower-margin models. The decrease in the sales volume of panels for IT products was mainly attributable to the discontinuation, or reduction in the production volume, of such lower-margin models as part of our profitability-focused business strategy.

In addition, our revenue attributable to royalty and others increased by 52.2% from ₩159 billion in 2024 to ₩242 billion (US\$167 million) in 2025. The increase was primarily attributable to a significant increase in royalty revenue, mainly relating to our display equipment technology, as well as an increase in other revenue, consisting primarily of sales of sample products and certain raw materials and components.

Cost of Sales

Cost of sales decreased by 6.7% from ₩24,040 billion in 2024 to ₩22,434 billion (US\$15,530 million) in 2025. The decrease in our cost of sales in 2025 compared to 2024 was attributable primarily to a decrease in raw materials and component costs mainly relating to a decrease in the number of panels sold in 2025 compared to 2024, partially offset by an increase in the proportion of products with differentiated specialty features and newer technologies that require higher-cost raw materials and components in our product mix. In addition, decreases in depreciation and overhead costs, resulting mainly from certain large-sized and small- to medium-sized OLED production facilities becoming fully depreciated and, to a lesser extent, the discontinuation of our TFT-LCD television panel production following the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025, which removed the depreciable asset base and personnel associated with such operations, contributed to the decrease in cost of sales in 2025 compared to 2024.

As a percentage of our total cost of sales, raw materials and component costs, labor costs, overhead costs, depreciation and amortization costs and change in inventory costs constituted 56.7%, 10.8%, 13.7%, 17.2% and 1.7%, respectively, in 2024 and 57.6%, 11.1%, 12.7%, 15.6% and 2.9%, respectively, in 2025.

As a percentage of revenue, cost of sales decreased from 90.3% in 2024 to 86.9% in 2025. The decrease in our cost of sales as a percentage of revenue in 2025 compared to 2024 was attributable mainly to our continued cost reduction efforts and activities seeking to optimize our cost structure, as well as increasing the proportion of higher value-added products with higher margins in our product mix.

Cost of sales per square meter of net display area, which is derived by dividing total cost of sales by total square meters of net display area shipped, increased by 33.7% from ₩972 thousand in 2024 to ₩1,299 thousand (US\$899) in 2025. Cost of sales per panel sold, which is derived by dividing total cost of sales by total number of panels sold, decreased by 4.8% from ₩107 thousand in 2024 to ₩101 thousand (US\$70) in 2025. Such changes were due mainly to decreases in the proportion of our large-sized television and IT panels, which generally have higher cost of sales per panel, but lower cost of sales per square meter of net display area, relative to our small- and medium-sized panels primarily in the mobile and others product category, sold in our product mix during the same period.

Gross Profit and Gross Margin

Mainly as a result of our continued cost reduction efforts and activities seeking to optimize our cost structure, including the impact of the discontinuation of our TFT-LCD television panel production following the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025, which outpaced the decrease in our revenue, our gross profit increased by 31.1% from ₩2,575 billion in 2024 to ₩3,376 billion (US\$2,337 million) in 2025. Our gross margin increased from 9.7% to 13.1% over the same period primarily as a result of such cost reduction efforts and cost structure optimization activities, as well as changes in our product mix toward a higher proportion of OLED and other higher value-added products, including high-end TFT-LCD IT products, that generally carry higher margins.

Selling and Administrative Expenses

Selling and administrative expenses decreased by 14.2% from ₩1,688 billion in 2024 to ₩1,449 billion (US\$1,003 million) in 2025. As a percentage of revenue, our selling and administrative expenses decreased from 6.3% in 2024 to 5.6% in 2025. The decrease in selling and administrative expenses in 2025 compared to 2024 was attributable to a decrease in depreciation and amortization expenses, resulting mainly from the discontinuation of our TFT-LCD television panel production following the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025, a decrease in warranty expenses, primarily reflecting improved product quality in panels equipped with newer technologies (including OLED), and a decrease in shipping expenses, primarily attributable to a decrease in the volume of panels we sold.

The following are the major components of our selling and administrative expenses for each of the years in the two-year period ended December 31, 2025:

	Year ended December 31,		
	2024	2025 ⁽¹⁾	
	(in billions of Won and millions of US\$)		
Salaries	₩ 580	₩ 542	US\$ 375
Expenses related to defined benefit plans	23	26	18
Other employee benefits	84	79	55
Shipping	119	77	53
Fees and commissions	246	229	159
Depreciation	266	222	154
Taxes and dues	63	31	21
Advertising	67	62	43
Warranty	114	71	49
Insurance	14	12	8
Travel	13	12	8
Training	9	8	6
Others	90	78	54
Total	₩ 1,688	₩ 1,449	US\$ 1,003

(1) For convenience, the Korean Won amounts are expressed in U.S. dollars at the rate of ₩1,444.55 to US\$1.00, the noon buying rate in effect on December 31, 2025 as certified by the Federal Reserve Bank of New York for customs purposes. This translation should not be construed as a representation that the Korean Won amounts represent, have been or could be converted to U.S. dollars at that rate or any other rate.

Research and Development Expenses

Research and development expenses decreased by 2.6% from ₩1,448 billion in 2024 to ₩1,411 billion (US\$977 million) in 2025. As a percentage of revenue, our research and development expenses slightly increased from 5.4% in 2024 to 5.5% in 2025. The research and development expenses in 2025 were incurred mainly in relation to research and development activities related to OLED and next generation technologies and products.

Other Income (Expense), Net

Other income includes primarily foreign currency gain, gain on disposal of assets held for sale and gain on disposal of property, plant and equipment, and other expenses include primarily foreign currency loss, impairment loss on property, plant and equipment, loss on disposal of property, plant and equipment, and impairment loss on intangible assets. We recognized total net other income of ₩557 billion (US\$385 million) in 2025 compared to total net other expense of ₩698

billion in 2024. Such change was mainly attributable to a gain on disposal of assets held for sale of ₩759 billion (US\$525 million) in 2025 compared to no such gain in 2024, primarily due to the gain recognized in connection with the sale of the China TFT-LCD Television Panel Subsidiaries in April 2025. See Note 20 of the notes to our financial statements. Such change was also attributable to a net foreign currency gain of ₩6 billion (US\$4 million) in 2025 compared to a net foreign currency loss of ₩507 billion in 2024, reflecting the weakening of the Korean Won against the U.S. dollar in 2025 compared to 2024. Such changes were partially offset by an increase in net impairment loss on property, plant and equipment from ₩94 billion in 2024 to ₩159 billion (US\$110 million) in 2025, primarily due to an increase in impairment loss associated with our construction-in-progress costs, mainly relating to certain production facilities and related assets.

Finance Income (Costs), Net

Our total net finance costs decreased by 38.9% from ₩939 billion in 2024 to ₩574 billion (US\$397 million) in 2025. Such decrease was mainly attributable to a net foreign currency gain of ₩58 billion (US\$40 million) in 2025 compared to a net foreign currency loss of ₩486 billion in 2024, primarily due to an overall depreciation of the Korean Won against major foreign currencies and higher exchange rate volatility in 2025 compared to 2024, and a 22.7% decrease in interest expense from ₩910 billion in 2024 to ₩703 billion (US\$487 million) in 2025, which was mainly due to a decrease in the average amount of our long-term borrowings outstanding as well as decreases in market interest rates in 2025 compared to 2024. Such effects were offset in part by a net loss on valuation of derivatives of ₩123 billion (US\$85 million) in 2025 compared to a net gain on valuation of derivatives of ₩139 billion in 2024, which change was also primarily attributable to an overall depreciation of the Korean Won against the U.S. dollar and higher exchange rate volatility in 2025 compared to 2024. Against such fluctuations, we also recognized net gains on transaction of derivatives of ₩274 billion in 2024 and ₩162 billion (US\$112 million) in 2025.

Income Tax Benefit (Expense)

Our income tax expense decreased by 9.2% from ₩218 billion in 2024 to ₩198 billion (US\$137 million) in 2025, primarily reflecting a decrease in unrecognized deferred tax assets of ₩273 billion (US\$189 million) in 2025 compared to an increase in unrecognized deferred tax assets of ₩704 billion in 2024, which related to variations in our estimates of tax loss carryforwards and tax credit carryforwards that are deemed to be not realizable based on our estimates of future taxable profit. The effect of such change was partially offset by our recording of profit before income tax of ₩502 billion (US\$348 million) in 2025 compared to loss before income tax of ₩2,192 billion in 2024, resulting in income tax expense using the statutory tax rate of each country in which we pay income tax of ₩80 billion (US\$55 million) in 2025 compared to income tax benefit of ₩527 billion in 2024, as well as a significant increase in the expenses attributable to the effect on change in tax rate from ₩55 billion in 2024 to ₩338 billion (US\$234 million) in 2025, which mainly reflected a decrease in deferred tax assets resulting from the extension of certain tax incentive brackets in Korea, which lowered the applicable effective tax rate for such brackets. Our effective tax rate was 39.4% in 2025, whereas our effective tax rate was not calculated in 2024 due to the loss before income tax we recorded in such year. See Notes 22 and 23 of the notes to our financial statements.

Profit (Loss) for the Year

As a result of the cumulative effect of the reasons explained above, we recorded a loss for the year of ₩2,409 billion in 2024 but recorded a profit for the year of ₩304 billion (US\$210 million) in 2025. Our loss for the year as a percentage of revenue was (9.1)% in 2024 and our profit for the year as a percentage of revenue was 1.2% in 2025.

Comparison of 2024 to 2023

Revenue

Our revenue increased by 24.8% from ₩21,331 billion in 2023 to ₩26,615 billion in 2024. The increase in revenue resulted from increases in revenue derived from sales of panels for mobile and other devices, televisions, IT products and auto products, which were in turn mainly due to an increase in the number of panels sold in each of these categories and increases in the average selling price of panels for IT products, mobile and other products and auto products.

Revenue attributable to sales of panels for mobile and other products increased by 24.2% from ₩7,071 billion in 2023 to ₩8,782 billion in 2024, resulting primarily from an increase in the number of units sold of panels in this category in 2024 compared to 2023, accompanied by an increase in the average selling price of panels in this category in 2024 compared to 2023. The total unit sales of panels for mobile and other products increased by 22.3% from 84.9 million in 2023 to 103.8 million in 2024, and the average selling price of panels in this category increased by 2.4% from ₩83 thousand in 2023 to

₩85 thousand in 2024. The increase in the sales volume of panels for mobile and other products was primarily attributable to our timely development of new panels and our achievement of increased stability in the mass production of our panels in this category, which together strengthened our collaboration with our end-brand customers. The increase in the average selling price of panels in this category was mainly due to the depreciation of the Korean Won against the U.S. dollar during 2024, which was partially offset by increased price competition among suppliers in the market for smartphone display panels.

Revenue attributable to sales of panels for televisions increased by 37.9% from ₩4,331 billion in 2023 to ₩5,973 billion in 2024, resulting from a significant increase in the number of units sold of panels in this category in 2024 compared to 2023, which was partially offset by a decrease in the average selling price of panels in this category in 2024 compared to 2023. The total unit sales of panels for televisions increased by 47.5% from 13.9 million panels in 2023 to 20.5 million panels in 2024, whereas the average selling price of panels in this category decreased by 6.4% from ₩311 thousand in 2023 to ₩291 thousand in 2024. The increase in the sales volume of panels for televisions was mainly attributable to an increase in the sales volume of our large-sized OLED panels in the premium television market, primarily reflecting our continued strategic focus to increase the proportion of high-end OLED television panels while decreasing the proportion of TFT-LCD television panels in our product mix. The decrease in the average selling price of television panels was mainly attributable to the continued weak demand in the overall television market, due in part to the continued economic volatility and uncertainty globally, which more than offset the positive effects of the depreciation of the Korean Won against the U.S. dollar on average selling price during 2024.

Revenue attributable to sales of panels for IT products increased by 20.0% from ₩7,853 billion in 2023 to ₩9,420 billion in 2024, resulting primarily from an increase in the average selling price of panels in this category in 2024 compared to 2023, accompanied by an increase in the number of units sold of panels in this category in 2024 compared to 2023. The average selling price of panels in this category increased by 16.0% from ₩100 thousand in 2023 to ₩116 thousand in 2024, and the total unit sales of panels for IT products increased by 4.4% from 78.2 million panels in 2023 to 81.6 million panels in 2024. The increase in the average selling price of our panels for IT products was mainly attributable to the depreciation of the Korean Won against the U.S. dollar during 2024, as discussed above, and the commencement of mass production of display panels applying tandem OLED technology, which generally command higher selling prices. The increase in the sales volume of panels for IT products was mainly attributable to the commencement of mass production of display panels applying tandem OLED technology.

Revenue attributable to sales of panels for auto products increased by 14.1% from ₩1,999 billion in 2023 to ₩2,281 billion in 2024, resulting primarily from an increase in the number of units sold of panels in this category in 2024 compared to 2023, accompanied by a slight increase in the average selling price of panels in this category in 2024 compared to 2023. The total unit sales of panels for auto products increased by 13.2% from 17.4 million panels in 2023 to 19.7 million panels in 2024, and the average selling price of panels in this category increased slightly by 0.9% from ₩115 thousand in 2023 to ₩116 thousand in 2024. The increase in the sales volume of panels for auto products was attributable to our timely development of new panels and our achievement of increased stability in the mass production of our panels in this category, which together strengthened our collaboration with our end-brand customers. The slight increase in the average selling price of our panels for auto products was mainly due to our introduction and maintenance of a diverse product portfolio with differentiated specialty features and newer technologies, as well as the depreciation of the Korean Won against the U.S. dollar during 2024, as discussed above, which were largely offset by sluggish market demand for new automobiles due in part to the continued economic volatility and uncertainty globally.

In addition, our revenue attributable to royalty and others increased by 106.5% from ₩77 billion in 2023 to ₩159 billion in 2024. The increase was primarily attributable to a significant increase in royalty revenue, mainly relating to our newly developed display equipment technology, as well as an increase in other revenue, consisting primarily of sales of sample products and certain raw materials and components.

Cost of Sales

Cost of sales increased by 14.6% from ₩20,986 billion in 2023 to ₩24,040 billion in 2024. The increase in our cost of sales in 2024 compared to 2023 was attributable primarily to an increase in raw materials and component costs mainly relating to an increase in the number of panels sold in 2024 compared to 2023, as well as the increase in the proportion of products with differentiated specialty features and newer technologies that require higher-cost raw materials and components in our product mix. In addition, an increase in overhead costs as well as an increase in depreciation costs resulting mainly from recognition of depreciation costs in respect of newly purchased machinery and equipment, contributed to the increase in cost of sales in 2024 compared to 2023.

As a percentage of our total cost of sales, raw materials and component costs, labor costs, overhead costs, depreciation and amortization costs and change in inventory costs constituted 55.1%, 12.0%, 13.8%, 16.2% and 2.9%, respectively, in 2023 and 56.7%, 10.8%, 13.7%, 17.2% and 1.7%, respectively, in 2024.

As a percentage of revenue, cost of sales decreased from 98.4% in 2023 to 90.3% in 2024. The decrease in our cost of sales as a percentage of revenue in 2024 compared to 2023 was attributable mainly to our continued cost reduction efforts and activities seeking to optimize our cost structure, as well as increasing the proportion of higher value-added products with higher margins in our product mix.

Cost of sales per square meter of net display area, which is derived by dividing total cost of sales by total square meters of net display area shipped, decreased by 10.5% from ₩1,086 thousand in 2023 to ₩972 thousand in 2024. Such decrease was due mainly to the higher capacity utilization rates at our production facilities in 2024 compared to 2023. Cost of sales per panel sold, which is derived by dividing total cost of sales by total number of panels sold, decreased by 1.3% from ₩108 thousand in 2023 to ₩107 thousand in 2024. Such decrease was due mainly to an increase in the proportion of our display panels for mobile and other products, which generally have lower cost of sales per panel relative to our larger panels in other product categories, sold in our product mix during the same period.

Gross Profit and Gross Margin

Mainly as a result of our continued cost reduction efforts and activities seeking to optimize our cost structure, which outpaced the effect of the increase in our revenue, our gross profit increased significantly from ₩345 billion in 2023 to ₩2,575 billion in 2024. Our gross margin increased from 1.6% to 9.7% over the same period primarily as a result of such cost reduction efforts and cost structure optimization activities as well as the higher capacity utilization rates at our production facilities in 2024 compared to 2023 and an increase in the average selling price of our panels in 2024 compared to 2023. High capacity utilization rates allow us to allocate fixed costs over a greater number of panels produced and thereby increase our gross margin.

Selling and Administrative Expenses

Selling and administrative expenses increased by 14.4% from ₩1,476 billion in 2023 to ₩1,688 billion in 2024. As a percentage of revenue, our selling and administrative expenses decreased from 6.9% in 2023 to 6.3% in 2024. The increase in selling and administrative expenses in 2024 compared to 2023 was attributable primarily to an increase in salaries, resulting mainly from a one-time retirement allowance incurred in connection with our voluntary retirement program implemented in 2024 in order to optimize our workforce and, to a much lesser extent, an increase in shipping costs, resulting mainly from an increase in our overall shipment volume (especially the volume of large-sized television product shipments) in 2024 compared to 2023.

The following are the major components of our selling and administrative expenses for each of the years in the two-year period ended December 31, 2024:

	Year ended December 31,	
	2023	2024
	(in billions of Won)	
Salaries	₩ 373	₩ 580
Expenses related to defined benefit plans	25	23
Other employee benefits	87	84
Shipping	92	119
Fees and commissions	253	246
Depreciation	265	266
Taxes and dues	66	63
Advertising	76	67
Warranty	102	114
Insurance	14	14
Travel	18	13
Training	10	9
Others	95	90
Total	<u>₩ 1,476</u>	<u>₩ 1,688</u>

Research and Development Expenses

Research and development expenses increased by 4.9% from ₩1,380 billion in 2023 to ₩1,448 billion in 2024. As a percentage of revenue, our research and development expenses decreased from 6.5% in 2023 to 5.4% in 2024. The research and development expenses in 2024 were incurred mainly in relation to research and development activities related to OLED and next generation technologies and products.

Other Income (Expense), Net

Other income includes primarily foreign currency gain and gain on disposal of property, plant and equipment, and other expenses include primarily foreign currency loss, impairment loss on property, plant and equipment, loss on disposal of property, plant and equipment, and impairment loss on intangible assets. Our total net other expense increased by 122.2% from ₩314 billion in 2023 to ₩698 billion in 2024. Such increase was primarily due to an increase in net foreign currency loss from ₩118 billion in 2023 to ₩507 billion in 2024, reflecting higher exchange rate volatility in 2024 compared to 2023. Such increase was enhanced by an increase in net impairment loss on property, plant and equipment from ₩60 billion in 2023 to ₩94 billion in 2024, primarily due to an increase in impairment loss associated with our machinery and equipment, as well as an increase in net impairment loss on intangible assets from ₩55 billion in 2023 to ₩72 billion in 2024, primarily due to an increase in impairment loss associated with our development costs. Such increases were partially offset by a decrease in net loss on disposal of property, plant and equipment from ₩67 billion in 2023 to ₩25 billion in 2024, which primarily reflected a lower volume of manufacturing equipment disposed of in 2024 compared to 2023.

Finance Income (Costs), Net

Our total net finance costs increased by 83.3% from ₩512 billion in 2023 to ₩939 billion in 2024. Such increase was mainly attributable to a net foreign currency loss of ₩486 billion in 2024 compared to a net foreign currency gain of ₩48 billion in 2023, primarily due to higher exchange rate volatility in 2024 compared to 2023, and a 25.9% increase in interest expense from ₩723 billion in 2023 to ₩910 billion in 2024, which was mainly due to a decrease in capitalized interest in 2024 compared to 2023. Such increases were offset in part by net gain on valuation of derivatives of ₩139 billion in 2024 compared to net loss on valuation of derivatives of ₩76 billion in 2023, which change was primarily attributable to the general appreciation of the U.S. dollar against the Korean Won in 2024 and higher exchange rate volatility in 2024 compared to 2023. Against such fluctuations, we also recognized net gains on transaction of derivatives of ₩179 billion in 2023 and ₩274 billion in 2024.

Income Tax Benefit (Expense)

We recognized income tax expense of ₩218 billion in 2024 compared to income tax benefit of ₩763 billion in 2023, primarily due to a significant increase in unrecognized deferred tax assets, which related to tax loss carryforwards and tax credit carryforwards that are deemed to be not realizable based on our estimates of future taxable profit. We recognized an increase in unrecognized deferred tax assets of ₩704 billion in 2024 compared to an increase of ₩157 billion in 2023. The effect of such increase in 2024 was further enhanced by a 33.3% decrease in our income tax benefit using the statutory tax rate of each country in which we pay income tax from ₩790 billion in 2023 to ₩527 billion in 2024, as our loss before income tax decreased from ₩3,339 billion in 2023 to ₩2,192 billion in 2024, and a significant decrease in tax credits from ₩208 billion in 2023 to ₩23 billion in 2024, which mainly reflected a decrease in our capital expenditure level. Our effective tax rates were not calculated in 2023 and 2024 due to the loss before income tax we recorded in such years. See Notes 22 and 23 of the notes to our financial statements.

Loss for the Year

As a result of the cumulative effect of the reasons explained above, our loss for the year decreased by 6.5% from ₩2,577 billion in 2023 to ₩2,409 billion in 2024. Our loss for the year as a percentage of revenue was (12.1)% in 2023 and (9.1)% in 2024.

Item 5.B. Liquidity and Capital Resources

Our principal sources of liquidity have been net cash flows generated from our operating activities and debt financing activities. We had cash and cash equivalents of ₩2,258 billion, ₩2,022 billion and ₩1,572 billion (US\$1,088 million) as of December 31, 2023, 2024 and 2025, respectively.

Our cash and cash equivalents was held in the following currencies as at December 31, 2025:

	(in billions of Won)	
Korean Won	₩	141
Chinese Yuan		150
U.S. Dollar		1,261
Other currencies		20
Total	₩	1,572

We also had short-term deposits in banks of ₩906 billion, ₩0.6 billion and ₩0.6 billion (US\$0.4 million), respectively, as of December 31, 2023, 2024 and 2025. The significant decrease in short-term deposits in 2024 compared to 2023 was mainly due to a decrease in restricted cash deposits in connection with secured borrowings from our subsidiaries. Our primary use of cash historically has been to fund capital expenditures related to the expansion and improvement of our production capacity with respect to existing and newly developed products, including the construction and ramping-up of new, or in certain cases, expansion or conversion of existing, fabrication facilities and production lines and the acquisition of new equipment. We also use cash flows from operations for our working capital requirements and servicing our debt payments. We expect our cash requirements for 2026 to be primarily for repayment of maturing debt, working capital requirements and, to a lesser extent, capital expenditures.

As of December 31, 2023, we had current assets of ₩9,503 billion and current liabilities of ₩13,885 billion, resulting in a working capital deficit of ₩4,382 billion. As of December 31, 2024, we had current assets of ₩10,123 billion and current liabilities of ₩15,859 billion, resulting in a working capital deficit of ₩5,736 billion. As of December 31, 2025, we had current assets of ₩6,982 billion (US\$4,833 million) and current liabilities of ₩9,596 billion (US\$6,643 million), resulting in a working capital deficit of ₩2,614 billion (US\$1,810 million). The increase in working capital deficit as of December 31, 2024, compared to the working capital deficit as of December 31, 2023, was primarily attributable to our recognition of liabilities held for sale of ₩1,657 billion in 2024, resulting from our agreement with TCL CSOT to dispose of our entire equity interest in the China TFT-LCD Television Panel Subsidiaries as discussed above, a ₩1,265 billion increase in current financial liabilities, which mainly reflected an increase in our current portion of long-term borrowings payable as of the end of 2024 compared to the end of 2023, and a ₩905 billion decrease in deposits in banks, which was primarily attributable to a decrease in restricted cash deposits in connection with secured borrowings from our subsidiaries. The effects of such changes were partially offset by a ₩1,198 billion decrease in other accounts payable, which mainly reflected a decrease in our capital expenditures in 2024 compared to 2023, and a ₩983 billion increase in assets held for sale, which was attributable to our agreement with TCL CSOT as discussed above. The decrease in working capital deficit as of December 31, 2025, compared to the working capital deficit as of December 31, 2024, was primarily attributable to a ₩2,729 billion decrease in current financial liabilities, which mainly reflected a decrease in our current portion of long-term borrowings payable as of the end of 2025 compared to the end of 2024, the ₩1,657 billion of liabilities held for sale recognized in 2024 in connection with the sale of our TFT-LCD television panel business in China to TCL CSOT in April 2025, as discussed above, compared to no such liabilities held for sale recognized in 2025, and a ₩848 billion decrease in trade accounts and notes payable, which was primarily attributable to differences in the timing of settlement of trade accounts and notes payable between the respective year-ends. The effects of such changes were partially offset by a ₩1,265 billion decrease in net trade accounts and notes receivable, which was mainly caused by a decrease in our sales revenue as described above, and the ₩983 billion of assets held for sale recognized in 2024 in connection with the sale of our TFT-LCD television panel business in China to TCL CSOT in April 2025, as discussed above, compared to no such assets held for sale recognized in 2025.

Our management constantly monitors our working capital, and we have historically been able to satisfy our cash requirements from cash flows from operations and debt financing. We believe that we have sufficient sources of working capital, including in the form of debt financing, for at least the next 12 months following the date of this annual report. In 2025, we entered into a number of short-term and long-term facility loan agreements, from which we have drawn down the full aggregate principal amount of US\$150 million and CNY 500 million in short-term loans, and ₩1,005 billion (US\$696 million), US\$450 million and CNY 7,383 million in long-term loans, in each case as of December 31, 2025, primarily to fund our capital expenditures and refinance our existing borrowings maturing in 2025.

Our ability to satisfy our cash requirements from cash flows from operations and financing activities will be affected by our ability to maintain and improve our margins and, in the case of external financing, market conditions, which in turn may be affected by various factors outside of our control. Therefore, we re-evaluate our capital requirements regularly in light of our cash flows from operations, the progress of our expansion plans and market conditions. To the extent that we do not generate sufficient cash flows from our operations to meet our capital requirements, we may rely on other financing

activities, such as external borrowings and securities offerings, including the issuance of equity, equity-linked and other debt securities. In March 2024, as part of our ongoing efforts to improve our financial condition and liquidity, we issued 142,184,300 new shares of common stock (including 1,038,078 new shares represented by 2,076,156 ADSs) at a subscription price of ₩9,090 per share (and US\$3.450019 per ADS) pursuant to a preemptive rights offering to our existing shareholders, including ADS holders, followed by a public offering in Korea. We have used the proceeds of such offering to fund our capital investments, general corporate purposes (including purchases of raw materials) and the repayment of certain of our outstanding debt. Immediately following the completion of such offering, the number of issued and outstanding shares of our common stock increased to 500,000,000.

Our net cash provided by operating activities amounted to ₩1,683 billion in 2023, ₩2,412 billion in 2024 and ₩2,352 billion (US\$1,628 million) in 2025. The increase in net cash provided by operating activities in 2024 compared to 2023 was mainly due to an increase in cash collected from our customers primarily as a result of an increase in our sales revenue, as well as a decrease in cash outflow from trade accounts and notes receivable from ₩1,014 billion in 2023 to ₩396 billion in 2024. The increase in net cash provided by operating activities in 2024 compared to 2023 was offset in part by the long-term advances received in 2023 discussed above compared to no such advances received in 2024. The decrease in net cash provided by operating activities in 2025 compared to 2024 was mainly due to a decrease in cash collected from our customers primarily as a result of a decrease in our sales revenue, as well as a significant increase in cash outflow from trade accounts and notes payable from ₩47 billion in 2024 to ₩2,601 billion (US\$1,801 million) in 2025, which principally reflected the settlement of trade payables following the sale of the China TFT-LCD Television Panel Subsidiaries. The decrease in net cash provided by operating activities in 2025 compared to 2024 was offset in part by a decrease in trade accounts and notes receivable of ₩24 billion (US\$17 million) in 2025 compared to an increase of ₩396 billion in 2024, which primarily reflected an increase in the amount of trade accounts and notes receivable sold to financial institutions without recourse towards the end of 2025 compared to the end of 2024, as well as a decrease in other accounts receivable of ₩262 billion (US\$181 million) in 2025 compared to an increase of ₩143 billion in 2024.

The cyclical market conditions that are characteristic of our industry, as well as the regular ramp-up of our new fabrication facilities and production lines and our cost reduction measures, contribute to the fluctuations in our inventory levels from period to period. As of December 31, 2024, our inventory levels increased by 5.7% compared to December 31, 2023. As of December 31, 2025, our inventory levels decreased by 4.7% compared to December 31, 2024.

Inventories consisted of the following for the dates indicated:

	As of December 31,			
	2023	2024	2025 ⁽¹⁾	2025
	(in billions of Won and millions of US\$)			
Finished goods	₩ 751	₩ 945	₩ 746	US\$ 516
Work-in-process	1,146	1,102	1,114	771
Raw materials	457	460	504	349
Supplies	174	164	182	126
Total	₩ 2,528	₩ 2,671	₩ 2,546	US\$ 1,762

(1) For convenience, the Korean Won amounts are expressed in U.S. dollars at the rate of ₩1,444.55 to US\$1.00, the noon buying rate in effect on December 31, 2025, as certified by the Federal Reserve Bank of New York for customs purposes. This translation should not be construed as a representation that the Korean Won amounts represent, have been or could be converted to U.S. dollars at that rate or any other rate.

Our net cash used in investing activities amounted to ₩2,589 billion in 2023, ₩1,363 billion in 2024 and ₩979 billion (US\$678 million) in 2025. Net cash used in investing activities primarily reflected the substantial capital expenditures we have made in connection with the expansion and improvement of our OLED-focused production capacity in recent years, mainly relating to construction of our new, or in certain cases, expansion or conversion of existing, fabrication and module assembly facilities and acquisition of new equipment. These cash outflows from capital expenditures amounted to ₩3,483 billion, ₩2,130 billion and ₩1,348 billion (US\$933 million) in 2023, 2024 and 2025, respectively. We intend to fund our capital requirements associated with our expansion and construction projects with cash flows from operations and financing activities, including external long-term borrowings and bond issuances.

We currently expect that, in 2026, our total capital expenditures on a cash out basis will be higher compared to 2025 and will be used primarily to continue to fund our previously announced investments related to our continued and ongoing transition to an OLED-centric business structure, as well as other essential recurring investments. However, our overall expenditure levels and our allocation among projects are subject to many uncertainties. We review the amount of our capital expenditures and may make adjustments from time to time based on cash flows from operations, the progress of our expansion plans and market conditions. As of December 31, 2025, our commitments in relation to future acquisitions of property, plant and equipment and intangible assets amounted to ₩908 billion (US\$629 million).

Our net cash provided by financing activities amounted to ₩1,351 billion in 2023, and our net cash used in financing activities amounted to ₩1,334 billion in 2024 and ₩1,963 billion (US\$1,359 million) in 2025. The net cash used in financing activities in 2024 compared to net cash provided by financing activities in 2023 primarily reflected decreases in net proceeds from issuance of long-term borrowings and short-term borrowings in 2024 compared to 2023 as well as an increase in our repayment of current portion of long-term borrowings in 2024 compared to 2023, partially offset by our capital increase through a preemptive rights offering in March 2024. The increase in net cash used in financing activities in 2025 primarily reflected an increase in our repayment of current portion of long-term borrowings in 2025 compared to 2024, a capital increase in 2024 compared to no such capital increase in 2025 and a decrease in net proceeds from short-term borrowings in 2025 compared to 2024, partially offset by an increase in proceeds from long-term borrowings as well as a decrease in our repayment of short-term borrowings.

At each of our annual general meeting of shareholders that was held on March 21, 2023, March 22, 2024, March 20, 2025 and March 19, 2026, we did not declare any cash dividend to our shareholders.

We had a total of ₩1,876 billion, ₩970 billion and ₩811 billion (US\$561 million) of short-term borrowings outstanding as of December 31, 2023, 2024 and 2025, respectively. Approximately 27% of our outstanding short-term borrowings as of December 31, 2025 were subject to floating interest rates. For further information regarding our short-term borrowings, including their interest rate and currency structure, please see Note 12 of the notes to our financial statements.

As of December 31, 2025, we maintained accounts receivable discount agreements with several banks for up to an aggregate amount of US\$1,000 million at the parent company level in connection with our export sales transaction with our subsidiaries. In addition, we and our subsidiaries have also entered into various receivable transfer agreements with financial institutions for up to an aggregate amount of ₩3,867 billion. For further information regarding these facilities, please see Note 15 of the notes to our financial statements.

As of December 31, 2025, we had outstanding long-term debt including current portion in the amount of ₩11,854 billion (US\$8,206 million) and prior to deducting discounts on bonds, consisting of ₩380 billion of Korean Won denominated bonds, US\$100 million of U.S. dollar denominated bonds, US\$2,350 million of U.S. dollar denominated long-term borrowings, CNY19,332 million of CNY denominated long-term borrowings and ₩4,000 billion of Korean Won denominated long-term borrowings. As of December 31, 2025, 17% of our outstanding long-term debt were subject to fixed interest rates.

The terms of some of our long-term debt contain provisions that would trigger a requirement for early repayment. The principal and interest under these obligations may be accelerated if there is a default, including defaults triggered by failure to comply with financial covenants and cross defaults triggered under our other debt obligations. We believe we were in compliance with the covenants under our debt obligations at December 31, 2025. For further information about our short- and long-term debt obligations as of December 31, 2025, including their interest rate and currency structure, see Note 12 of the notes to our financial statements.

As of December 31, 2025, we have entered into an agreement to guarantee the payment obligations of our subsidiary LG Display Vietnam Haiphong Co., Ltd. in the aggregate amount of US\$938 million under credit facilities and payables facilities with various financial institutions, including Citibank, Export-Import Bank of Korea and Bank of Australia and New Zealand, among other lenders.

We also utilize cross-currency swap contracts and forward exchange contracts to hedge our foreign currency risk. See “Item 11. Quantitative and Qualitative Disclosures about Market Risk – Foreign Currency Risk.”

The following table summarizes our material short- and long-term cash requirements as of December 31, 2025:

(in billions of Won)	Total	Payments Due by Period				
		Less than 6 months	6 months-1 year	1-2 years	2-5 years	More than 5 years
Unsecured bank borrowings	₩ 11,245	2,462	1,162	4,160	3,461	—
Secured bank borrowings	1,701	75	74	465	1,087	—
Unsecured bond issues	539	199	214	126	—	—
Trade accounts and notes payable	3,308	3,308	—	—	—	—
Other accounts payable ⁽¹⁾	1,463	1,433	30	—	—	—
Long-term other accounts payable	248	—	—	67	181	—
Securities deposits received	147	0	4	143	0	—
Lease liabilities	63	23	15	11	14	0
Derivatives	7	3	2	2	(0)	—
Total contractual cash obligations	₩ 18,721	7,503	1,501	4,974	4,743	0

(1) Includes the amount of utility expenses and other expenses paid using the enterprise procurement cards. For further information, please see Note 25 of the notes to our financial statements.

We intend to fund our cash commitments with cash flows generated from our operations as well as debt financing activities. In addition, we also have continuing obligations to make cash royalty payments under our technology license agreements, the amount of which are generally determined based on a percentage of sales of our display products.

Expenses relating to our license fees and royalty payments under existing license agreements were ₩146 billion in 2023, ₩145 billion in 2024 and ₩141 billion (US\$98 million) in 2025, representing 6.1%, 6.5% and 6.4% of our research and development related expenditures in 2023, 2024 and 2025, respectively. We expect to make additional license fee payments as we enter into new technology license agreements from time to time with third parties.

Taxation

In 2025, the statutory corporate income tax rate applicable to us was 9.9% (including local income surtax) for the first ₩200 million of our taxable income, 20.9% (including local income surtax) for our taxable income between ₩200 million and ₩20 billion, 23.1% (including local income surtax) for our taxable income between ₩20 billion and ₩300 billion, and 26.4% (including local income surtax) for our taxable income in excess of ₩300 billion.

In recent years, the Organization for Economic Cooperation and Development has introduced and implemented the Base Erosion and Profit Shifting 2.0 framework (“BEPS 2.0”), which imposes a minimum tax for multinational enterprise groups with total consolidated group revenue of €750 million or more in at least two of the four most recent fiscal years (the “global minimum tax requirement”). Under the model rules of BEPS 2.0, a multinational enterprise group meeting the above-described criteria are required to pay a top-up tax on excess profits realized by a consolidated entity in any jurisdiction in which the effective tax rate for the jurisdiction is below a 15% minimum rate. The top-up tax must be paid to the tax authority of the country in which the responsible entity (either the controlling company or the local entity, depending on the jurisdiction) is located and meets certain requirements. In 2023, the Korean government enacted a new tax legislation, which is effective for fiscal years that begin on or after January 1, 2024, that reflects the global minimum tax requirement. Based on our assessment, we recognized income tax expense of ₩7.6 billion for the year ended December 31, 2025 in connection with the global minimum tax requirement.

Tax Credits

We are entitled to a number of tax credits relating to certain investments in tangible assets for business use (excluding certain assets for which tax credits are not permitted under Korean tax laws) and facilities used for research and development and human resources development. For example, in 2025, under the Restriction of Special Taxation Act, we were entitled to a tax credit of 15% of our qualifying capital investments in certain national strategic technology facilities in 2025. Under the same law, we are also entitled to a tax credit on a percentage of our research and development expenses incurred for procuring certain national strategic technologies, which include OLED display technology. The applicable amount of such tax credit is calculated by multiplying the applicable research and development expenses by the sum of (x) 30% and (y) three times the proportion of such research and development expenses as a percentage of revenue.

Tax credits may be utilized for an amount up to the tax payable using the minimum tax rate for a given fiscal year. Tax credits not utilized in the fiscal year during which the relevant investment was made may be carried forward over the next ten years. As of December 31, 2025, we had recognized deferred tax assets related to these credits of ₩155 billion (US\$107 million), which may be utilized against future income tax liabilities through 2035. See Note 23(b) of the notes to our financial statements.

Item 5.C. Research and Development, Patents and Licenses, etc.

Research and Development

The display panel industry is subject to rapid technological changes. We believe that effective research and development is essential to maintaining our position as one of the industry's leading technology innovators.

To meet the demands of the future trends, we have formulated a long-term research and development strategy aimed at improving the process, performance and design of the existing products and diversifying the use of display panels as new opportunities arise with the development of communication systems and information technology. The following are examples of products and technologies that have been developed through our research and development activities in recent years:

- In 2023, we developed the world's first medium-sized transparent WOLED display product (30-inch HD) with a transparency rate of 45% and luminance of 600/200 nit. In addition, we produced the world's first 17-inch foldable pen touch notebook display panel applying tandem OLED technology. For gaming display products, we developed the world's first 34-inch and 39-inch ultra-wide, full-size 240Hz gaming monitor display product that applies high-speed, fast response time, high-luminance and curved OLED technology.
- In 2024, we developed our first notebook panel based on the ATO (Advanced Thin OLED) structure, a 13.4-inch model that incorporates Touch on Encap technology. We also introduced Micro LED display products, including a 22.3-inch module for 136-inch 4K business-to-consumer products and a 22.3-inch module for infinitely expandable business-to-business applications. Additionally, we produced large WOLED desktop monitors applying the first-ever "4Stack" technology in various sizes ranging from 48-inches to 83-inches, offering superior brightness, color accuracy and fast response times, while also achieving greater cost efficiency. For gaming display products, we launched the world's first Gaming OLED QHD 480Hz monitor product (27-inch), along with the world's first gaming DFR (Dynamic Frequency & Resolution) product, which allows the implementation of both high resolution (UHD 240Hz) and high refresh rate (FHD 480Hz) on a single display panel while providing maximized sound effects. Additionally, we developed our first dual-resolution gaming LCD monitor product (27-inch), which supports both fast-paced (FHD 330Hz) and high-resolution (UHD 165Hz) gaming on a single screen.
- In 2025, we developed the world's first 45WUHD 165Hz Gaming OLED panel, which applies DFR (Dynamic Frequency & Resolution) technology to enable both high resolution (WUHD 165Hz) and high refresh rate (WFHD 330Hz) on a single display panel, and features an 800R curved screen. Additionally, we developed the world's first 27-inch QHD 540Hz OLED gaming monitor (DFR 720Hz), achieving industry-leading refresh rates and ultra-fast response time to provide a smoother and more immersive gaming experience. We also developed the world's first medium-sized (14-inch) OLED notebook panel based on LTPO and Tandem technology and the world's first 1Hz low-power notebook display panels (14-inch and 16-inch), delivering low power consumption, variable refresh rate functionality and enhanced design efficiency for high-end notebook applications. Furthermore, we developed the world's first 51.5-inch high-resolution IPS curved monitor, reinforcing our leadership in the high-end large-sized desktop monitor market. For television panel products, we introduced our first large OLED television display panels based on the DRD (Double Rate Driving) platform, enhancing cost competitiveness and structural innovation. In the automotive segment, we developed our first 8.5th-generation large-sized display panel (38.9 inches) using oxide technology, featuring pillar-to-pillar full-dashboard products and expanding automotive TFT-LCD panel production beyond the existing 6th-generation line.

In line with our overall business strategy to focus on the development and production of OLED and other high-end differentiated specialty display products, we plan to continue to concentrate on the research and development of OLED and other newer display technologies, while also exploring new growth opportunities in the application of display panels, such as automotive displays and life displays. Life displays include gaming displays and transparent displays, among others.

In order to maintain our position as one of the industry’s technology leaders, we believe it is important not only to increase direct spending on research and development, but also to manage our research and development capability effectively in order to successfully implement our long-term strategy. In connection with our efforts to enhance our research and development capability with respect to next-generation display technologies, we opened the R&D Center in Paju, Korea in April 2012. In addition, we have further expanded our research and development resources by allocating some of our research and development personnel to LG Science Park, which is located in western Seoul and commenced its operations in December 2017. LG Science Park accommodates researchers from various LG Group-affiliated companies with expertise in a broad range of disciplines, including electronics, chemistry, nanotechnology, display, fabrication, life sciences and new materials, to focus on developing and testing innovative new technologies.

We complement our in-house research and development capability through collaborations with universities and other third parties. For example, we provide project-based funding to both domestic and overseas universities as a means to recruit promising engineering students and to research and develop new technologies. As part of our such efforts, we operate cooperation centers within various universities, including Korea University and Korea Advanced Institute of Science and Technology, in order to promote the research and development of various technologies for use in future display panels. In 2021 and 2022, we entered into agreements with Yonsei University, Hanyang University and Sungkyunkwan University to establish a “Display Convergence Engineering Department” at each of these universities that offers specialized classes in technical fields such as electronics, electricity, physics, chemistry and materials with the aim to cultivate next-generation talents. We also enter into joint research and development agreements from time to time with third parties for the development of technologies in next-generation display fields. In addition, we belong to several display industry consortia, and we receive annual government funding to support our research and development efforts.

While we primarily rely on our own capacity for the development of new technologies in the display panel design and manufacturing process, we rely on third parties for certain key technologies to enhance our technology leadership, as further described in “—Intellectual Property” below.

Intellectual Property

Overview

Our business has benefited from our patent portfolio, which includes patents for display technologies, manufacturing processes, products and applications related to the production of TFT-LCD and OLED panels. We hold a large number of patents in Korea and in other countries, including in the United States, China, Japan, Germany, France, Great Britain, Taiwan, India and Vietnam. These patents will expire at various dates upon the expiration of their respective terms ranging from 2026 to 2045. In March 2014, we formed Unified Innovative Technology, LLC in the United States, a limited liability company solely owned by us for the purpose of patent portfolio management.

As part of our ongoing efforts to prevent infringements on our intellectual property rights and to keep abreast of critical technology developments by our competitors, we closely monitor patent applications in Korea and various other countries in which we sold our products. We intend to continue to file patent applications, where appropriate, to protect our proprietary technologies. We also enter into confidentiality agreements with each of our employees and consultants upon the commencement of an employment or consulting relationship. These agreements generally provide that all inventions, ideas, discoveries, improvements and copyrightable material made or conceived by the individual arising out of the employment or consulting relationship and all confidential information developed or made known to the individual during the term of the relationship are our exclusive property. In addition, we have increased our efforts to safeguard our propriety information by engaging in in-house information protection awareness activities with our employees. For a discussion of risks related to our reliance on trade secrets and the potential unauthorized disclosure of proprietary information, see “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—We rely upon trade secrets and other unpatented proprietary know-how to maintain our competitive position in the display panel industry and any loss of our rights to, or unauthorized disclosure of, our trade secrets or other unpatented proprietary know-how could negatively affect our business.”

License Agreements

We enter into license or cross-license agreements from time to time with third parties with respect to various device and process technologies to complement our in-house research and development. We engage in regular discussions with third parties to identify potential areas for additional licensing of key technologies.

Expenses relating to our license fees and royalty payments under existing license agreements were ₩146 billion in 2023, ₩145 billion in 2024 and ₩141 billion (US\$98 million) in 2025, representing 6.1%, 6.5% and 6.4% of our research and development related expenditures in 2023, 2024 and 2025, respectively. The following are examples of license agreements we have entered into:

- We have a license agreement with each of Columbia University, Penn State University, Honeywell International, Honeywell Intellectual Properties, Plasma Physics Corporation and Fergason Patent Properties. Each license agreement provides for a non-exclusive license under certain patents relating to TFT-LCD technologies.
- We have a license agreement with Universal Display Corporation for a non-exclusive license under certain patents relating to OLED technologies.
- We have a license agreement with Semiconductor Energy Laboratory for a non-exclusive license under certain patents relating to TFT-LCD and OLED technologies.
- We have a cross-license agreement with each of Hitachi, HannStar and Hydis for a non-exclusive license under certain patents relating to display technologies.
- We have separate cross-license agreements with each of NEC and AU Optronics in connection with the settlement of certain patent infringement lawsuits. Under the agreements, each party grants the other party a license under certain patents relating to TFT-LCD technologies.
- We are licensed to use certain patents for our TFT-LCD products pursuant to a cross-license agreement between Philips Electronics and Toshiba Corporation.

In addition to the above, we have also entered into license or cross-license agreements with other third parties in the course of our business operations in connection with certain patents, which such third parties own or control.

As well as licensing key technologies from third parties, we aim to benefit from our own patents and other intellectual property rights by granting licenses to third parties from time to time in return for royalty payments. We have also entered into certain patent purchase and license agreements with third parties, where we receive a portion of the license payments.

Item 5.D. Trend Information

These matters are discussed under Item 5.A. and Item 5.B. above where relevant.

Item 5.E. Critical Accounting Estimates

Our financial statements are prepared in accordance with IFRS Accounting Standards as issued by the IASB. See Note 3 of the notes to our financial statements for a discussion on the accounting policies critical to an understanding of our consolidated financial statements.

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Item 6.A. Directors and Senior Management

Board of Directors

Our board of directors has the ultimate responsibility for the management of our business affairs. Our articles of incorporation provide for a board consisting of between five and seven directors, more than half of whom must be outside directors. Our shareholders elect all directors at a general meeting of shareholders. Under the Korean Commercial Code, a representative director of a company established in Korea is authorized to represent and act on behalf of such company and has the power to bind such company. Cheoldong Jeong is currently our sole representative director.

The term of office for our directors shall not exceed the closing of the annual general meeting of shareholders convened in respect of the last fiscal year within three years after they take office. Our board must meet at least once every quarter, and may meet as often as the chairman of the board of directors or the person designated by the regulation of the board of directors deem necessary or advisable.

The tables below set forth information regarding our current directors and executive officers. The business address of all of the directors and executive officers is LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Korea.

Our Outside Directors

Our current outside directors are set out in the table below. Each of our outside directors meets the applicable independence standards set forth under the rules of the Korean Commercial Code and also meets the applicable independence criteria set forth under Rule 10A-3 of the Exchange Act.

Name	Date of Birth	Position	First Elected/ Appointed	Term Expires	Principal Occupation Outside of LG Display
Doo Cheol Moon	November 5, 1967	Director	March 2021 ⁽¹⁾	March 2027	Professor, School of Business, Yonsei University
Chung Hae Kang	May 20, 1964	Director	March 2022 ⁽²⁾	March 2028	Professor, University of Seoul Law School
Jung Suk Oh	September 30, 1970	Director	March 2023 ⁽³⁾⁽⁴⁾	March 2028	Professor, Operations Management, Seoul National University
Sang Hee Park	December 2, 1965	Director	March 2023 ⁽⁴⁾	March 2029	Professor, Materials Science and Engineering, Korea Advanced Institute of Science and Technology

(1) Mr. Moon was re-elected as an outside director at our annual general meeting of shareholders in March 2024.

(2) Ms. Kang was re-elected as an outside director at our annual general meeting of shareholders in March 2025.

(3) Prior to his election to our board of directors at our annual general meeting of shareholders in March 2023, Mr. Oh previously served as a court-appointed temporary outside director and member of the Audit Committee since April 2022.

(4) Mr. Oh and Ms. Park were re-elected as outside directors at our annual general meeting of shareholders in March 2026.

Our Non-Outside Directors

Our current non-outside directors are set out in the table below:

Name	Date of Birth	Position	First Elected/ Appointed	Term Expires	Principal Occupation Outside of LG Display
Cheoldong Jeong	May 11, 1961	President, Chief Executive Officer, Representative Director	March 2024	March 2027	—
Sunghyun Kim	December 12, 1967	Executive Vice President, Chief Financial Officer, Director	March 2022 ⁽¹⁾	March 2028	—
Sangwoo Lee	November 8, 1970	Director	March 2025	March 2028	—

(1) Mr. Kim was re-elected as a non-outside director at our annual general meeting of shareholders in March 2025.

Our Non-Director Executive Officers

Our current non-director executive officers are set out in the table below:

Name	Position	Responsibility and Division	Age
Yong Min Ha	Executive Vice President	Head of Quality Management Center	59
Hyun Chul Choi	Executive Vice President	Head of SC Business Unit	58
Young Seok Choi	Executive Vice President	Chief Technology Officer	58
Byeong Koo Kim	Senior Vice President	Head of Medium Display Business Unit	58
Hyeon Woo Lee	Senior Vice President	Head of Large Display Business Unit	58
Woo Sup Shin	Senior Vice President	Head of SC Panel Center	56
Seong Hee Kim	Senior Vice President	Chief Safety Environment Officer	57
Yoo Seok Park	Senior Vice President	Head of Medium/Large Display Manufacture Center	55
Jin Nam Park	Senior Vice President	Head of Purchasing Group	54
Myung Su Suk	Senior Vice President	Head of Medium/Small Display Module Center	55
Sang Yoon Park	Senior Vice President	Head of SC Development Group	57
Tae Rim Lee	Senior Vice President	Head of Large Display Development Group	51
Han Koo Lee	Vice President	Head of Business Support Group	58
Keuk Sang Kwon	Vice President	Head of Auto Business Group	55
Jeong Min Kim	Vice President	Head of Jeong-do Management Division	54
Hoon Jeong	Vice President	Head of Medium Display Development Group	53
Seung Ho Kwon	Vice President	Head of LGDCO Subsidiary	54
In Hyuk Song	Vice President	Head of Auto Product Development Division 1	48
Joon Young Yang	Vice President	Head of Advanced Technology Laboratory	55
Tae Hyung Lim	Vice President	Head of Medium Display Sales Division 2	56
Kyung Joon Kwon	Vice President	Head of SC Development Division 2	50
Sung Joon Bae	Vice President	Head of Large Display Panel Development Division	55
Ki Young Kim	Vice President	Head of Quality Innovation Division	54
Ji Ho Back	Vice President	Head of OC Research/Development Division	54
Seung Do Kim	Vice President	Head of Module Outsourcing Division	54
In Kwan Choi	Vice President	Head of Vietnam Subsidiary	55
Jong Suk Jeon	Vice President	Head of SC Sales/Marketing Group	51
Sang Hyun Ahn	Vice President	Head of Auto Sales Division	55
Byung Seung Lee	Vice President	Head of AX Group	49
Hyung Jung Lee	Vice President	Head of Large Display LCD Supply Chain Management	57
Hu Kag Lee	Vice President	Head of Production Technology Center	55
Jong Uk Bae	Vice President	Head of TFT Device Research/Development Division	55
Han Yong Nam	Vice President	Head of Purchasing Division 2	57
Tae Wook Kang	Vice President	Head of Medium Display Sales/Marketing Group	49
Kyu Dong Kim	Vice President	Head of Finance & Risk Management Division	48
Gwang Tae Kim	Vice President	Head of Medium Display Development Division 2	54
Joon Hyeok Jang	Vice President	Head of Large Display Product Planning Division	53
Ki Hwan Son	Vice President	Head of Auto Marketing Product Planning Division	48
Seong Gon Kim	Vice President	Head of Medium Display Sales Division 3	48
Jong Duck Kim	Vice President	Head of Large Display Planning & Management Division	55
Sang Hoon Jung	Vice President	Head of Panel Advanced Research Division	49
Dong Hee Kim	Vice President	Head of SC Factory 2	55
Ki Sang Lee	Vice President	Chief Human Resources Officer	55
Pyung Hun Kim	Vice President	Head of Medium Display Development Division 3	52
Jae Won Jang	Vice President	Head of Medium Display Product Planning Division	51
Heung Lyul Cho	Vice President	Head of Next Generation Display Research Division	53
Nak Jin Seong	Vice President	Head of Large Display Development Division 2	48
Yun Seon Kang	Vice President	Production Technology Center	56
Sang Goon Whang	Vice President	Head of Large Display Sales Division 1	51
Jun Tak Oh	Vice President	Head of SCM AX Division	49
Suk Hyun Lee	Vice President	Head of Safety Health Division	53
Min Hyoung Lee	Vice President	Head of Strategy/Marketing Division	55
Kyuong Hyung Lee	Vice President	Head of Medium/Large Display Factory 2	51
Nack Bong Choi	Vice President	Head of SC Development Division 1	52
Yeoun Woo Sung	Vice President	Head of SC Customer Support Division	47
Seung Hyun Cho	Vice President	Head of Business Control & Management Division	49
Tae Hyoung Kwak	Vice President	Head of Material Research Division	51
Hyoung Kun Lee	Vice President	Head of Public Relations Division	53
Hong Soo Kim	Vice President	SC Development Group	51
Hak Soo Park	Vice President	Head of AI/Big Data Research Division	48
Hyun Seung Lee	Vice President	Head of Module Technology Division	51
Jin Sung Kim	Vice President	Head of Medium Display Development Division 1	50
Seung Ho Kim	Vice President	Head of Production Technology Division	52
Dong Ik Lee	Vice President	Head of Purchasing Division 1	49
Ik Soo Ahn	Vice President	Head of SC SCM Division	52
Ji Hyun Kue	Vice President	Head of HRM Division	48
In Jue Kim	Vice President	Head of Technology Strategy Division	51
Jae Wook Nam	Vice President	Head of Medium Display Customer Service Division	50
Seung Ryong Baek	Vice President	Head of SC Planning & Management Division	48
Sung Jin So	Vice President	Head of SC Development Division 3	52
Byung Hee Son	Vice President	Head of Medium/Small Display Module Technology Division 1	50
Suk Jin Son	Vice President	Head of Large Display Sales Division 2	46
Seung Ik Lee	Vice President	Head of Gumi Complex Division	52
Yale Han	Vice President	Head of Global Legal Affairs Division	46
Woo Jae Hur	Vice President	Head of SC Quality Division	50
Tae Jin Chung	Vice President	Head of Accounting Division	52
Juhn Suk Yoo	Chief Research Fellow	SC Development Group	54

Item 6.B. Compensation

The aggregate remuneration and benefits-in-kind we paid in 2025 to our directors was ₩3.3 billion (US\$2.3 million). This included ₩1.5 billion (US\$1.0 million) in salary paid to Cheoldong Jeong, our chief executive officer, and ₩0.5 billion (US\$0.4 million) in salary paid to Sunghyun Kim, our chief financial officer, in each case for the period during which each such person served on our board of directors in 2025.

The aggregate remuneration and benefits-in-kind we paid in 2025 to our non-director executive officers was ₩39.8 billion (US\$27.6 million).

The compensation of the five individuals who received the highest compensation among those who received total annual compensation exceeding ₩500 million in 2025 was as follows:

Name	Position	Composition of Total Compensation			Total Compensation
		Salary	Bonus ⁽¹⁾	Retirement Benefits	
Cheoldong Jeong	President	₩ 1,455	₩ 727	₩ —	₩ 2,182
Yoong Ki Min ⁽²⁾	Advisory Officer	₩ 288	₩ —	₩ 1,463	₩ 1,751
Jong Woo Kim ⁽²⁾	Advisory Officer	₩ 295	₩ —	₩ 1,387	₩ 1,682
J. Kenneth Oh ⁽²⁾	Former				
	Senior Vice President	₩ 100	₩ —	₩ 1,195	₩ 1,295
Seung Min Lim ⁽²⁾	Advisory Officer	₩ 102	₩ —	₩ 1,178	₩ 1,280

(1) Based on our performance in 2025.

(2) Former officer who retired from his position as of March 31, 2025.

Our articles of incorporation provide for a stock option plan to aid retention of executives and key staff and to provide an incentive to meet strategic objectives. All of the stock options we have previously granted have expired and none are currently outstanding. In addition, remuneration for our directors is determined by shareholder resolution, and severance payments to our directors are made in accordance with our regulations on severance payments adopted by our shareholders. We also maintain a cash-based incentive plan for our executive officers and other key managerial employees adopted by our board of directors. Incentive payments are determined based on various long-term performance criteria and paid annually, subject to our cash resources and performance in such year. In addition, our executive officers and other key managerial employees are also eligible for bonuses payable under our employee profit sharing plan if certain performance criteria are met.

We carry liability insurance for the benefit of our directors and officers against certain liabilities incurred by them in their official capacities. This insurance covers our directors and officers, as well as those of our subsidiaries, against certain claims, damages, judgments and settlements, including related legal costs, arising from a covered individual's actual or alleged breaches of duty, neglect or other errors, arising in connection with such individual's performance of his or her official duties. The insurance protection also extends to claims, damages, judgments and settlements, including related legal costs, arising out of shareholders' derivative actions or otherwise relating to our securities. Policy exclusions include, but are not limited to, claims relating to fraud, willful misconduct or criminal acts, as well as the payment of punitive damages. In 2025, we paid a premium of approximately US\$1.1 million in respect of this insurance policy.

Item 6.C. Board Practices

See "Item 6.A. Directors and Senior Management" above for information concerning the terms of office and contractual employment arrangements with our directors and executive officers.

Committees of the Board of Directors

We currently have five committees that serve under our board of directors:

- Audit Committee;
- Outside Director Nomination Committee;

- Management Committee;
- Related Party Transaction Committee; and
- ESG Committee;

Under our articles of incorporation, our board of directors may establish other committees if they deem them necessary. Our board of directors appoint each member of these committees except that candidates for the Audit Committee will first be elected by our shareholders at the general meeting of shareholders.

Audit Committee

Under Korean law and our articles of incorporation, we are required to have an Audit Committee. Our Audit Committee is currently comprised of four outside directors: Doo Cheol Moon, Chung Hae Kang, Jung Suk Oh and Sang Hee Park. The chairman is Doo Cheol Moon. Members of the Audit Committee are elected by our shareholders at the annual general meeting of shareholders and all members must meet the applicable independence criteria set forth under the rules and regulations of the Sarbanes-Oxley Act of 2002 and the Korean Commercial Code. The committee reviews all audit and compliance-related matters and makes recommendations to our board of directors. The Audit Committee's primary responsibilities include the following:

- engaging or dismissing independent auditors;
- approving independent audit fees;
- approving audit and non-audit services;
- reviewing annual and interim financial statements;
- reviewing audit results and reports, including management comments and recommendations;
- reviewing our system of controls and policies, including those covering conflicts of interest and business ethics;
- assessing compliance with disclosure and filing obligations;
- considering significant changes in accounting practices; and
- examining improprieties or suspected improprieties.

In addition, in connection with general meetings of shareholders, the committee examines the agenda for, and financial statements and other reports to be submitted by, the board of directors at each general meeting of shareholders. Our external auditor reports directly to the Audit Committee. Our external auditor is invited to attend meetings of this committee when needed or when matters pertaining to the audit are discussed.

The committee holds regular meetings at least once each quarter, and more frequently as needed.

Outside Director Nomination Committee

Under Korean law and our articles of incorporation, we are required to have an Outside Director Nomination Committee for the nomination of outside directors. Our Outside Director Nomination Committee is currently comprised of two outside directors, Sang Hee Park and Jung Suk Oh, and one non-outside director, Sangwoo Lee. The chairman is Sang Hee Park. The Outside Director Nomination Committee reviews the qualifications of potential candidates for outside directors and proposes nominees to serve on our board of directors.

The committee holds meetings as necessary for the nomination of outside directors.

Management Committee

The Management Committee is comprised of two non-outside directors, Cheoldong Jeong and Sunghyun Kim. The chairman is Cheoldong Jeong. The committee's primary responsibilities include making recommendations regarding matters relating to our operation and other matters delegated to the committee by our board of directors.

The committee holds meetings from time to time as needed.

Related Party Transaction Committee

The Related Party Transaction Committee is comprised of three outside directors, Chung Hae Kang, Jung Suk Oh and Sang Hee Park, and our chief financial officer and non-outside director, Sunghyun Kim. The chairman is Chung Hae Kang. The committee reviews related party and other internal transactions to ensure compliance with the Monopoly Regulation and Fair Trade Act and makes recommendations to our board of directors.

The committee holds regular meetings at least once each half-year, and more frequently as needed.

ESG Committee

The ESG Committee is comprised of four outside directors, Doo Cheol Moon, Chung Hae Kang, Jung Suk Oh and Sang Hee Park, and our chief executive officer and non-outside director, Cheoldong Jeong. The chairman is Doo Cheol Moon. The committee is responsible for reviewing and establishing policies and strategies relating to the environment and safety, social responsibility, customer value, shareholder value and corporate governance, and making recommendations to our board of directors.

The committee holds regular meetings at least once each half-year, and more frequently as needed.

Item 6.D. Employees

As of December 31, 2025, we had 53,049 employees, including 28,617 employees in our overseas subsidiaries. The following table provides a breakdown of our employees by function as of December 31, 2023, 2024 and 2025:

Employees⁽¹⁾	As of December 31,		
	2023	2024	2025
Production	55,469	50,814	43,065
Technical ⁽²⁾	8,098	7,393	7,574
Sales & Marketing	1,603	1,432	1,289
Management & Administration	1,248	1,153	1,121
Total	66,418	60,792	53,049

(1) Includes employees of our subsidiaries.

(2) Includes research and development and engineering personnel.

To recruit promising engineering students at leading Korean universities, we work with these universities on research projects where these students can gain exposure to our research and development efforts. We also provide on-the-job training for our new employees and develop training programs to identify and promote new leaders.

As of December 31, 2025, more than half of our employees based in Korea were union members, and production employees accounted for substantially all of these members. We have a collective bargaining arrangement with our labor union, which is negotiated once a year. We consider our relationship with our employees to be good.

The salaries of our employees are reviewed annually. Salaries are adjusted based on individual and team performance, industry standards and inflation. As an incentive, discretionary bonuses may be paid based on the performance of individuals, and a portion of our profits may be paid to our employees under our profit sharing plan if certain performance criteria are achieved. We also provide a wide range of benefits to our employees including medical insurance, employment insurance, workers compensation, free medical examinations, child tuition and education fee reimbursements and low-cost housing for certain employees.

Under the Guarantee of Workers' Retirement Benefits Act, employees with one year or more of service are entitled to receive, upon termination of their employment, a lump-sum severance payment based on the length of their service and their average wage during the last three months of employment. As of December 31, 2025, the present value of our defined benefit obligations amounted to ₩1,276 billion (US\$883 million), while the fair value of our benefit plan assets amounted to ₩1,474 billion (US\$1,020 million), including amounts relating to employees of our foreign subsidiaries. See Note 13 of the notes to our financial statements for a discussion on the method of calculating our recognized liabilities for defined benefit obligations.

As of December 31, 2025, our employee stock ownership association owned approximately 1.9% of our common stock. In March 2024, we offered 28,436,860 of the 142,184,300 new shares of common stock to members of the employee stock ownership association as part of our capital increase, and all such shares were subscribed by members of our employee stock ownership association.

Item 6.E. Share Ownership

Common Stock

The persons who are currently our executive officers held, as a group, 63,178 shares of our common stock as of April 16, 2025, the most recent date for which this information is available. Our executive officers acquired our shares of common stock through our employee stock ownership association and pursuant to open market purchases on the Korea Exchange. Due to Korean law restrictions, our registered executive officers, including our chief executive officer and chief financial officer do not participate in the employee stock ownership association. Each of our directors and executive officers beneficially owns less than one percent of our common stock on an individual basis.

In addition, our articles of incorporation provide for a stock option plan to aid retention of executives and key staff and to provide an incentive to meet strategic objectives. All of the stock options we have previously granted have expired and none are currently outstanding.

Item 6.F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Item 7.A. Major Shareholders

The following table sets forth information regarding beneficial ownership of our common stock by each person or entity known to us as of March 31, 2026 to own beneficially more than 5% of our outstanding shares:

Beneficial Owner	Number of Shares of Common Stock	Percentage
LG Electronics ⁽¹⁾	183,593,207	36.7 %
BlackRock Fund Advisors ⁽²⁾	25,178,978	5.0 %

- (1) In March 2024, as part of our ongoing efforts to improve our financial condition and liquidity, we issued 142,184,300 new shares of common stock (including 1,038,078 new shares represented by 2,076,156 ADSs) at a subscription price of ₩9,090 per share (and US\$3.450019 per ADS) pursuant to a preemptive rights offering to our existing shareholders, including ADS holders, followed by a public offering in Korea with respect to the fractional shares from the rights offering. Immediately following the completion of such offering, the number of issued and outstanding shares of our common stock increased to 500,000,000. LG Electronics subscribed for 47,968,206 new shares of our common stock for a cash consideration of ₩436 billion under such offering. As a result of its participation, following the completion of such offering, LG Electronics’ shareholding in us decreased from 37.9% to 36.7%.
- (2) The number of shares of common stock indicated are the total number of voting shares held by BlackRock Fund Advisors as of March 23, 2026, according to their report on significant holdings of stocks filed with the Financial Supervisory Service of Korea on March 30, 2026.

Other than as set forth above, no other person or entity known by us to be acting in concert, directly or indirectly, jointly or severally, owned more than 5% or more of our outstanding common stock or exercised control or could exercise control over us as of April 16, 2026. None of our major shareholders identified above has voting rights different from those of our other shareholders.

Item 7.B. Related Party Transactions

We engage from time to time in a variety of transactions with related parties, including the sale of our products to, and the purchase of raw materials and components from, such related parties. See Notes 8 and 28 of the notes to our financial statements. In March 2023, we entered into a long-term borrowings agreement with LG Electronics, our largest shareholder. See “— Long-Term Borrowings Agreement with LG Electronics.” In March 2024, LG Electronics subscribed for additional shares of our common stock in our capital increase pursuant to a preemptive rights offering to existing shareholders. See “— Subscription to Our Common Stock by LG Electronics.” We have conducted our transactions with related parties based on arm’s length negotiations taking into account such considerations as we would in comparable transactions with a non-related party.

From time to time, we provide payment guarantees for the benefit of certain of our subsidiaries. For a discussion of such payment guarantee obligations, please see “Item 5.B. Liquidity and Capital Resources.”

Transactions with Companies in the LG Group

Sales to LG Electronics

We sell display panels, primarily large-sized panels for televisions, notebook computers and desktop monitors and small- and medium-sized panels for automotive screens and other applications, to LG Electronics and its subsidiaries on a regular basis, as both an end-brand customer and as a system integrator for use in products they assemble on a contract basis for other end-brand customers. Pricing and other principal terms of the sales to LG Electronics are negotiated based on then-prevailing market terms and prices as adjusted for LG Electronics’ requirements such as volume and product specifications and our internal projections regarding market trends, which are the same considerations that we take into account when negotiating pricing and principal terms of sales to our non-affiliated end-brand customers.

Sales to LG Electronics and its subsidiaries, which include sales to LG Electronics as an end-brand customer and system integrator, amounted to ₩3,413 billion (US\$2,363 million), or 13.2% of our sales, in 2025.

Purchases from LG Electronics

We purchase equipment, photo masks, components and certain services, such as transportation, warehousing and other related logistics services, from LG Electronics and its subsidiaries. Our purchases from LG Electronics and its subsidiaries amounted to ₩410 billion (US\$284 million), or 3.8% of our total purchases, in 2025.

Other Purchases

Under a master purchase agreement, we procure, on an “as-needed” basis, certain of the raw materials, components and other materials necessary for our production process from other companies in the LG Group. Our purchases of raw materials, such as polarizers, from LG Chem, an affiliate of LG Corp., amounted to ₩341 billion (US\$236 million), or 3.2% of our total purchases, in 2025.

Our total purchases, including purchases of materials, supplies and services, from companies in the LG Group, excluding LG Electronics and LG Chem and their respective subsidiaries, amounted to ₩402 billion (US\$278 million), or 3.7% of our total purchases, in 2025.

Intellectual Property Related Agreements with LG Corp. and LG Electronics

We have entered into successive trademark license agreements with LG Corp., the holding company of the LG Group, for use of the “LG” name. Under the terms of the current agreement, we are required to make monthly payments to LG Corp. in the aggregate amount per year of 0.2% of our sales after deducting advertising expenses. As of April 16, 2026, we have made all monthly payments required to be made to LG Corp. in accordance with the terms of the current agreement.

In addition, we benefit from certain licenses extended to us from license or cross-license agreements between LG Electronics and third parties. Under the terms of the joint venture agreement establishing LG.Philips LCD Co., Ltd., LG Electronics had assigned most of its patents relating to the development, manufacture and sale of TFT-LCD products to us and we had agreed to maintain joint ownership of those patents that were not assigned to us.

Long-Term Borrowings Agreement with LG Electronics

In March 2023, we entered into an agreement to obtain a long-term borrowing from LG Electronics, our largest shareholder, in the aggregate amount of ₩1 trillion with an interest rate of 6.06% per year. We received ₩0.65 trillion of the principal amount of such borrowing on March 30, 2023 and the remaining ₩0.35 trillion on April 20, 2023. Under the terms of the agreement, we were responsible only for interest payments during the first two years of the borrowing term, with the principal amount originally scheduled for repayment on a quarterly basis during the final year. We fully repaid the outstanding principal on June 5, 2025, and no amounts were outstanding as of December 31, 2025. We obtained such borrowing in order to strengthen the competitiveness of our OLED business as well as for general corporate purposes.

Subscription to Our Common Stock by LG Electronics

In March 2024, LG Electronics subscribed for 47,968,206 new shares of our common stock for a cash consideration of ₩436 billion in our capital increase pursuant to a preemptive rights offering to existing shareholders, including ADS holders, followed by a public offering in Korea with respect to the fractional shares from the rights offering. As a result of its participation, following the completion of such offering, LG Electronics' shareholding in us decreased from 37.9% to 36.7%. LG Electronics currently owns 36.7% of our voting stock. See "Item 7.A. Major Shareholders."

Transactions with Directors and Officers

Certain of our directors and executive officers also serve as executive officers of companies with which we do business. None of our directors or executive officers has or had any interest in any of our business transactions that are or were unusual in their nature or conditions or significant to our business.

Item 7.C. Interests of Experts and Counsel

Not applicable.

Item 8. FINANCIAL INFORMATION

Item 8.A. Consolidated Statements and Other Financial Information

See “Item 18. Financial Statements” and pages F-1 through F-87.

Legal Proceedings

We are involved from time to time in certain routine legal actions incidental to our business. However, except for the ongoing proceedings described below, we are not currently involved in any material litigation or other proceedings the outcome of which we believe might, individually or taken as a whole, have a material adverse effect on our results of operations or financial condition. In addition, except as described below, we are not aware of any other material pending or threatened litigation against us.

Antitrust and Others

In December 2006, LG Display received notices of investigation by the U.S. Department of Justice, the European Commission, the Korea Fair Trade Commission and the Japan Fair Trade Commission with respect to possible anti-competitive activities in the TFT-LCD industry. Subsequently, the Competition Bureau of Canada, the Secretariat of Economic Law of Brazil, the Taiwan Fair Trade Commission, and the Federal Competition Commission of Mexico announced investigations regarding the same. Between November 2008 and June 2014, each of such investigations and subsequent legal proceedings brought by the relevant competition authorities was settled or resolved, and we have paid fines of US\$400 million pursuant to our November 2008 settlement agreement with the U.S. Department of Justice, €210 million pursuant to a December 2010 decision by the European Commission and R\$33.9 million pursuant to an August 2014 settlement agreement with the Secretariat of Economic Law of Brazil.

After the commencement of the U.S. Department of Justice investigation, various class action complaints and separate claims by direct and indirect purchasers of our products were filed against us and other TFT-LCD panel manufacturers in the United States and Canada, alleging violations of respective antitrust and related laws. In addition, from 2010 to 2012, the attorneys general of Arkansas, California, Florida, Illinois, Michigan, Mississippi, Missouri, New York, Oklahoma, Oregon, South Carolina, Washington, West Virginia and Wisconsin filed complaints against us, alleging similar antitrust violations. In June 2018, the attorney general of the Commonwealth of Puerto Rico filed a complaint against us and other TFT-LCD panel manufacturers alleging unjust enrichment in connection with the aforementioned U.S. Department of Justice investigation. Since then, we have reached settlements with each of the plaintiff classes and separate plaintiffs, as well as with the aforementioned state attorneys general, with the exception of the attorney general of the Commonwealth of Puerto Rico, which settlements were duly approved by the applicable courts and, in the case of the state attorneys general actions, by their respective state governments. In October 2022, the United States District Court for the District of Puerto Rico dismissed the case without prejudice for failure to prosecute.

A number of claims alleging damages were filed against LG Display and other entities in the United Kingdom as follow-on claims from the above-described European Commission’s decision in December 2010. We have since reached settlements with each of the claimants, with the exception of a follow-on damages claim filed by Granville in December 2016. In February 2024, the court rendered its judgment on such follow-on damages claim against the defendants, including us. In March 2025, Granville appealed such decision, and on April 1, 2026, the Court of Appeal rendered its judgment on the appeal against the defendants. As of April 16, 2026, the amount for which we will be liable remain subject to further determination by the Court of Appeal.

In December 2013, a class action complaint was filed by Hatzlacha, a consumer organization, on behalf of Israeli consumers against LG Display and other defendants in the Central District in Israel. As of April 16, 2026, we have not been served with the complaint from Hatzlacha.

In each of the foregoing matters that are ongoing, we are continually evaluating the merits of the respective claims and vigorously defending ourselves. Irrespective of the validity or the successful assertion of the claims described above, we may incur significant costs with respect to litigating or settling any or all of the asserted claims. While we continue to vigorously defend the various ongoing proceedings that we are involved in, it is possible that one or more proceedings may result in cash outflow to settle or resolve these claims, which may have an adverse effect on our operating results or financial condition.

Dividends

Annual dividends must be approved by the shareholders at the annual general meeting of shareholders and interim dividends must be approved by the board of directors. Cash dividends may be paid out of retained earnings that have not been appropriated to statutory reserves.

At each of our annual general meeting of shareholders that was held on March 21, 2023, March 22, 2024, March 20, 2025 and March 19, 2026, we did not declare any cash dividend to our shareholders.

Item 8.B. *Significant Changes*

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. THE OFFER AND LISTING

Item 9.A. Offer and Listing Details.

Principal Trading Market

The principal trading market for our common stock is the Korea Exchange. Our common stock, which is in registered form and has a par value of ₩5,000 per share of common stock, has been listed on the Korea Exchange since July 23, 2004 under the identifying code 034220. As of December 31, 2025, 500,000,000 shares of common stock were outstanding. Our common stock is also listed on the New York Stock Exchange in the form of ADSs. The ADSs have been issued by Citibank as ADS depository and have been listed on the New York Stock Exchange under the ticker symbol “LPL” since July 22, 2004. One ADS represents one-half of one share of common stock. As of December 31, 2025, 35,191,892 ADSs were outstanding.

In March 2024, as part of our ongoing efforts to improve our financial condition and liquidity, we issued 142,184,300 new shares of common stock (including 1,038,078 new shares represented by 2,076,156 ADSs) at a subscription price of ₩9,090 per share (and US\$3.450019 per ADS) pursuant to a preemptive rights offering to our existing shareholders, including ADS holders, followed by a public offering in Korea with respect to the fractional shares from the rights offering.

Item 9.B. Plan of Distribution

Not applicable.

Item 9.C. Markets

See “Item 9.A. Offering and Listing Details.”

Item 9.D. Selling Shareholders

Not applicable.

Item 9.E. Dilution

Not applicable.

Item 9.F. Expenses of the Issue

Not applicable.

Item 10. ADDITIONAL INFORMATION

Item 10.A. Share Capital

Not applicable.

Item 10.B. Memorandum and Articles of Association

Description of Capital Stock

This section provides information relating to our capital stock, including brief summaries of material provisions of our current articles of incorporation, the Financial Investment Services and Capital Markets Act and the Korean Commercial Code. The following summaries are subject to, and are qualified in their entirety by reference to, our articles of incorporation and the applicable provisions of the Financial Investment Services and Capital Markets Act and the Korean Commercial Code.

General

Under our articles of incorporation, which was last amended in March 2026, the total number of shares authorized to be issued by us is 1,000,000,000 shares, which consists of shares of common stock and non-voting preferred stock, both with par value of ₩5,000 per share. We are authorized to issue preferred stock of up to one-fourth of the total number of outstanding shares. As of December 31, 2025, 500,000,000 shares of common stock were issued. All of the issued and outstanding shares are fully-paid and non-assessable and are in registered form.

In March 2024, as part of our ongoing efforts to improve our financial condition and liquidity, we issued 142,184,300 new shares of common stock (including 1,038,078 new shares represented by 2,076,156 ADSs) at a subscription price of ₩9,090 per share (and US\$3.450019 per ADS) pursuant to a preemptive rights offering to our existing shareholders, including ADS holders, followed by a public offering in Korea with respect to the fractional shares from the rights offering. Immediately following the completion of such offering, the number of outstanding shares of our common stock and ADSs increased to 500,000,000 and 15,741,012 (representing 7,870,506 shares of our common stock), respectively.

Our articles of incorporation reflect the adoption of the electronic securities system that launched in September 2019, pursuant to the Act on Electronic Registration of Stocks, Bonds, Etc. (the “Electronic Registration Act”). Accordingly, following the launch of such system, in lieu of issuing share certificates or certificates of preemptive rights, we electronically register the shares that would otherwise be indicated on certificates of preemptive rights on an electronic registry of an electronic registration institution.

Dividends

We distribute dividends to our shareholders in proportion to the number of shares owned by each shareholder. The shares represented by the ADSs have the same dividend rights as other outstanding shares.

Holders of preferred shares are entitled to receive dividends in priority to the holders of common stock. The amount of dividends for preferred shares is determined by our board of directors within a range of 1% to 10% of par value at the time the shares are issued, provided that if the dividend amount on the shares of common stock exceeds that on the preferred shares, holders of preferred shares will also participate in the distribution of the excess dividend amount in the same proportion as holders of common stock. If the amount available for dividends is less than the aggregate amount of such minimum dividend, the holders of preferred shares will be entitled to receive the accumulated unpaid dividends in priority to the holders of common stock from the dividends payable in respect of the next fiscal year.

We declare dividends annually at the annual general meeting of shareholders which is held within three months after the end of the fiscal year. We pay the annual dividend shortly after the annual general meeting to the shareholders of record as of the date determined and publicly notified two weeks in advance by the board of directors. We may distribute the annual dividend in cash or in shares. However, a dividend of shares must be distributed at par value. If the market price of the shares is less than their par value, dividends in shares may not exceed one-half of the annual dividend. We have no obligation to pay any annual dividend unclaimed for five years from the payment date.

Under the Korean Commercial Code, we may pay an annual dividend only out of the excess of our net assets, on a non-consolidated basis, over the sum of (1) our stated capital and (2) the total amount of our capital surplus reserve and legal reserve accumulated up to the end of the relevant dividend period. We may not pay an annual dividend unless we have set aside a legal reserve in an amount equal to at least 10% of the cash portion of the annual dividend or unless we have accumulated a legal reserve of not less than one-half of our stated capital. We may not use legal reserves to pay cash dividends but may transfer amounts from legal reserves to capital stock or use legal reserves to reduce an accumulated deficit.

Also, we may pay an interim dividend in accordance with a resolution of the board of directors to our shareholders of record as of the date determined and publicly notified two weeks in advance by the board of directors.

Distribution of Free Shares

In addition to paying dividends in shares out of our retained or current earnings, we may also distribute to our shareholders an amount transferred from our capital surplus or legal reserve to our stated capital in the form of free shares. Free shares are shares newly issued to existing shareholders without consideration, much like stock dividends, except that in the case of free shares a portion of the reserves, as opposed to earnings, is transferred to capital. We must distribute such free

shares to all of our shareholders in proportion to their existing shareholdings. We may distribute free shares when we determine that our capital surplus or legal reserves are too large relative to our paid-in capital.

Preemptive Rights and Issuance of Additional Shares

We may issue authorized but unissued shares at the times and, unless otherwise provided in the Korean Commercial Code, on the terms our board of directors may determine. All of our shareholders are generally entitled to subscribe for any newly issued shares in proportion to their existing shareholdings. We must offer new shares on uniform terms to all shareholders who have preemptive rights and are listed on our shareholders' register as of the relevant record date. However, under the Korean Commercial Code, we may vary the specific terms of these preemptive rights for different classes of shares without shareholder approval. To the extent that such different terms result in placing any particular class of shareholders at a disadvantage relative to other classes, a special resolution by that disadvantaged class of shareholders is necessary.

We must give public notice of the preemptive rights regarding new shares and their transferability at least two weeks before the relevant record date. Our board of directors may determine how to distribute shares for which preemptive rights have not been exercised or where fractions of shares occur.

Under our articles of incorporation, we may issue new shares pursuant to a board resolution to persons other than existing shareholders, who however will not have preemptive rights, if the new shares are, among others:

- publicly offered pursuant to the Financial Investment Services and Capital Markets Act;
- issued to members of our employee stock ownership association;
- represented by depositary receipts;
- issued upon exercise of stock options granted to our officers and employees;
- issued to corporations, institutional investors or domestic or overseas financial institutions to achieve our operational objectives; or
- issued for the purpose of drawing foreign investment when we deem it necessary for our business needs;

provided that the aggregate number of shares so issued (i) to corporations, institutional investors or domestic or overseas financial institutions to achieve our operational objectives or (ii) for the purpose of drawing foreign investment when we deem it necessary for our business needs do not exceed 30% of the total number of issued and outstanding shares.

In addition, we may issue convertible bonds or bonds with warrants, respectively, up to an aggregate face amount of ₩2.5 trillion to persons other than existing shareholders. The classes of shares to be issued upon conversion of bonds or exercise of warrants shall be common stock. In addition, since September 2019, pursuant to the Electronic Registration Act, in lieu of issuing bond or warrant certificates, we electronically register the bonds and warrant rights that would otherwise be indicated on warrant certificates on an electronic registry of an electronic registration institution.

Members of our employee stock ownership association, whether or not they are our shareholders, generally have a preemptive right to subscribe for up to 20% of the shares publicly offered pursuant to the Financial Investment Services and Capital Markets Act. As of December 31, 2025, approximately 1.9% of our common stock was held by our employee stock ownership association. In March 2024, we offered 28,436,860 of the 142,184,300 new shares of common stock to members of the employee stock ownership association as part of our capital increase, and all such shares were subscribed by members of our employee stock ownership association.

General Meeting of Shareholders

We hold the annual general meeting of shareholders within three months after the end of each fiscal year. Subject to a board resolution or court approval, we may hold an extraordinary general meeting of shareholders:

- as necessary;
- at the request of holders of an aggregate of 3% or more of our outstanding shares;
- at the request of shareholders holding an aggregate of 1.5% or more of our outstanding shares for at least six consecutive months; or

- at the request of our audit committee.

Holders of preferred shares may request a general meeting of shareholders only after the preferred shares become entitled to vote or are enfranchised, as described under “—Voting Rights” below.

We must give shareholders written notice setting out the date, place and agenda of the meeting at least two weeks before the date of the general meeting of shareholders. However, for holders of less than 1% of the total number of issued and outstanding voting shares, we may provide such notice by public notice, either to be made at least twice in *Maeil Business Newspaper* and *The Chosun Ilbo*, both daily newspapers of general circulation published in Seoul, or through the electronic disclosure system operated by the Financial Supervisory Service of Korea or the Korea Exchange.

Shareholders not on the shareholders’ register as of the record date are not entitled to receive notice of the general meeting of shareholders, attend or vote at the meeting. Holders of non-voting preferred shares, unless enfranchised, are not entitled to receive notice of general meetings of shareholders.

The place of our general meetings of shareholders is decided by our board of directors, which can be held in our head office, our Paju Display Cluster or any other place as designated by our board of directors.

Pursuant to the amendments to the Korean Commercial Code, we have amended our articles of incorporation to hold a general meeting of shareholders in which some shareholders may participate and vote by electronic means from a remote location without being physically present at the place of the meeting (an “electronic shareholders’ meeting”). The relevant amendments to our articles of incorporation will become effective on January 1, 2027, in line with the effective date of the amended Korean Commercial Code.

Directors

Under the Korean Commercial Code and our articles of incorporation, any director wishing to enter into a transaction with us in his or her capacity is required to obtain prior approval from the board of directors, and any director with an interest in the transaction may not vote at the meeting of the board of directors to approve the transaction.

Voting Rights

Holders of our common stock are entitled to one vote for each share of common stock, except that voting rights may not be exercised with respect to shares of common stock held by us or by a corporate shareholder in which we own, directly or indirectly, more than 10% of its voting stock. The Korean Commercial Code permits cumulative voting, under which voting method each shareholder would have multiple voting rights corresponding to the number of directors to be appointed in the voting and may exercise all voting rights cumulatively to elect one director. However, our articles of incorporation prohibit cumulative voting. Pursuant to the amendment to the Korean Commercial Code, large-scale listed companies (i.e., listed companies with total assets of ₩2 trillion or more as of the end of the most recent fiscal year) are not permitted to prohibit cumulative voting, effective from the first convocation of a general meeting of shareholders for the appointment of directors on or after September 10, 2026. Accordingly, as we qualify as a large-scale listed company, we have amended our articles of incorporation to ensure that cumulative voting is not excluded, in compliance with the aforementioned amendment, starting from the first convocation of a general meeting of shareholders for the appointment of directors on or after September 10, 2026.

According to our current articles of incorporation, our shareholders may adopt resolutions at a general meeting by an affirmative majority vote of the voting shares present or represented at the meeting, where the affirmative votes also represent at least one-fourth of our total voting shares then issued and outstanding. However, under the Korean Commercial Code and our articles of incorporation, the following matters, among others, require approval by the holders of at least two-thirds of the shares present or represented at a meeting, where the affirmative votes also represent at least one-third of our total voting shares then issued and outstanding:

- amending our articles of incorporation;
- removing a director;
- effecting any dissolution, merger or consolidation of us;
- transferring the whole or any significant part of our business;

- effecting our acquisition of all of the business of any other company;
- effecting our acquisition of a part of the business of any other company that has a material effect on our business; or
- issuing any new shares at a price lower than their par value.

In general, holders of preferred shares are not entitled to vote on any resolution or receive notice of any general meeting of shareholders. However, in the case of amendments to our articles of incorporation, any merger or consolidation involving us, capital reductions or in certain other cases in which the rights or interests of the preferred shares are affected, approval of the holders of preferred shares is required. We may obtain such approval by a resolution of holders of at least two-thirds of the preferred shares present or represented at a class meeting of the holders of preferred shares, where the affirmative votes also represent at least one-third of our total issued and outstanding preferred shares. In addition, if we are unable to pay dividends on preferred shares as provided in our articles of incorporation, the holders of preferred shares will become enfranchised and will be entitled to exercise voting rights until those dividends are paid. The holders of enfranchised preferred shares have the same rights as holders of common stock to request, receive notice of, attend and vote at a general meeting of shareholders.

Shareholders may exercise their voting rights by proxy. Pursuant to the amendments to the Korean Commercial Code, we have amended our articles of incorporation to permit shareholders to exercise their voting rights by proxy through electronic documents, in addition to the existing method of granting a proxy in written documents. The relevant amendments to our articles of incorporation will become effective on January 1, 2027, in line with the effective date of the amended Korean Commercial Code.

Holders of ADRs exercise their voting rights through the ADR depository, an agent of which is the record holder of the underlying shares. Subject to the provisions of the deposit agreement, ADR holders are entitled to instruct the ADR depository how to vote the shares underlying their ADSs.

Rights of Dissenting Shareholders

In some limited circumstances, including the transfer of all or any significant part of our business and our merger or consolidation with another company, dissenting shareholders have the right to require us to purchase their shares. To exercise this right, shareholders must submit to us a written notice of their intention to dissent before the general meeting of shareholders. Within 20 days after the relevant resolution is passed at such meeting, the dissenting shareholders must make a request to us in writing to purchase their shares. We are obligated to purchase the shares of dissenting shareholders no later than one month after the end of such 20-day period. The purchase price for the shares is required to be determined through negotiation between the dissenting shareholders and us. If we cannot agree on a price through negotiation, the purchase price will be the average of (1) the weighted average of the daily closing prices of shares on the Korea Exchange for the two-month period before the date of the adoption of the relevant board resolution, (2) the weighted average of the daily closing price of shares on the Korea Exchange for the one-month period before the date of the adoption of the relevant board resolution and (3) the weighted average of the daily closing price of shares on the Korea Exchange for the one-week period before the date of the adoption of the relevant board resolution. If we or the dissenting shareholders that had requested the purchase of their shares do not accept the purchase price, we or the dissenting shareholders may request a court to determine the purchase price. Holders of ADSs will not be able to exercise dissenter's rights unless they have withdrawn the underlying common stock and become our direct shareholders.

Register of Shareholders and Record Dates

Our transfer agent, Korea Securities Depository, maintains the register of our shareholders at its office in Seoul, Korea. It will register transfers of shares on the register of shareholders on presentation of the share certificates.

For the purpose of determining the shareholders entitled to annual dividends and to certain other rights pertaining to the shares, we may, on at least two weeks' public notice, set a record date.

Business Report

At least one week before the annual general meeting of shareholders, we must make our business report and audited consolidated Korean IFRS financial statements available for inspection at our principal office and at all of our branch offices.

In addition, copies of business reports, the audited consolidated Korean IFRS financial statements and any resolutions adopted at the general meeting of shareholders will be available to our shareholders.

Under the Financial Investment Services and Capital Markets Act, we must file with the Financial Services Commission and the Korea Exchange (1) a yearly report (including audited non-consolidated financial statements and audited consolidated financial statements) within 90 days after the end of our fiscal year and (2) interim reports with respect to the three-month period, six-month period and nine-month period from the beginning of each fiscal year within 45 calendar days following the end of each such period. Copies of these reports will be available for public inspection at the Financial Services Commission and the Korea Exchange.

Transfer of Shares

Under the Korean Commercial Code, the transfer of shares is effected by delivery of share certificates. However, to assert shareholders' rights against us, the transferee must have his name and address registered on our register of shareholders. For this purpose, a shareholder is required to file his name, address and seal with us. A non-Korean shareholder may file a specimen signature in place of a seal, unless he is a citizen of a country with a sealing system similar to that of Korea. In addition, a non-resident shareholder must appoint an agent authorized to receive notices on his behalf in Korea and file a mailing address in Korea. The above requirements do not apply to the holders of ADSs.

However, the Electronic Registration Act requires listed securities to be automatically converted into electronic securities as of the business day immediately preceding the effective date of the Electronic Registration Act. The Electronic Registration Act also provides that, with respect to the transfer of electronically registered shares, the effect of transfer will occur upon the completion of the electronic registration of such transfer, and therefore, no entry of change will be required.

Under current Korean regulations, the Korea Securities Depository, foreign exchange banks (including domestic branches of foreign banks), financial investment companies with a dealing, brokerage or collective investment license and internationally recognized custodians may act as agents and provide related services for foreign shareholders. Certain foreign exchange controls and securities regulations apply to the transfer of shares by non-residents or non-Koreans. See "Item 10.D. Exchange Controls."

Acquisition of Shares by Us

Under the Korean Commercial Code, we may acquire our own shares pursuant to a resolution adopted at a general meeting of shareholders through either (i) purchases on a stock exchange or (ii) with respect to shares other than any redeemable shares as set forth in Article 345, Paragraph (1) of the Korean Commercial Code, purchases from each shareholder in proportion to such shareholder's existing shareholding ratio through the methods set forth in the Presidential Decree, provided that the aggregate purchase price does not exceed the amount of our profit that may be distributed as dividends in respect of the immediately preceding fiscal year.

In addition, pursuant to the Financial Investment Services and Capital Markets Act, we may acquire shares through purchases on the Korea Exchange or through a tender offer. We may also acquire interests in our own shares through agreements with trust companies or retrieve our own shares from a trust company upon termination of the trust agreement. The aggregate purchase price for shares purchased through such means may not exceed the total amount available for distribution of dividends at the end of the preceding fiscal year, subject to certain procedural requirements.

Liquidation Rights

In the event of our liquidation, after payment of all debts, liquidation expenses and taxes, our remaining assets will be distributed among shareholders in proportion to their shareholdings. Holders of preferred shares have no preference in liquidation.

Item 10.C. Material Contracts

We have not entered into any material contracts during the two years immediately preceding the date of this annual report, other than in the ordinary course of our business. For information regarding our agreements and transactions with certain related parties, see "Item 7.B. Related Party Transactions." For descriptions of certain agreements related to our capital commitments and obligations and certain agreements related to our joint ventures, which we believe were not material

to our results of operations and financial condition in the periods in which such agreements were entered, see “Item 5.B. Liquidity and Capital Resources” and “Item 4.B. Business Overview—Joint Ventures”, respectively.

Item 10.D. Exchange Controls

The Foreign Exchange Transaction Act of Korea and the Presidential Decree and regulations under that Act and Decree, which we refer to collectively as the Foreign Exchange Transaction Laws, regulate investments in Korean securities by non-residents and issuances of securities outside Korea by Korean companies. Non-residents may invest in Korean securities pursuant to the Foreign Exchange Transaction Laws. The Financial Services Commission has also adopted, pursuant to its authority under the Financial Investment Services and Capital Markets Act, regulations that restrict investments by foreigners in Korean securities and regulate issuances of securities outside Korea by Korean companies.

Subject to certain limitations, the Ministry of Economy and Finance has the authority to take the following actions under the Foreign Exchange Transaction Laws:

- if the Korean government deems it necessary on account of war, armed conflict, natural disaster or grave and sudden and significant changes in domestic or foreign economic circumstances or similar events or circumstances, the Ministry of Economy and Finance may temporarily suspend performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Laws apply (including suspension of payment and receipt of foreign exchange), impose an obligation to deposit, safe-keep or sell any means of payment to The Bank of Korea or certain other governmental agencies, foreign exchange equalization funds or financial institutions, or require resident creditors to collect and recover debts owed by non-resident debtors and to send such amounts to the creditors’ accounts in Korea; and
- if the Korean government concludes that the international balance of payments and international financial markets are experiencing or are likely to experience significant disruption or that the movement of capital between Korea and other countries is likely to adversely affect the Korean Won, exchange rates or other macroeconomic policies, the Ministry of Economy and Finance may take action to require any person who intends to effect a capital transaction to obtain permission or to require any person who effects a capital transaction to deposit a portion of the means of payment acquired in such transactions with The Bank of Korea, foreign exchange equalization funds or financial institutions.

Government Review of Issuance of ADSs

In order for us to issue ADSs outside Korea, we are required to submit a report to the Ministry of Economy and Finance or our designated foreign exchange bank (depending on the aggregate issue amount) with respect to the issuance of the ADSs. No further governmental approval is necessary for the offering and issuance of the ADSs.

Under current Korean laws and regulations and the terms of the deposit agreement, the depository is required to obtain our consent for the number of shares of common stock to be deposited in any given proposed deposit that exceeds the difference between:

- (1) the aggregate number of shares of our common stock deposited by us for the issuance of our ADSs (including deposits in connection with the initial issuance and all subsequent offerings of our ADSs and stock dividends or other distributions related to these ADSs); and
- (2) the number of shares of our common stock on deposit with the depository at the time of such proposed deposit.

We can give no assurance that we would, subject to governmental authorization, grant our consent, if our consent is required. Therefore, a holder of ADRs who surrenders ADRs and withdraws shares may not be permitted subsequently to deposit those shares and obtain ADRs.

Reporting Requirements for Holders of Substantial Interests

Under the Financial Investment Services and Capital Markets Act, any person whose direct or beneficial ownership of our common stock with voting rights, whether in the form of shares of common stock or ADSs, certificates representing the rights to subscribe for shares and equity-related debt securities including convertible bonds, bonds with warrants and exchangeable bonds, which we refer to collectively as equity securities, together with the equity securities directly or beneficially owned by certain related persons or by any person acting in concert with the person, accounts for 5% or more of our total outstanding equity securities, is required to report the status and purpose (in terms of whether the purpose of the

shareholding is to influence corporate management of the issuer, to implement active shareholder engagement without an intent to influence corporate management or to exercise voting and other rights that are irrespective of the shareholding ratio) of the holdings to the Financial Services Commission and the Korea Exchange within five business days after reaching the 5% ownership interest. In addition, any change (i) in the ownership interest subsequent to the report that equals or exceeds 1% of the total outstanding equity securities from the previous report or (ii) in the shareholding purpose is required to be reported to the Financial Services Commission and the Korea Exchange within five business days from the date of the change (or, if the purpose of shareholding is to implement active shareholder engagement without an intent to influence corporate management, within ten days from the date of the change, or if the purpose is to exercise voting and other rights that are irrespective of the shareholding ratio, within ten days of the end of the month in which the change occurred).

Violation of these reporting requirements may subject a person to criminal sanctions such as fines or imprisonment and/or prohibition on the exercise of voting rights with respect to the ownership of equity securities exceeding the reported number of shares. Furthermore, the Financial Services Commission may order the disposal of the unreported equity securities.

When a person's shareholding ratio reaches or exceeds ten percent or more of the company's issued and outstanding shares with voting rights, the person must file a report to the Securities and Futures Commission and to the Korea Exchange within five business days following the date on which the person reached such shareholding limit. In addition, such person must file a report to the Securities and Futures Commission and to the Korea Exchange regarding any subsequent change in his/her shareholding. These subsequent reports on changes in shareholding are required within five business days after the relevant change has occurred. Violation of these reporting requirements may subject a person to criminal sanctions such as fines or imprisonment.

Restrictions Applicable to ADSs

No Korean governmental approval is necessary for the sale and purchase of our ADSs in the secondary market outside Korea or for the withdrawal of shares of our common stock underlying the ADSs and the delivery inside Korea of shares in connection with the withdrawal. The acquisition of the shares by a foreigner must be immediately reported to the governor of the Financial Services Commission, either by the foreigner or by his standing proxy in Korea.

Persons who have acquired shares of our common stock as a result of the withdrawal of shares underlying our ADSs may exercise their preemptive rights for new shares, participate in free distributions and receive dividends on shares without any further Korean governmental approval.

Restrictions Applicable to Shares

As a result of amendments to the Foreign Exchange Transaction Laws and Financial Services Commission regulations, adopted in connection with the stock market opening from January 1992, which we refer to collectively as the Investment Rules, after that date, foreigners may invest, with limited exceptions and subject to procedural requirements, in shares of all Korean companies listed on the KRX KOSPI Market or the KRX KOSDAQ Market unless prohibited by specific laws. Foreign investors may trade shares listed on the KRX KOSPI Market or the KRX KOSDAQ Market only through the KRX KOSPI Market or the KRX KOSDAQ Market, except in limited circumstances, including:

- odd-lot trading of shares;
- acquisition of shares, which we refer to as converted shares, by exercise of warrants, conversion rights or exchange rights under bonds with warrants, convertible bonds or exchangeable bonds or withdrawal rights under depositary receipts issued outside of Korea by a Korean company;
- acquisition of shares as a result of inheritance, donation, bequest or exercise of shareholders' rights, including preemptive rights or rights to participate in free distributions and receive dividends;
- subject to certain exceptions, over-the-counter transactions between foreigners of a class of shares for which the ceiling on aggregate acquisition by foreigners, as explained below, has been reached or exceeded;
- shares acquired by way of direct investment and/or the disposal of such shares by the investor;
- the disposal of shares pursuant to the exercise of appraisal rights of dissenting shareholders;
- the disposal of shares in connection with a tender offer;
- the acquisition of shares by a foreign depositary in connection with the issuance of depositary receipts;

- the acquisition and disposal of shares through an overseas stock exchange market if such shares are simultaneously listed on the KRX KOSPI Market or the KRX KOSDAQ Market and such overseas stock exchange; and
- arm's-length transactions between foreigners, if all of such foreigners belong to the investment group managed by the same person.

For over-the-counter transactions of shares between foreigners outside the KRX KOSPI Market or the KRX KOSDAQ Market for shares with respect to which the limit on aggregate foreign ownership has been reached or exceeded, a financial investment company with a brokerage license in Korea must act as an intermediary. Odd-lot trading of shares outside the KRX KOSPI Market or the KRX KOSDAQ Market must involve a financial investment company with a dealing license in Korea as the other party. Foreign investors are prohibited from engaging in margin transactions by borrowing shares from financial investment companies with respect to shares that are subject to a foreign ownership limit.

The foreign investor registration system, which had been in place since 1992, previously required a foreign investor who wished to invest in shares on the KRX KOSPI Market or the KRX KOSDAQ Market (including converted shares and shares being issued for initial listing on the KRX KOSPI Market or the KRX KOSDAQ Market) to register its identity with the Financial Supervisory Service prior to making any such investment unless it has previously registered. However, on June 5, 2023, the Korean government approved a bill to revise the Presidential Decree of the Financial Investment Services and Capital Markets Act to abolish such foreign investors' registration requirements, and such bill came into effect on December 14, 2023.

Pursuant to such revisions to the Presidential Decree of the Financial Investment Services and Capital Markets Act, foreign investors are able to open investment accounts at securities firms without having to go through a prior registration process with the Financial Supervisory Service. Foreign corporate entities can use their legal entity identifiers, and foreign individuals can use their passport numbers, to open investment accounts in Korea. Foreign investors who have already obtained investment registration certificates in the past can continue to use their investor registration number to minimize the inconvenience that may be caused by the new system.

A foreign investor's acquisition or sale of shares outside the KRX KOSPI Market or the KRX KOSDAQ Market, in principle, has to be reported by the foreign investor or his standing proxy to the governor of the Financial Supervisory Service prior to such acquisition or sale; provided, however, post-transaction reporting obligations apply to such acquisition or sale of shares where the need for a prior report is deemed to be low, including in the cases of a tender offer, odd-lot trading of shares or trades of a class of shares for which the aggregate foreign ownership limit has been reached or exceeded. Exceptions permitting post-transaction reporting have been expanded to include dividend in kind or in-kind delivery of shares upon the liquidation of foreign funds, among others, following related amendments to the Financial Investment Business Regulations announced by the Financial Services Commission, which came into effect on December 14, 2023.

A foreign investor may appoint a standing proxy from among the Korea Securities Depository, foreign exchange banks (including domestic branches of foreign banks), financial investment companies with a dealing, brokerage or collective investment license and internationally recognized custodians which will act as a standing proxy to exercise shareholders' rights or perform any matters related to the foregoing activities if the foreign investor does not perform these activities itself. Generally, a foreign investor may not permit any person, other than its standing proxy, to exercise rights relating to its shares or perform any tasks related thereto on its behalf. However, a foreign investor may be exempted from complying with these standing proxy rules with the approval of the governor of the Financial Supervisory Service in cases deemed inevitable by reason of conflict between the laws of Korea and the home country of the foreign investor.

Certificates evidencing shares of Korean companies must be kept in custody with an eligible custodian in Korea. Only the Korea Securities Depository, foreign exchange banks (including domestic branches of foreign banks), financial investment companies with a dealing, brokerage or collective investment license and internationally recognized custodians are eligible to act as a custodian of shares for a non-resident or foreign investor; provided, however, that a foreign investor may have the certificate evidencing shares released from such custody when it is necessary to exercise its rights to such shares or to inspect and confirm the presence of the certificate(s) of such shares. A foreign investor must ensure that its custodian deposits its shares with the Korea Securities Depository. However, a foreign investor may be exempted from complying with this deposit requirement with the approval of the governor of the Financial Supervisory Service in circumstances where compliance with that requirement is made impracticable, including cases where compliance would contravene the laws of the home country of such foreign investor.

Under the Investment Rules, with certain exceptions, foreign investors may acquire shares of a Korean company without being subject to any foreign investment ceiling. As one such exception, unless otherwise stated in their articles of incorporation, designated public corporations are subject to a 40% ceiling on the acquisition of shares by foreigners in the aggregate. Furthermore, an investment by a foreign investor in 10% or more of the outstanding shares with voting rights of a Korean company is defined as a foreign direct investment under the Foreign Investment Promotion Act of Korea. Generally, a foreign direct investment must be reported to the foreign exchange bank designated by the Ministry of Trade, Industry & Energy or the Korea Trade-Investment Promotion Agency prior to such investment (within 60 days from the date of such investment, if the company is listed on the Korea Exchange). The acquisition of shares of a Korean company by a foreign investor may also be subject to certain foreign or other shareholding restrictions in the event that the restrictions are prescribed in a specific law that regulates the business of the Korean company.

Under the Foreign Exchange Transaction Laws, a foreign investor who intends to acquire shares must designate a foreign exchange bank at which he must open a foreign currency account and a Korean Won account exclusively for stock investments. No approval is required for remittance into Korea and deposit of foreign currency funds in the foreign currency account. Foreign currency funds may be transferred from the foreign currency account at the time required to place a deposit for, or settle the purchase price of, a stock purchase transaction to a Korean Won account opened at a financial investment company with a securities dealing or brokerage license. Funds in the foreign currency account may be remitted abroad without any Korean governmental approval.

Dividends on shares of Korean companies are paid in Korean Won. No Korean governmental approval is required for foreign investors to receive dividends on, or the Korean Won proceeds of the sale of, any shares to be paid, received and retained in Korea. Dividends paid on, and the Korean Won proceeds of the sale of, any shares held by a non-resident of Korea must be deposited either in a Korean Won account with the investor's financial investment company or in his Korean Won account. Funds in the investor's Korean Won account may be transferred to his foreign currency account or withdrawn for local living expenses, provided that any withdrawal of local living expenses in excess of a certain amount is reported to the Financial Supervisory Service by the foreign exchange bank at which the Won account is maintained. Funds in the Korean Won account may also be used for future investment in shares or for payment of the subscription price of new shares obtained through the exercise of preemptive rights.

Financial investment companies with a securities dealing, brokerage or collective investment license are allowed to open foreign currency accounts with foreign exchange banks exclusively for accommodating foreign investors' stock investments in Korea. Through these accounts, such financial investment companies may enter into foreign exchange transactions on a limited basis, such as conversion of foreign currency funds and Korean Won funds, either as a counterparty to or on behalf of foreign investors, without the investors having to open their own accounts with foreign exchange banks.

Item 10.E. Taxation

The following summary is based upon the tax laws of the United States and the Republic of Korea as in effect on the date of this annual report, and is subject to any change in U.S. or Korean law that may come into effect after such date. Investors in the shares of common stock or ADSs are advised to consult their own tax advisers as to the United States, Korean or other tax consequences of the purchase, ownership and disposition of such securities, including the effect of any national, state or local tax laws.

Korean Taxation

The following summary of Korean tax considerations applies to you so long as you are not:

- a resident of Korea;
- a corporation having its head office, principal place of business or place of effective management in Korea (i.e., a Korean corporation); or
- engaged in a trade or business in Korea through a permanent establishment or a fixed base to which the relevant income is attributable or with which the relevant income is effectively connected.

Taxation of Dividends on Shares of Common Stock or ADSs

We will deduct Korean withholding tax from dividends (whether in cash or in shares) paid to you at a rate of 22% (including local income surtax). If you are a beneficial owner of the dividends and a qualified resident in a country that has

entered into a tax treaty with Korea, you may qualify for a reduced rate of Korean withholding tax. See “—Tax Treaties” below for a discussion of treaty benefits. If we distribute to you free shares representing a transfer of certain capital reserves or certain asset revaluation reserves into paid-in capital, that distribution may be subject to Korean withholding tax.

Taxation of Capital Gains from Transfer of Shares of Common Stock or ADSs

As a general rule, capital gains earned by non-residents upon transfer of shares of our common stock or ADSs are subject to Korean withholding tax at the lower of (1) 11% (including local income surtax) of the gross proceeds realized or (2) subject to the production of satisfactory evidence of acquisition costs and certain direct transaction costs of the shares or ADSs, 22% (including local income surtax) of the net realized gain, unless exempt from Korean income taxation under the applicable Korean tax treaty with the non-resident’s country of tax residence. See “—Tax Treaties” below for a discussion on treaty benefits. Even if you do not qualify for an exemption under a tax treaty, you will not be subject to the foregoing withholding tax on capital gains if you qualify under the relevant Korean domestic tax law exemptions discussed in the following paragraphs.

With respect to shares of our common stock, you will not be subject to Korean income taxation on capital gains realized upon the transfer of such shares through the Korea Exchange if you (1) have no permanent establishment in Korea and (2) did not own or have not owned (together with any shares owned by any entity with which you have a certain special relationship and possibly including the shares represented by the ADSs) 25% or more of our total issued and outstanding shares at any time during the calendar year in which the sale occurs and during the five calendar years prior to the calendar year in which the sale occurs.

Under the Korean tax laws for capital gains recognized or to be recognized from disposition of ADSs, ADSs are viewed as shares of stock for capital gains tax purposes. Accordingly, capital gains from sale or disposition of ADSs are taxed (if taxable) as if such gains are from sale or disposition of shares of our common stock. It should be noted that (i) capital gains earned by you (regardless of whether you have a permanent establishment in Korea) from a transfer of ADSs outside Korea will generally be exempt from Korean income taxation by virtue of the Special Tax Treatment Control Law of Korea, or the STTCL, provided that the issuance of ADSs is deemed to be an overseas issuance under the STTCL, but (ii) in the case where an owner of the underlying shares of stock transfers ADSs after conversion of the underlying shares into ADSs, the exemption under the STTCL described in (i) will not apply. In the case where an owner of the underlying shares of stock transfers the ADSs after conversion of the underlying shares of stock into ADSs, such person is obligated to file income tax returns and pay tax unless a purchaser or a financial investment company with a brokerage license, as applicable, withholds and pays the tax on capital gains derived from transfer of ADSs, as discussed below.

If you are subject to tax on capital gains with respect to the sale of ADSs, or of shares of common stock which you acquired as a result of a withdrawal, the purchaser or, in the case of the sale of shares of common stock on the Korea Exchange or through a financial investment company with a brokerage license in Korea, the financial investment company, is required to withhold Korean tax from the sales price in an amount equal to the lower of (i) 11% (including local income surtax) of the gross proceeds realized and (ii) subject to the production of satisfactory evidence of acquisition costs and certain direct transaction costs of the shares or ADSs, 22% (including local income surtax) of the net realized gain, and to make payment of these amounts to the Korean tax authority, unless you establish your entitlement to an exemption under an applicable tax treaty or domestic tax law. See the discussion under “—Tax Treaties” below for an additional explanation of claiming treaty benefits.

Tax Treaties

Korea has entered into a number of income tax treaties with other countries, including the United States, which reduce or exempt Korean withholding tax on dividend income and capital gains on transfer of shares of common stock or ADSs. For example, under the Korea-U.S. income tax treaty, reduced rates of Korean withholding tax on dividends of 16.5% or 11%, respectively (including local income surtax), depending on your shareholding ratio, and an exemption from Korean withholding tax on capital gains are available to residents of the United States that are beneficial owners of the relevant dividend income or capital gains. However, under Article 17 (Investment or Holding Companies) of the Korea-U.S. income tax treaty, such reduced rates and exemption do not apply if (1) you are a U.S. corporation, (2) by reason of any special measures, the tax imposed on you by the United States with respect to such dividends or capital gains is substantially less than the tax generally imposed by the United States on corporate profits, and (3) 25% or more of your capital is held of record or is otherwise determined, after consultation between competent authorities of the United States and Korea, to be owned directly or indirectly by one or more persons who are not individual residents of the United States. Also, under Article 16 (Capital Gains) of the Korea-U.S. income tax treaty, the exemption on capital gains does not apply if you are an

individual, and (a) you maintain a fixed base in Korea for a period or periods aggregating 183 days or more during the taxable year and your ADSs or shares of common stock giving rise to capital gains are effectively connected with such fixed base or (b) you are present in Korea for a period or periods of 183 days or more during the taxable year. You should inquire for yourself whether you are entitled to the benefit of an income tax treaty with Korea. It is the responsibility of the party claiming the benefits of an income tax treaty in respect of dividend payments or capital gains to submit to us, the purchaser or the financial investment company, as applicable, a certificate as to his tax residence. In the absence of sufficient proof, we, the purchaser or the financial investment company, as applicable, must withhold tax at the normal rates.

Furthermore, in order for you to claim the benefit of a tax rate reduction or tax exemption on certain Korean source income (e.g., dividends and capital gains) under an applicable tax treaty, subject to certain exceptions, Korean tax law requires you (or your agent) as the beneficial owner of such Korean source income to submit the relevant application (for reduced withholding tax rate, an “application for entitlement to reduced tax rate” and in the case of exemption from withholding tax, an “application for tax exemption” under a tax treaty along with a certificate of your tax residence issued by a competent authority of your country of residence) (“BO Application”). However, if you are an entity seeking such tax exemption for an amount that is ₩1 billion or more (including where the aggregate amount exempted within one year from the last day of the month in which the payment was made, is ₩1 billion or more), in addition to the certificate of tax residence issued by a competent authority of your country of residence, you will be required to submit (i) the names and addresses of all of the members of your board of directors, (ii) the identities and shareholding percentages of all of your shareholders (provided that if there are more than 100 shareholders, you may instead provide a statement showing the total number of shareholders and the aggregate investment amount from each country), and (iii) audit reports for the most recent three years submitted to the country of residence (or, if you are an entity that has been in existence for less than three years, audit reports since incorporation). Such application should be submitted to the withholding agent prior to the payment date of such Korean source income. Subject to certain exceptions, where the Korean source income is paid to an overseas investment vehicle that is not the beneficial owner of such income (“OIV”), a beneficial owner claiming the benefit of an applicable tax treaty with respect to the Korean source income must submit its BO Application to such OIV, which must submit an OIV report and a schedule of beneficial owners (and the BO Applications collected from each beneficial owner, if such beneficial owner is applying for tax exemption) to the withholding agent prior to the payment date of such Korean source income. Effective from January 1, 2022, an OIV is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the OIV bears tax liabilities in the country in which it is established and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of such OIV’s residence will apply with respect to the relevant income paid to such OIV, subject to certain application requirements as prescribed by the Corporate Income Tax or Individual Income Tax Law. In the case of an application for tax exemption, the withholding agent is required to submit the application (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the ninth day of the month following the date of the payment of such income. On the other hand, in the case of an application for entitlement to reduced tax rate, the withholding agent is required to submit the application (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the end of February of the year following the date of the payment of such income.

Inheritance Tax and Gift Tax

If you die while holding an ADS or donate an ADS, it is unclear whether, for Korean inheritance and gift tax purposes, you will be treated as the owner of the shares of common stock underlying the ADSs. If the tax authority interprets depositary receipts as the underlying share certificates, you may be treated as the owner of the shares of common stock and your heir or the donee (or in certain circumstances, you as the donor) will be subject to Korean inheritance or gift tax presently at the rate of 10% to 50% based on the value of the ADSs or shares of common stock and the identity of the individual against whom the tax is assessed.

If you die while holding a share of common stock or donate a share of common stock, your heir or donee (or in certain circumstances, you as the donor) will be subject to Korean inheritance or gift tax at the same rate as indicated above.

At present, Korea has not entered into any tax treaty relating to inheritance or gift taxes.

Securities Transaction Tax

If you transfer shares of common stock on the Korea Exchange in 2026, you will be subject to securities transaction tax at the rate of 0.05% and agriculture and fishery special surtax at the rate of 0.15% of the sale price of the shares of common stock. If your transfer of the shares of common stock is not made on the Korea Exchange, subject to certain

exceptions, you will be subject to securities transaction tax at the rate of 0.35% and will not be subject to agriculture and fishery special surtax.

Depository receipts, which the ADSs constitute, are included in the scope of securities the transfers of which are subject to securities transaction tax. However, transfer of depository receipts listed on a foreign securities exchange similar to that of Korea (e.g., the New York Stock Exchange or the Nasdaq Stock Market) will not be subject to the securities transaction tax.

In principle, the securities transaction tax, if applicable, must be paid by the transferor of the shares or certain rights including rights to subscribe to each shares. When the transfer is effected through a securities settlement company in Korea, such settlement company is generally required to withhold and pay the tax to the tax authorities. When such transfer is made through a financial investment company only, such financial investment company is required to withhold and pay the tax. Where the transfer is effected by a non-resident without a permanent establishment in Korea, other than through a securities settlement company or a financial investment company, the transferee is required to withhold the securities transaction tax.

Non-reporting or under-reporting of securities transaction tax will generally result in penalties equal to 20% to 60% of the non-reported tax amount or 10% to 60% of the under-reported tax amount, respectively. Also, a failure to timely pay securities transaction tax will result in a penalty equal to 8.03% per annum of the due but unpaid tax amount. The penalties are imposed on the party responsible for paying the securities transaction tax or, if such tax is required to be withheld, on the party that has the obligation to withhold.

United States Taxation

This summary describes certain material U.S. federal income tax consequences for a U.S. holder (as defined below) of acquiring, owning, and disposing of shares of common stock or ADSs. This summary applies to you only if you hold shares of common stock or ADSs as capital assets for tax purposes. This summary does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a bank or financial institution;
- a life insurance company;
- a tax-exempt organization;
- an entity treated as a partnership (and partners therein) or other pass-through entity for U.S. federal income tax purposes;
- a person that holds shares of common stock or ADSs that are a hedge or that are hedged against interest rate or currency risks;
- a person that holds shares of common stock or ADSs as part of a straddle or conversion transaction for tax purposes;
- a person whose functional currency for tax purposes is not the U.S. dollar; or
- a person that owns or is deemed to own 10% or more of our stock (by vote or by value).

This summary is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and the United States – Republic of Korea Income Tax Convention (the “Treaty”). These laws are subject to change, possibly on a retroactive basis.

In addition, this summary does not discuss the application of the Medicare net investment income tax or any alternative minimum tax. Please consult your own tax advisers concerning the consequences of purchasing, owning, and disposing of shares of common stock or ADSs in your particular circumstances, including the possible application of state, local, non-U.S. or other tax laws.

For purposes of this summary, you are a “U.S. holder” if you are a beneficial owner of a share of common stock or an ADS and you are:

- a citizen or resident of the United States;
- a U.S. domestic corporation; or
- otherwise subject to U.S. federal income tax on a net income basis with respect to income from the share of common stock or ADS.

In general, if you are the beneficial owner of ADSs, you will be treated as the beneficial owner of the common stock represented by those ADSs for U.S. federal income tax purposes, and no gain or loss will be recognized if you exchange an ADS for the common stock represented by that ADS.

Dividends

The gross amount of cash dividends that you receive (prior to deduction of Korean taxes) generally will be subject to U.S. federal income taxation as foreign source ordinary dividend income. Dividends paid in Korean Won will be included in your income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date that you receive the dividend (or the date of the depository’s receipt of the dividend, in the case of ADSs), regardless of whether the payment is in fact converted into U.S. dollars. If such a dividend is converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the dividend income.

The U.S. dollar amount of “qualified dividends” received by an individual U.S. holder in respect of shares of common stock or ADSs generally will be subject to taxation at a lower rate than other ordinary income. Subject to certain exceptions for short-term (60 days or less) and hedged positions, dividends paid on the common stock or ADSs will be treated as qualified dividends if (i) we are eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service (the “IRS”) has approved for purposes of the qualified dividend income rules or the dividends are paid with respect to ADSs that are readily tradable on an established securities market in the United States and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”). The Treaty has been approved for purposes of the qualified dividend rules. The ADSs are listed on the New York Stock Exchange and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. Based on our audited financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2025 taxable year. In addition, based on our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not anticipate becoming a PFIC for our 2026 taxable year.

Distributions of additional shares in respect of shares of common stock or ADSs that are made as part of a pro-rata distribution to all of our shareholders generally will not be subject to U.S. federal income tax, unless you have the right to receive cash or property instead, in which case you will be treated as if you received cash equal to the fair market value of the distribution.

Sale or Other Disposition

Upon a sale, exchange or other taxable disposition of the shares of common stock, you will realize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the disposition and your adjusted tax basis in the shares or ADSs, as applicable, as determined in U.S. dollars as discussed below. Such gain or loss will be treated as U.S. source capital gain or loss, and will be long-term capital gain or loss if the shares of common stock or ADSs were held for more than one year. Your ability to offset capital losses against ordinary income is limited. Long-term capital gain recognized by an individual U.S. holder generally is subject to taxation at a reduced rate.

If you sell or otherwise dispose of shares of common stock or ADSs in exchange for currency other than U.S. dollars, the amount realized generally will be the U.S. dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. If you are an accrual basis U.S. holder that makes the election described in

the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. U.S. holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of the shares of common stock or ADSs.

Foreign Tax Credit Considerations

Subject to generally applicable limitations and conditions, Korean dividend withholding tax paid at the appropriate rate applicable to you may be eligible for a credit against your U.S. federal income tax liability. These generally applicable limitations and conditions include requirements adopted by the IRS in regulations promulgated in December 2021, and any Korean tax generally will need to satisfy these requirements in order to be eligible to be a creditable tax. If you consistently elect to apply a modified version of these rules under temporary guidance, and comply with specific requirements as set forth in such guidance, the Korean tax on dividends will be treated as meeting the requirements and therefore as a creditable tax. In the case of all other U.S. holders, the application of these requirements to the Korean tax on dividends is uncertain, and we have not determined whether these requirements are met, including requirements applicable to the Treaty. If the Korean tax is not a creditable tax for you or you do not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, you may be able to deduct the Korean tax in computing your taxable income for U.S. federal income tax purposes. Dividends will constitute income from sources without the United States and, if the withholding tax is a creditable tax for a U.S. holder that elects to claim foreign tax credits, generally will constitute “passive category income” for foreign tax credit purposes.

Additionally, under the foreign tax credit requirements discussed above, any Korean tax imposed on the sale or other disposition of the shares of common stock or ADSs generally will not be treated as a creditable tax for U.S. foreign tax credit purposes except if you consistently elect to apply a modified version of the U.S. foreign tax credit rules that is permitted under the temporary guidance discussed above and comply with the specific requirements set forth in such guidance. Additionally, any capital gain or loss recognized on the sale or other disposition of the shares of common stock or ADSs generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax, you may not be able to credit the tax against your U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the shares of common stock or ADSs even if you have elected to claim a foreign tax credit for other taxes in the same year. U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the shares of common stock or ADSs and any Korean tax imposed on such sale or disposition.

Any Korean securities transaction tax or agriculture and fishery special surtax that you pay will not be creditable for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend upon your particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations, and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Specified Foreign Financial Assets

Certain U.S. holders that own “specified foreign financial assets” with an aggregate value in excess of US\$50,000 on the last day of the taxable year or US\$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include shares of common stock or ADSs) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in shares of common stock or ADSs, including the application of the rules to their particular circumstances.

U.S. Information Reporting and Backup Withholding Rules

Payments of dividends and sales proceeds that are made within the United States or through certain U.S. related financial intermediaries are subject to information reporting and may be subject to backup withholding unless the holder (i) establishes that it is a corporation or other exempt recipient or (ii) provides a taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred.

Holders that are not U.S. persons generally are not subject to information reporting or backup withholding. However, such a holder may be required to provide a certification of its non-U.S. status in connection with payments received within the United States or through a U.S. related financial intermediary.

Item 10.F. *Dividends and Paying Agents*

Not applicable.

Item 10.G. *Statements by Experts*

Not applicable.

Item 10.H. *Documents on Display*

We are subject to the information requirements of the Exchange Act and, in accordance therewith, are required to file reports, including annual reports on Form 20-F, and other information with the SEC. These materials, including this annual report and the exhibits thereto, may be inspected and copied at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. As a foreign private issuer, we are also required to make filings with the SEC by electronic means. Any filings we make electronically will be available to the public over the Internet at the SEC's web site at <http://www.sec.gov>.

Item 10.I. *Subsidiary Information*

Not applicable.

Item 10.J. *Annual Report to Security Holders*

Not applicable.

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Overview

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates, of financial instruments. We are exposed to various financial market risks in our ordinary course of business transactions, primarily from changes in interest rates and foreign exchange rates. We utilize various financial derivatives, including forward and swap contracts to mitigate such risks as well as manage our exposure associated with net asset and liability positions and cash flows denominated in foreign currencies. We have used, and intend to continue to use, these financial derivatives only for hedging purposes and not for speculative purposes.

Our primary market risk exposures relate to interest rate movements on floating rate borrowings and exchange rate movements on foreign currency denominated accounts receivable, as well as foreign currency denominated future cash flows from sales, mostly denominated in U.S. dollars and foreign currency denominated accounts payable for purchases of raw materials and supplies, primarily denominated in U.S. dollars and, to a lesser extent, Chinese Yuan and Japanese Yen. The fair value of our financial instruments has been determined as the price, as of the applicable measurement date, that we would receive when selling an asset or that we would pay when transferring a liability, in an orderly transaction between market participants. Fair value is based on quoted market prices where available.

For a further discussion of our market risk and fair value of our financial assets and liabilities, see Note 25 of the notes to our financial statements.

Interest Rate Risks

Our exposure to interest rate risks relates primarily to our short-term and long-term debt obligations, which are typically incurred to fund capital expenditures and repay maturing debt, as well as for working capital and other general corporate purposes. As of December 31, 2025, we had outstanding short-term and long-term debt, including current portion and prior to deducting discounts on bonds, in the aggregate amount of ₩12,665 billion (US\$8,767 million). See Note 25(a) of the notes to our financial statements.

From time to time, we may enter into interest rate swap contracts to hedge against the effects of interest rate fluctuations of certain of our floating rate long-term debt. As of December 31, 2025, ₩2,280 billion (US\$1,578 million) of our Korean Won denominated floating rate long-term borrowings were hedged against interest rate fluctuations using variable-to-fixed interest rate swap contracts that expire in between 2026 and 2028, and US\$250 million of our U.S. dollar-denominated floating rate long-term borrowings were hedged against interest rate fluctuations using variable-to-fixed interest rate swap contracts that expire in 2027. In connection with such contracts, we recognized a gain on valuation of derivatives of ₩16 billion (US\$11 million) in 2025. The table below provides information about our interest rate swap contracts. The table presents notional amounts used to calculate the contractual payments to be exchanged under such contracts.

	Expected Maturity Dates							Fair Value at December 31, 2025
	2026	2027	2028	2029	2030	Thereafter	Total	
	(in billions of Won and millions of US\$, except for interest rate percentages)							
Interest rate swaps								
Variable to fixed (₩) ⁽¹⁾	₩ 575	₩ 775	₩ 930	—	—	—	₩ 2,280	₩ 2,280
Average pay rate	4.29%	4.25%	4.23%	—	—	—		
Average receive rate	4.32%	4.60%	4.79%	—	—	—		
Variable to fixed (US\$) ⁽¹⁾	—	US\$ 250	—	—	—	—	US\$ 250	US\$ 250
Average pay rate	4.89%	4.89%	—	—	—	—		
Average receive rate	4.89%	4.56%	—	—	—	—		

(1) Average pay rates and average receive rates are applicable to the total notional amounts outstanding until maturity.

We may be exposed to interest rate risks on additional debt financing that we may periodically undertake to fund capital expenditures required for our capacity expansion. Upward fluctuations in interest rates increase the cost of new debt. The interest rate that we will be able to obtain in a new debt financing will depend on market conditions at that time and may differ from the rates we have secured on our current debt.

As of December 31, 2025, we had US\$565 million aggregate principal amount of U.S. dollar denominated short-term loans, US\$2,350 million aggregate principal amount of U.S. dollar denominated long-term loans, CNY19,332 million aggregate principal amount of CNY denominated long-term loans, and ₩4,000 billion aggregate principal amount of Korean Won denominated long-term loans. As of December 31, 2025, the interest rates for our U.S. dollar denominated loans ranged from 4.51% to 6.27%, the interest rates for our CNY denominated loans ranged from 2.03% to 3.06%, and the interest rates for our Korean Won denominated loans ranged from 3.46% to 5.65%. See Note 12 of the notes to our financial statements.

If interest rates on borrowings with floating rates had been 1% higher or lower with all other variables held constant, the impact on the profit or loss before income tax of the applicable period would be as follows:

	For the Years Ended December 31,					
	2023		2024		2025	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	(In billions of Won)					
Increase or decrease in profit or loss before income tax ⁽¹⁾	₩ (102)	₩ 102	₩ (98)	₩ 98	₩ (101)	₩ 101

(1) Includes financial instruments subject to interest rate swap transactions not designated as hedging instruments

The table below provides information about our financial instruments that are sensitive to changes in interest rates.

	Expected Maturity Dates						Total	Fair Value at December 31, 2025
	2026	2027	2028	2029	2030	Thereafter		
	(in billions of Won, except for interest rate percentages)							
Debt obligations								
Fixed rate (₩)	₩ 630	₩ 475	—	—	—	—	₩ 1,105	₩ 1,109
Average interest rate	4.6%	3.8%	—	—	—	—		
Variable rate (₩)	₩ 815	₩ 1,185	1,205	50	25	—	₩ 3,280	₩ 3,280
Average interest rate	4.4%	4.4%	4.3%	4.5%	4.5%	—		
Fixed rate (CNY)	₩ 2	₩ 276	—	—	—	—	₩ 279	₩ 274
Average interest rate	2.5%	2.5%	—	—	—	—		
Variable rate (CNY)	₩ 926	₩ 630	2,124	—	—	—	₩ 3,680	₩ 3,680
Average interest rate	2.4%	2.3%	2.7%	—	—	—		
Fixed rate (US\$)	₩ 595	₩ 574	—	—	—	—	₩ 1,169	₩ 1,196
Average interest rate	4.3%	5.9%	—	—	—	—		
Variable rate (US\$)	₩ 646	₩ 1,471	725	326	—	—	₩ 3,168	₩ 3,168
Average interest rate	5.1%	5.4%	5.2%	4.9%	—	—		

For a further discussion of our interest rate risk exposures, including a further sensitivity analysis on our interest rate risk exposures, see Notes 12 and 25 of the notes to our financial statements.

Foreign Currency Risk

The primary foreign currency to which we are exposed is the U.S. dollar. We are also exposed, to a lesser extent, to other foreign currencies, including the Japanese Yen as well as the Chinese Yuan, and the Vietnamese Dong. For a further discussion of our net exposure to U.S. dollar and Japanese Yen, see Note 25 of the notes to our financial statements.

From time to time, we hedge against the effect of exchange rate fluctuations of the U.S. dollar and Chinese Yuan against the Korean Won on our U.S. dollar and Chinese Yuan debt exposure using cross-currency swap contracts. The table below sets forth our outstanding cross currency interest rate swap contracts as of December 31, 2025.

Cross Currency Interest Rate Swap Contracts:

Contracts to sell Korean (Won)/buy US\$:

Outstanding contract amount	US\$	1,600 million
Average contractual exchange rate	(Won)	1,371.4/US\$
Change in fair value	(Won)	(133.1) billion

Contracts to sell Korean (Won)/buy CNY:

Outstanding contract amount	CNY	380 million
Average contractual exchange rate	(Won)	199.1/CNY
Change in fair value	(Won)	(5.9) billion

In addition to relying on natural hedges created by foreign currency assets and liabilities, from time to time we have entered, and may in the future enter, into forward exchange contracts with major financial institutions to minimize the impact of foreign currency fluctuations on our foreign currency liabilities. Gains and losses on forward exchange contracts are recorded in the period of the exchange rate changes as foreign exchange gain or loss. As of December 31, 2025, we did not have any outstanding forward exchange contracts.

Our foreign currency exposure and changes in profit or loss before income tax resulting from a 5% foreign exchange rate change of each of the U.S. dollar and the Japanese Yen against the Korean Won are as follows:

	For the Years Ended December 31,		
	2023	2024	2025
	Profit or Loss Before Income Tax	Profit or Loss Before Income Tax	Profit or Loss Before Income Tax
		(In billions of Won)	
U.S. Dollars (5% weakening)	₩ 58	₩ (36)	₩ 21
U.S. Dollars (5% strengthening)	(58)	36	(21)
Japanese Yen (5% weakening)	(11)	(7)	(5)
Japanese Yen (5% strengthening)	11	7	5

Other Risks

We are exposed to credit risk in the event of non-performance by the counterparties under our forward exchange contracts at maturity. In order to minimize this risk, we limit the transaction amount with any one party and continually monitor the credit quality of the counterparties to these financial instruments. We do not anticipate any material losses from these contracts, and we believe the risk of non-performance by the counterparties under these contracts is remote.

A substantial portion of our sales is attributable to a limited number of our end-brand customers. Our top ten end-brand customers, including our largest shareholder as an end-brand customer, together accounted for a substantial majority of our sales in each of 2023, 2024 and 2025. While we negotiate directly with our end-brand customers concerning the price and quantity of the sales, for some sales transactions we invoice the end-brand customers' designated system integrators. As a result of our significant dependence on a concentrated group of end-brand customers and their designated system integrators, we are exposed to credit risks associated with these entities. We have established certain measures, such as factoring arrangements and requirement of credit insurance from customers, to protect us from excessive exposure to such credit risks.

We manage our accounts receivable and credit exposure to customers by establishing credit limits for each customer to whom we supply products on an open account basis in accordance with our internal credit guidelines. We assess credit risk through quantitative and qualitative analysis, and based on this analysis, we establish credit limits and determine whether we will seek to use one or more credit support devices, such as obtaining some form of third-party guaranty or stand-by letter of credit, obtaining credit insurance or through factoring of all or part of accounts receivables. Our credit policy does not require credit limits on accounts receivable created on letters of credit. To date, we have not experienced any material problems relating to customer payments. For a further discussion of our credit risk exposures, see Note 25 of the notes to our financial statements.

Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Fees and Charges

Under the terms of the deposit agreement, as a holder of our ADSs, you are required to pay the following service fees to the depositary:

Services	Fees
Issuance of ADSs	Up to US\$0.05 per ADS issued
Cancellation of ADSs	Up to US\$0.05 per ADS canceled
Distribution of cash dividends or other cash distributions	Up to US\$0.02 per ADS held
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions or (ii) exercise of rights to purchase additional ADSs	Up to US\$0.02 per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US\$0.05 per ADS held
Other ADS services	Up to US\$0.02 per ADS held

As a holder of our ADSs, you are also responsible for paying certain fees and expenses incurred by the depositary and certain taxes and governmental charges such as the following:

- Fees for the transfer and registration of shares charged by the registrar and transfer agent for the shares in Korea (i.e., upon deposit and withdrawal of shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities (i.e., when shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of shares on deposit.

Depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary and by the brokers (on behalf of their clients) delivering the ADSs to the depositary for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are deducted from the cash being distributed. In the case of distributions other than cash (i.e., stock dividend, rights), the depositary charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via the Depository Trust Company, or DTC), the depositary collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to such holder of ADSs.

Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes.

Fees and Payments from the Depositary to Us

In 2025, we received the following payments, after deduction of applicable U.S. taxes, from the depositary:

Reimbursement of proxy process expenses (printing, postage and distribution) ⁽¹⁾	US\$	744,802.97
Contributions towards our investor relations efforts (i.e. non-deal roadshows, investor conferences and IR agency fees) and legal expenses incurred in connection with the preparation of our Form 20-F for the fiscal year 2024 ⁽¹⁾	US\$	744,802.97

(1) Under discussions with the depositary for the amount of applicable payment with respect to 2025.

PART II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

Item 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management has evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2025. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025. The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Samil PricewaterhouseCoopers (“PwC”), an independent registered public accounting firm, as stated in their report which is included in Item 18 of this Form 20-F.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [RESERVED]**Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our board of directors has determined that Doo Cheol Moon qualifies as an “audit committee financial expert” and is independent within the meaning of this Item 16A.

Item 16B. CODE OF ETHICS

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Exchange Act. Our Code of Ethics applies to our chief executive officer, chief financial officer and persons performing similar functions as well as to our non-executive directors and other officers and employees. Our Code of Ethics is available on our website at www.lgdisplay.com. If we amend the provisions of our Code of Ethics that apply to our chief executive officer and chief financial officer and persons performing similar functions, or if we grant any waiver of such provisions, we will disclose such amendment or waiver on our website at the same address.

Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the fees billed to us by our independent registered public accounting firm, PwC, during the fiscal years ended December 31, 2024 and 2025:

	Year ended December 31,	
	2024	2025
	(in millions of Won)	
Audit fees	₩ 5,881	₩ 5,492
Audit-related fees	—	—
Tax fees	820	993
All other fees	—	—
Total fees	₩ 6,701	₩ 6,485

Audit fees in the above table are the aggregate fees billed or expected to be billed, as the case may be, by our independent registered public accounting firm in connection with the audit of our annual financial statements and the review of our interim financial statements.

Audit-related fees in the above table are the aggregate fees billed or expected to be billed, as the case may be, by our independent registered public accounting firm for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit fees.”

Tax fees in the above table are the aggregate fees billed or expected to be billed, as the case may be, by our independent registered public accounting firm for tax compliance services.

All other fees in the above table are aggregate fees billed or expected to be billed, as the case may be, by our independent registered public accounting firm for services other than the services reported above under “audit fees,” “audit-related fees,” or “tax fees.”

Audit Committee Pre-Approval Policies and Procedures

Under our Audit Committee’s pre-approval policies and procedures, all audit and non-audit services to be provided to us by our independent auditors must be pre-approved by our Audit Committee on a case-by-case basis. Our Audit Committee does not pre-approve any audit or non-audit services that are prohibited from being provided to us by an independent registered public accounting firm under the rules of the SEC and applicable law. In 2025, no fees were approved pursuant to the *de minimis* exception.

Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Neither we nor any “affiliated purchaser,” as defined in Rule 10b-18(a)(3) of the Exchange Act, purchased any of our equity securities during the period covered by this annual report.

Item 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

Item 16G. CORPORATE GOVERNANCE

The following is a summary of the significant differences between the New York Stock Exchange’s corporate governance standards and those that we follow under Korean law.

NYSE Corporate Governance Standards	LG Display’s Corporate Governance Practice
Director Independence Listed companies must have a majority of independent directors.	The majority of our board of directors is independent (as defined in accordance with the New York Stock Exchange’s standards), as four out of seven directors are outside directors.
Nomination/Corporate Governance Committee Listed companies must have a nomination/corporate governance committee composed entirely of independent directors. The committee must have a charter that addresses the purpose, responsibilities (including development of corporate governance guidelines) and annual performance evaluation of the committee.	Although we have not established a separate nomination/corporate governance committee, we maintain an Outside Director Nomination Committee, which is composed of two outside directors and one non-outside director, and an ESG Committee, which is composed of four outside directors and one non-outside director.
Compensation Committee Listed companies must have a compensation committee composed entirely of independent directors. The committee must have a charter that addresses the purpose, responsibilities and annual performance evaluation of the committee. The charter must be made available on the company’s website. In addition, in accordance with the U.S. Securities and Exchange Commission rules adopted pursuant to Section 952 of the Dodd-Frank Act, the New York Stock Exchange listing standards were amended to expand the factors relevant in determining whether a committee member has a relationship with the company that will materially affect that member’s duties to the compensation committee.	Under Korean law, we are not required to establish a compensation committee. Accordingly, we do not currently have a compensation committee, and our board of directors is directly responsible for matters relating to salaries and incentive compensation for our directors and executive officers.
Executive Session Non-management directors of listed companies must meet in regularly scheduled executive sessions without management. Independent directors should meet alone in an executive session at least once a year.	We do not normally hold executive sessions solely attended by non-management directors as that is not required under Korean law but we may elect to do so at the discretion of the directors.
Audit Committee Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act. All members must be independent. The committee must have a charter addressing the committee’s purpose, an annual performance evaluation	We maintain an Audit Committee composed of three or more outside directors who meet the applicable independence criteria set forth under Rule 10A-3 of the Exchange Act.

NYSE Corporate Governance Standards

of the committee, and the duties and responsibilities of the committee. The charter must be made available on the company's website.

Audit Committee Additional Requirements

Listed companies must have an audit committee that is composed of at least three directors.

Shareholder Approval of Equity Compensation Plan

Listed companies must allow its shareholders to exercise their voting rights with respect to any material revision to the company's equity compensation plan.

Shareholder Approval of Equity Offerings

Listed companies must allow its shareholders to exercise their voting rights with respect to equity offerings that do not qualify as public offerings for cash, and offerings of equity of related parties.

LG Display's Corporate Governance Practice

Our Audit Committee currently has four directors.

We currently have two equity compensation plans: one providing for the grant of stock options to officers and key employees and an Employee Stock Ownership Plan, or ESOP.

Stock options to officers and key employees may be granted pursuant to a resolution of the shareholders in an amount not to exceed 15% of the total number of our issued and outstanding shares. However, the board of directors may grant stock options to non-director officers and employees up to 1% of the total number of our issued and outstanding shares, which grant must be approved by a resolution of the subsequent general meeting of shareholders.

All material matters related to the granting of stock options are provided in our articles of incorporation, and any amendments to the articles of incorporation are subject to shareholders' approval. Matters related to the ESOP are not subject to shareholders' approval under Korean law.

The Korean Commercial Code and our articles of incorporation provide that any and all terms and conditions for the issuance of new shares of the company shall be determined by a resolution of the board of directors. The company may allot new shares by a resolution of the board of directors to persons other than its shareholders when certain requirements are satisfied, including where new shares are issued by way of general public offering, and are issued to corporations, institutional investors, domestic and foreign financial institutions and others to further a management objective such as strengthening the company's financials (provided, however, that such allotment of new shares to persons other than shareholders may only be made up to 30% of the total number of issued and outstanding shares of the company, in the following cases: i) when new shares are issued to corporations, institutional investors or domestic or foreign financial institutions for the purpose of achieving the company's operational objectives, such as improving the financial structure or ii) when new shares are issued to attract foreign investment due to business necessity).

NYSE Corporate Governance Standards**Corporate Governance Guidelines**

Listed companies must adopt and disclose corporate governance guidelines.

Code of Business Conduct and Ethics

Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.

LG Display's Corporate Governance Practice

We maintain a corporate governance charter as well as corporate governance guidelines for our board of directors. Our board of directors is responsible for overseeing our policies, practices and procedures in the area of corporate governance.

We have adopted a Code of Ethics for all directors, officers and employees. A copy of our Code of Ethics is available on our website at www.lgdisplay.com.

Item 16H. MINE SAFETY DISCLOSURE

Not applicable.

Item 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

Item 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. A copy of the insider trading policies is attached as an exhibit to this annual report.

Item 16K. CYBERSECURITY*Risk Management and Strategy*

We maintain a comprehensive process for assessing, identifying and managing material risks from cybersecurity threats, including risks relating to disruption of business operations or financial reporting systems, intellectual property theft, fraud, extortion, harm to employees or customers, violation of privacy laws and other litigation and legal risk, and reputational risk, as part of our overall risk management system and processes. We utilize policies, software, training programs and hardware solutions to protect and monitor our environment, including multifactor authentication on all critical systems, firewalls, intrusion detection and prevention systems, vulnerability and penetration testing and identity management systems.

Our cybersecurity risk management processes are part of our information security system designed in compliance with ISO 27001 standards and International Electrotechnical Commission (“IEC”) standards. Our certifications under such standards are valid for three years, and we are subject to an annual audit to maintain such certifications. In particular, we manage our cybersecurity risks by applying the four-step Plan-Do-Check-Act process, as recommended by and outlined in ISO 27001, to continually enhance our information security processes.

We also maintain a robust crisis management system, which provides a framework for responding to cybersecurity incidents based on the severity of the incident and facilitates cross-functional coordination across security, IT infrastructure, legal and public relations departments. In addition, we operate a Security Operations Center that monitors and addresses day-to-day risks faced by our company.

Additionally, we also utilize external independent control measures to improve and update our cybersecurity program, including independent third party assessments, penetration testing and scanning of our systems for vulnerabilities. For example, we engage an accredited third party agency to conduct annual audits of our cybersecurity system to verify the effectiveness, make recommendations for improvement and monitor remediation of any identified risks. Any updates that are deemed necessary are initially reported to and approved by our Chief Information Security Officer (“CISO”) prior to their implementation. We also provide annual information security awareness training for employees, participate in cybersecurity drills conducted by the Korea Internet & Security Agency as well as send out “phishing” email tests on a regular basis.

Our cybersecurity risk management processes extend to the oversight and identification of threats associated with our use of third party service providers. When establishing a new data system that incorporates an external service, we review whether the third party providers' information security programs meet the security standards required of our data systems, including whether the third party provider has obtained international certification for its services.

We also carry limited insurance that provides protection against potential losses arising from cybersecurity incidents and annually review our policy and levels of coverage based on current risks.

Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previous cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks and any future material incidents. See "Item 3.D. Risk Factors—Risks Relating to Our Company—If our cybersecurity is breached, we may incur significant legal and financial exposure, damage to our reputation and a loss of confidence of our customers" for more information on risks from cybersecurity threats that are reasonably likely to materially affect our business strategy, results of operations and financial condition.

Governance

The cybersecurity risk management processes described above are managed by our CISO, our Chief Information Officer ("CIO") and our Chief Risk Officer ("CRO"). Our CISO is supported by three dedicated teams that respectively focus on establishing our cybersecurity goals and policies, examining security hazards and conducting security training. Our CIO oversees the operation of our IT systems, under which our Enterprise Architecture Team works to prevent cybersecurity breaches and performs control, response and recovery action in case of any cybersecurity breach. By dividing our cybersecurity roles from our IT system operation roles, we seek to prevent the abuse of and accidental or intentional misuse of data. In the event of a cybersecurity incident that would pose an organizational-level threat, our Emergency Response Committee, which is led by our CRO and includes a Cybersecurity Incident Subcommittee, would oversee response.

Our CISO is appointed in accordance with the requirements set forth by the Act on Promotion of Information and Communications Network Utilization and Data Protection in Korea. Our current acting CISO, whose formal registration under such Act is pending as of the date of this annual report, has more than four years of information security-related work experience.

Our day-to-day execution of cybersecurity processes are internally reported through email, phone, or formal reports on a monthly and as-needed basis. In the event of a cybersecurity incident, information including the date and time, name of breached system, cause and scale of damage, result of response, and classification of incident is reported to the appropriate members of the management. Our Board of Directors oversees all of our business, property and affairs, including cybersecurity risks, and our management provides reports to the Board of Directors on an as needed basis in the event of a material cybersecurity incident or for matters that require any material decision making.

PART III

Item 17. FINANCIAL STATEMENTS

Not applicable.

Item 18. FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm (PwC)	F-2
Report of Independent Registered Public Accounting Firm (KPMG)	F-5
Consolidated statements of financial position as of December 31, 2024 and 2025	F-6
Consolidated statements of comprehensive income (loss) for the years ended December 31, 2023, 2024 and 2025	F-8
Consolidated statements of changes in equity for the years ended December 31, 2023, 2024 and 2025	F-10
Consolidated statements of cash flows for the years ended December 31, 2023, 2024 and 2025	F-12
Notes to the consolidated financial statements	F-15

Item 19.EXHIBITS

<u>Number</u>	<u>Description</u>
1.1	Amended and Restated Articles of Incorporation (translation in English)
2.1*	Form of Common Stock Certificate (translation in English) (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement (No. 333-116819) on Form F-1, filed on July 13, 2004)
2.2*	Deposit Agreement (including Form of American Depositary Receipt) (incorporated by reference to Exhibit (a) to the Registrant's Registration Statement (No. 333-147661) on Form F-6, filed on November 28, 2007)
2.3*	Form of Amendment No. 1 to Deposit Agreement (including Form of American Depositary Receipt) (incorporated by reference to Exhibit (a)(i) to the Registration Statement (No. 333-147661) on Post Effective Amendment No. 1 to Form F-6, filed on July 30, 2014)
2.4*	Letter from Citibank, N.A., as depositary, dated as of November 29, 2007, to the Registrant relating to the direct registration system for the American depositary receipts (incorporated by reference to Exhibit 2.3 to the Registrant's Annual Report (No. 001-32238) on Form 20-F, filed on April 16, 2008)
2.5	Description of LG Display Co., Ltd.'s Capital Stock (see Item 10.B. Memorandum and Articles of Association)
2.6	Description of LG Display Co., Ltd.'s American Depositary Shares
8.1	List of subsidiaries of LG Display Co., Ltd. (see Note 1(b) of the notes to the consolidated financial statements of LG Display Co., Ltd. included in this annual report)
11.1*	Insider Trading Policy (translation in English) (incorporated by reference to Exhibit 11.1 to the Registrant's Annual Report (No. 001-32238) on Form 20-F, filed on April 28, 2025)
12.1	Section 302 certification of the Chief Executive Officer
12.2	Section 302 certification of the Chief Financial Officer
13.1	Section 906 certification of the Chief Executive Officer
13.2	Section 906 certification of the Chief Financial Officer
97.1*	LG Display Co., Ltd.'s Clawback Guidelines for Misstatements of Financial Statements, etc. (translation in English) (incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report (No. 001-32238) on Form 20-F, filed on April 29, 2024)
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	The cover page for the Company's Annual Report on Form 20-F for the year ended December 31, 2025 has been formatted in Inline XBRL

* Filed previously.

INDEX TO FINANCIAL STATEMENTS

<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PwC)</u>	F-2
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (KPMG)</u>	F-5
<u>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2024 AND 2025</u>	F-6
<u>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) FOR THE YEARS ENDED</u> <u>DECEMBER 31, 2023, 2024 AND 2025</u>	F-8
<u>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31,</u> <u>2023, 2024 AND 2025</u>	F-10
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023, 2024</u> <u>AND 2025</u>	F-12
<u>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</u>	F-15

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

LG DISPLAY CO., LTD.

(Registrant)

/s/ CHEOLDONG JEONG

(Signature)

Name: Cheoldong Jeong

Title: Representative Director, President and
Chief Executive Officer

/s/ SUNGHYUN KIM

(Signature)

Name: Sunghyun Kim

Title: Executive Vice President and
Chief Financial Officer

Date: April 28, 2026

INDEX TO FINANCIAL STATEMENTS

	Page
<u>Report of Independent Registered Public Accounting Firm (PwC)</u>	F-2
<u>Report of Independent Registered Public Accounting Firm (KPMG)</u>	F-5
<u>Consolidated Statements of Financial Position</u>	F-6
<u>Consolidated Statements of Comprehensive Income (loss)</u>	F-8
<u>Consolidated Statements of Changes in Equity</u>	F-10
<u>Consolidated Statements of Cash Flows</u>	F-12
<u>Notes to the Consolidated Financial Statements</u>	F-15

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
LG Display Co., Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of LG Display Co., Ltd. and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control Over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment test of the cash generating unit to which goodwill has been allocated

As described in Note 10 to the consolidated financial statements, the carrying amount of goodwill recognized at the end of reporting period amounting to ₩28,307 million, all of which has been allocated to the Display cash generating unit (CGU). Management conducted an impairment test by estimating the recoverable amount using the value in use based on the discounted cash flow model as of December 31, 2025. Management's estimate of the recoverable amount included significant judgments and assumptions relating to projected operating income (loss) and discount rate.

The principal considerations for our determination that performing procedures relating to impairment test of the CGU to which goodwill has been allocated is a critical audit matter are (i) the significant judgement by management when developing the recoverable amount of the Display CGU; (ii) a high degree of auditor judgement, subjectivity, and effort in performing procedures and evaluating management's key assumptions related to projected operating income (loss) and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the appropriateness of impairment test of the CGU to which goodwill has been allocated. These procedures also included, among others, (i) testing management's process for developing the recoverable amount estimate (ii) evaluating the appropriateness of the discounted cash flow model used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions applied by management related to projected operating income (loss) and discount rate. Evaluating management's significant assumptions related to projected operating income (loss) involved assessing the feasibility of the business plan utilized in the management's calculation of value in use by comparing earlier forecasts with the actual

performance in the current period. Professionals with specialized skill and knowledge were used to assist in evaluating (a) the appropriateness of the discounted cash flow model, (b) the reasonableness of management's significant assumptions relating to the discount rate, (c) the reliability of underlying data and (d) the mathematical accuracy of the calculation of the estimate by management.

/s/ Samil PricewaterhouseCoopers

Seoul, Korea
April 28, 2026

We have served as the Company's auditor since 2024.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
LG Display Co., Ltd.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of comprehensive loss, changes in equity, and cash flows for the year ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG Samjong Accounting Corp.

We have served as the Group's auditor from 2008 to 2024.

Seoul, Korea
April 29, 2024

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position

As of December 31, 2024 and 2025

<i>(In millions of won)</i>	Note	December 31, 2024	December 31, 2025
Assets			
Cash and cash equivalents	4, 25	₩ 2,021,640	1,572,058
Deposits in banks	4, 25	600	600
Trade accounts and notes receivable, net	5, 15, 25, 28	3,624,477	2,359,184
Other accounts receivable, net	5, 25	250,029	180,413
Other current financial assets	6, 25	328,621	89,525
Inventories, net	7	2,671,242	2,545,666
Prepaid income taxes		12,774	38,558
Assets held for sale	1	983,317	—
Other current assets		230,337	196,073
Total current assets		10,123,037	6,982,077
Deposits in banks	4, 25	11	11
Investments in equity accounted investees	8	33,177	36,506
Other non-current financial assets	6, 25	232,652	202,051
Property, plant and equipment, net	9, 17	17,202,873	14,470,776
Intangible assets, net	10, 17	1,558,407	1,478,035
Investment property	11, 17	27,911	18,031
Deferred tax assets, net	23	3,504,177	3,510,156
Defined benefit assets, net	13	160,752	198,535
Other non-current assets		16,569	20,522
Total non-current assets		22,736,529	19,934,623
Total assets		₩ 32,859,566	26,916,700

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position, Continued

As of December 31, 2024 and 2025

<i>(In millions of won)</i>	Note	December 31, 2024	December 31, 2025
Liabilities			
Trade accounts and notes payable	25, 28	₩ 4,156,149	3,307,687
Current financial liabilities	12, 25, 26, 27, 28	6,527,450	3,798,394
Other accounts payable	25	1,720,670	1,461,014
Accrued expenses		634,473	782,552
Income tax payable, net		65,366	39,219
Provisions	14	105,251	86,290
Advances received		904,628	35,981
Liabilities held for sale	1	1,656,841	—
Other current liabilities		88,256	85,334
Total current liabilities		15,859,084	9,596,471
Non-current financial liabilities	12, 25, 26, 27, 28	8,091,407	8,934,975
Non-current provisions	14	60,908	55,345
Defined benefit liabilities, net	13	1,093	1,109
Long-term advances received		220,500	—
Other non-current liabilities	25	553,767	489,562
Total non-current liabilities		8,927,675	9,480,991
Total liabilities		24,786,759	19,077,462
Equity			
Share capital	16	2,500,000	2,500,000
Share premium	16	2,773,587	2,740,811
Retained earnings (Accumulated Deficit)		(18,512)	281,912
Reserves	16	995,823	1,081,401
Accumulated other comprehensive income held for sale	1	291,363	—
Equity attributable to owners of the Parent		6,542,261	6,604,124
Non-controlling interests		1,530,546	1,235,114
Total equity		8,072,807	7,839,238
Total liabilities and equity		₩ 32,859,566	26,916,700

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2023, 2024 and 2025

<i>(In millions of won, except earnings per share)</i>	Note	2023	2024	2025
Revenue	17, 28	₩ 21,330,819	26,615,347	25,810,082
Cost of sales	7, 18, 28	(20,985,643)	(24,039,928)	(22,433,623)
Gross profit		345,176	2,575,419	3,376,459
Selling expenses	18, 19	(575,785)	(584,692)	(480,814)
Administrative expenses	18, 19	(899,902)	(1,103,617)	(967,882)
Research and development expenses	18	(1,379,653)	(1,447,706)	(1,410,786)
Other income	20	1,472,258	2,100,443	2,596,150
Other expenses	20	(1,786,234)	(2,797,981)	(2,039,451)
Finance income	21	1,122,294	883,094	578,446
Finance costs	21	(1,634,534)	(1,821,912)	(1,152,916)
Equity in income (loss) of equity accounted investees, net		(3,061)	5,412	2,483
Profit (loss) before income tax		(3,339,441)	(2,191,540)	501,689
Income tax benefit (expense)	22	762,712	(217,760)	(197,882)
Profit (loss) for the year		(2,576,729)	(2,409,300)	303,807
Other comprehensive income (loss)				
Items that will never be reclassified to profit or loss				
Remeasurements of net defined benefit liabilities	13, 22	49,817	(131,835)	74,112
Other comprehensive income (loss) from associates	8	170	(85)	—
		49,987	(131,920)	74,112

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Loss), Continued

For the years ended December 31, 2023, 2024 and 2025

<i>(In millions of won, except earnings per share)</i>	Note	2023	2024	2025
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences for foreign operations	16, 22	₩ 23,143	926,637	(184,430)
Other comprehensive income (loss) from associates	8, 16	(2,824)	3,320	2,272
		20,319	929,957	(182,158)
Other comprehensive income (loss) for the year, net of income tax		70,306	798,037	(108,046)
Total comprehensive income (loss) for the year		₩ (2,506,423)	(1,611,263)	195,761
Profit (loss) attributable to:				
Owners of the Parent Company		(2,733,742)	(2,562,606)	226,312
Non-controlling interests		157,013	153,306	77,495
Profit (loss) for the year		₩ (2,576,729)	(2,409,300)	303,807
Total comprehensive income (loss) attributable to:				
Owners of the Parent Company		(2,647,407)	(1,923,316)	94,639
Non-controlling interests		140,984	312,053	101,122
Total comprehensive income (loss) for the year		₩ (2,506,423)	(1,611,263)	195,761
Earnings (loss) per share (in won)				
Basic earnings (loss) per share	24	₩ (7,177)	(5,438)	453
Diluted earnings (loss) per share	24	(7,177)	(5,438)	453

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity

For the years ended December 31, 2023, 2024 and 2025

	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings (Accumulated deficit)	Reserves	Other comprehensive income classified as held for sale	Sub-total		
<i>(In millions of won)</i>								
Balances at January 1, 2023	₩ 1,789,079	2,251,113	5,359,769	479,628	—	9,879,589	1,439,638	11,319,227
Total comprehensive income (loss) for the year								
Profit (loss) for the year	—	—	(2,733,742)	—	—	(2,733,742)	157,013	(2,576,729)
Other comprehensive income (loss)	—	—	49,987	36,348	—	86,335	(16,029)	70,306
	₩ —	—	(2,683,755)	36,348	—	(2,647,407)	140,984	(2,506,423)
Transaction with owners, recognized directly in equity								
Dividends to non-controlling shareholders in subsidiaries	—	—	—	—	—	—	(42,260)	(42,260)
Dividends to equity holders	—	—	—	—	—	—	—	—
Balances at December 31, 2023	₩ 1,789,079	2,251,113	2,676,014	515,976	—	7,232,182	1,538,362	8,770,544

	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings (Accumulated deficit)	Reserves	Other comprehensive income classified as held for sale	Sub-total		
<i>(In millions of won)</i>								
Balances at January 1, 2024	₩ 1,789,079	2,251,113	2,676,014	515,976	—	7,232,182	1,538,362	8,770,544
Total comprehensive income (loss) for the year								
Profit (loss) for the year	—	—	(2,562,606)	—	—	(2,562,606)	153,306	(2,409,300)
Other comprehensive income (loss)	—	—	(131,920)	479,847	291,363	639,290	158,747	798,037
	₩ —	—	(2,694,526)	479,847	291,363	(1,923,316)	312,053	(1,611,263)
Transaction with owners, recognized directly in equity								
Capital increase	710,921	569,893	—	—	—	1,280,814	—	1,280,814
Acquisition of non-controlling shareholders' interests in subsidiaries	—	(47,419)	—	—	—	(47,419)	(183,850)	(231,269)
Subsidiaries' dividends distributed to non-controlling interests	—	—	—	—	—	—	(136,019)	(136,019)
Balances at December 31, 2024	₩ 2,500,000	2,773,587	(18,512)	995,823	291,363	6,542,261	1,530,546	8,072,807

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity, Continued
For the years ended December 31, 2023, 2024 and 2025

	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings (Accumulated deficit)	Reserves	Other comprehensive income classified as held for sale	Sub-total		
<i>(In millions of won)</i>								
Balances at January 1, 2025	₩ 2,500,000	2,773,587	(18,512)	995,823	291,363	6,542,261	1,530,546	8,072,807
Total comprehensive income (loss) for the year								
Profit for the year	—	—	226,312	—	—	226,312	77,495	303,807
Other comprehensive income (loss)	—	—	74,112	85,578	(291,363)	(131,673)	23,627	(108,046)
	₩ —	—	300,424	85,578	(291,363)	94,639	101,122	195,761
Transaction with owners, recognized directly in equity								
Change in scope of consolidation	—	(32,776)	—	—	—	(32,776)	(396,554)	(429,330)
Balances at December 31, 2025	₩ 2,500,000	2,740,811	281,912	1,081,401	—	6,604,124	1,235,114	7,839,238

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the years ended December 31, 2023, 2024 and 2025

<i>(In millions of won)</i>	Note	2023	2024	2025
Cash flows from (used in) operating activities:				
Cash generated from operations	27	₩ 2,819,329	3,373,456	3,169,950
Income taxes paid		(290,102)	(139,782)	(161,462)
Interest received		144,402	93,945	54,915
Interest paid		(990,881)	(915,858)	(711,320)
Cash flows from operating activities		<u>1,682,748</u>	<u>2,411,761</u>	<u>2,352,083</u>
Cash flows from (used in) investing activities:				
Dividends received	₩	15,200	200	1,930
Increase in deposits in banks		(943,166)	(1,700)	(1,700)
Proceeds from withdrawal of deposits in banks		1,785,231	921,995	1,700
Acquisition of financial assets at fair value through profit or loss		(4,615)	(5,470)	(1,422)
Proceeds from disposal of financial asset at fair value through profit or loss		546	5,301	4,275
Acquisition of financial assets at fair value through other comprehensive income		(3,000)	—	—
Proceeds from disposal of financial assets at fair value through other comprehensive income		2,671	—	—
Proceeds from disposal of investments in associates		—	17,609	—
Proceeds from disposal of assets held for sale		—	—	813,311
Acquisition of property, plant and equipment		(3,482,754)	(2,129,735)	(1,347,937)
Proceeds from disposal of property, plant and equipment		485,659	248,460	122,850
Acquisition of intangible assets		(672,076)	(786,819)	(759,146)
Proceeds from disposal of intangible assets		6,328	6,257	1,918
Proceeds from insurance payout		—	49,995	—
Government grants received		7,417	2,307	1,041
Proceeds from settlement of derivatives		178,610	274,173	157,984
Decrease in short-term loans		27,411	19,697	21,558

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows, Continued

For the years ended December 31, 2023, 2024 and 2025

<i>(In millions of won)</i>	Note	2023	2024	2025
Cash flows from (used in) investing activities, Continued:				
Increase in deposits	₩	(3,992)	(2,036)	(4,405)
Decrease in deposits		4,535	2,124	7,682
Proceeds from disposal of greenhouse gas emission permits		<u>6,659</u>	<u>14,394</u>	<u>1,742</u>
Cash flows used in investing activities		<u>(2,589,336)</u>	<u>(1,363,248)</u>	<u>(978,619)</u>
Cash flows from (used in) financing activities:				
	27			
Proceeds from short-term borrowings	₩	6,729,725	5,219,941	4,385,305
Repayments of short-term borrowings		(7,446,111)	(6,285,819)	(4,502,811)
Proceeds from issuance of bonds		469,266	—	—
Repayments of current portion of bonds		(433,990)	(370,000)	(612,000)
Proceeds from long-term borrowings		4,765,524	2,912,552	4,919,708
Repayments of long-term borrowings		—	—	(245,735)
Repayments of current portion of long-term borrowings		(2,625,970)	(3,638,904)	(5,808,062)
Payment of lease liabilities		(73,483)	(71,008)	(52,902)
Repayments of security deposits received		—	—	(40,500)
Capital increase		—	1,292,455	—
Transaction cost from capital increase		—	(11,641)	—
Acquisition of non-controlling shareholders' interests in subsidiaries		—	(245,362)	—
Dividends to non-controlling shareholders in subsidiaries		<u>(34,098)</u>	<u>(136,519)</u>	<u>(6,390)</u>
Cash flows from (used in) financing activities		<u>1,350,863</u>	<u>(1,334,305)</u>	<u>(1,963,387)</u>

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows, Continued

For the years ended December 31, 2023, 2024 and 2025

<i>(In millions of won)</i>	<u>Note</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net increase (decrease) in cash and cash equivalents	₩	444,275	(285,792)	(589,923)
Cash and cash equivalents included in assets held for sale at January 1		—	—	158,415
Cash and cash equivalents at January 1		1,824,649	2,257,522	2,021,640
Effect of exchange rate fluctuations on cash held		(11,402)	208,325	(18,074)
Cash and cash equivalents included in assets held for sale at December 31		—	(158,415)	—
Cash and cash equivalents at December 31	₩	<u>2,257,522</u>	<u>2,021,640</u>	<u>1,572,058</u>

See accompanying notes to the consolidated financial statements.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

1. Reporting Entity

(a) Description of the Parent Company

LG Display Co., Ltd. (the "Parent Company") was incorporated in February 1985 and the Parent Company has been a public corporation listed on the Korea Exchange since 2004. The main business of the Parent Company and its subsidiaries (the "Group") is to manufacture and sell displays and its related products. As of December 31, 2025, the Group operates Thin Film Transistor Liquid Crystal Display ("TFT-LCD") and Organic Light Emitting Diode ("OLED") panel manufacturing plants in Gumi, Paju and China and TFT-LCD and OLED module manufacturing plants in Gumi, Paju, China and Vietnam. The Parent Company is domiciled in the Republic of Korea with its address at 128 Yeoui-daero, Yeongdeungpo-gu, Seoul. As of December 31, 2025, LG Electronics Inc., a major shareholder of the Parent Company, owns 36.72% (183,593,206 shares) of the Parent Company's common stock.

As of December 31, 2025, 500,000,000 shares of the Parent Company's common stock are listed on the Korea Exchange under the identifying code 034220, and 35,191,892 American Depositary Shares ("ADSs"; 2 ADSs represent one share of common stock) are listed on the New York Stock Exchange under the symbol "LPL".

(b) Consolidated Subsidiaries as of December 31, 2025

Subsidiaries	Location	Percentage of ownership(%)	Closing month	Date of incorporation	Business
LG Display America, Inc.	San Jose, U.S.A.	100	December	September 24, 1999	Sales of display products
LG Display Germany GmbH	Eschborn, Germany	100	December	October 15, 1999	Sales of display products
LG Display Japan Co., Ltd.	Tokyo, Japan	100	December	October 12, 1999	Sales of display products
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	100	December	April 12, 1999	Sales of display products
LG Display Nanjing Co., Ltd.	Nanjing, China	100	December	July 15, 2002	Production of display products
LG Display Shanghai Co., Ltd.	Shanghai, China	100	December	January 16, 2003	Sales of display products
LG Display Shenzhen Co., Ltd.	Shenzhen, China	100	December	July 27, 2007	Sales of display products
LG Display Singapore Pte. Ltd.	Singapore	100	December	November 4, 2008	Sales of display products
L&T Display Technology (Fujian) Limited	Fujian, China	51	December	December 7, 2009	Production and sales of LCD module and LCD monitor sets
LG Display Yantai Co., Ltd.	Yantai, China	100	December	March 17, 2010	Production of display products
Nanumnuri Co., Ltd.	Gumi, South Korea	100	December	March 21, 2012	Operation of welfare facilities
Unified Innovative Technology, LLC	Wilmington, U.S.A.	100	December	March 12, 2014	Intellectual property management
LG Display Guangzhou Trading Co., Ltd.	Guangzhou, China	100	December	April 28, 2015	Sales of display products
Global OLED Technology, LLC	Sterling, U.S.A.	100	December	December 18, 2009	OLED intellectual property management
LG Display Vietnam Haiphong Co., Ltd.	Haiphong, Vietnam	100	December	May 5, 2016	Production and sales of display products
Suzhou Lehui Display Co., Ltd.	Suzhou, China	100	December	July 1, 2016	Production and sales of LCD module and LCD monitor sets
LG DISPLAY FUND I LLC(*)	Wilmington, U.S.A.	100	December	May 1, 2018	Investment in venture business and technologies
LG Display High-Tech (China) Co., Ltd.	Guangzhou, China	70	December	July 11, 2018	Production and sales of display products

(*) For the year ended December 31, 2025, the Parent Company contributed ₩2,831 million in cash for the capital increase and recovery ₩2,018 million of LG DISPLAY FUND I LLC. There was no change in the Parent Company's percentage of ownership in LG DISPLAY FUND I LLC as a result of this additional investment.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

1. Reporting Entity, Continued

(c) Change in scope of Consolidation

For the year ended December 31, 2024, management of the Group decided to sell its entire stake 80% in LG Display (China) Co., Ltd. and 100% of its stake in LG Display Guangzhou Co., Ltd. to TCL CSOT. The contract was signed on September 26, 2024, and the transaction was completed on April 1, 2025.

Subsidiaries	Location	Percentage of ownership(%)	Reason
LG Display Guangzhou Co., Ltd.	Guangzhou, China	100	Disposal
LG Display (China) Co., Ltd.	Guangzhou, China	80	Disposal

(d) Information of subsidiaries (before elimination of intercompany transactions) which have material non-controlling interests as of and for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023
	LG Display High-Tech (China) Co., Ltd.
Percentage of ownership in non-controlling interests (%)	30
Current assets	₩ 3,796,310
Non-current assets	2,621,361
Current liabilities	978,596
Non-current liabilities	2,586,633
Net assets	2,852,442
Book value of non-controlling interests	854,346
Revenue	₩ 2,432,838
Profit for the year	374,836
Profit attributable to non-controlling interests	112,451
Cash flows from operating activities	₩ 777,354
Cash flows used in investing activities	(979,167)
Cash flows from financing activities	365,898
Effect of exchange rate fluctuations on cash and cash equivalents	(3,571)
Net increase in cash and cash equivalents	160,514
Cash and cash equivalents at January 1	153,561
Cash and cash equivalents at December 31	314,075

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

1. Reporting Entity, Continued

<i>(In millions of won)</i>	2024	
	LG Display High-Tech (China) Co., Ltd.	
Percentage of ownership in non-controlling interests (%)		30
Current assets	₩	5,666,246
Non-current assets		1,964,675
Current liabilities		2,193,788
Non-current liabilities		1,806,321
Net assets		3,630,812
Book value of non-controlling interests		1,087,857
Revenue	₩	2,482,999
Profit for the year		432,402
Profit attributable to non-controlling interests		129,721
Cash flows from operating activities	₩	1,252,886
Cash flows used in investing activities		(1,290,367)
Cash flows used in financing activities		(213,400)
Effect of exchange rate fluctuations on cash and cash equivalents		19,378
Net decrease in cash and cash equivalents		(231,503)
Cash and cash equivalents at January 1		314,075
Cash and cash equivalents at December 31		82,572

<i>(In millions of won)</i>	2025	
	LG Display High-Tech (China) Co., Ltd.	
Percentage of ownership in non-controlling interests (%)		30
Current assets	₩	6,157,564
Non-current assets		1,417,955
Current liabilities		1,114,830
Non-current liabilities		2,521,096
Net assets		3,939,593
Book value of non-controlling interests		1,180,491
Revenue	₩	2,422,181
Profit for the year		236,175
Profit attributable to non-controlling interests		70,853
Cash flows from operating activities	₩	786,058
Cash flows used in investing activities		(514,457)
Cash flows used in financing activities		(180,756)
Effect of exchange rate fluctuations on cash and cash equivalents		4,682
Net increase in cash and cash equivalents		95,527
Cash and cash equivalents at January 1		82,572
Cash and cash equivalents at December 31		178,099

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

2. Basis of Presenting Financial Statements

(a) Application of accounting standards

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements were authorized for issuance by the Group’s management on April 16, 2026.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- derivative financial instruments at fair value, financial assets at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (“FVOCI”), financial liabilities at fair value through profit or loss (“FVTPL”), and
- net defined benefit liabilities (defined benefit assets) recognized at the present value of defined benefit obligations less the fair value of plan assets

(c) Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which each entity operates (the “functional currency”). The consolidated financial statements are presented in Korean won, which is the Parent Company’s functional and presentation currency.

(d) Estimates and Judgments

As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

Estimates and assumptions are continuously evaluated, taking into account future events that are reasonably predictable in light of past experiences and current situations. Changes in accounting estimates are recognized during the period which the estimates have been changed and the future period to be affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgment and assumptions of certain items are included in relevant notes.

(i) Impairment of non-financial assets

The recoverable amount of a non-financial assets is determined as the greater of its value in use and its fair value less costs to sell.

(ii) Income Tax

The Group’s taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group estimates the income tax effects expected to be incurred in the future as a result of its operating activities up to the end of the reporting period, and recognizes them as current and deferred income taxes. However, the actual future income tax burden may not match the recognized related assets and liabilities, and such differences may affect the current and deferred income tax assets and liabilities at the time the expected income tax effects are realized.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

2. Basis of Presenting Financial Statements, Continued

(d) Estimates and Judgments, Continued

In addition, deferred tax assets are recognized to the extent that it is probable that taxable income will be generated during the periods when temporary differences, unused tax losses, and tax credits are realized. Significant judgments are made to determine the book value of deferred tax assets that can be recognized based on the timing and level of future taxable income.

(iii) Net defined benefit liabilities (defined benefit assets)

The present value of defined benefit obligations can vary depending on various factors determined by actuarial methods. The assumptions applied to determine the net cost (profit) of retirement benefits include the discount rate, which represents the interest rate that should be applied to determine the present value of the estimated future cash outflows expected to occur upon the settlement of defined benefit obligations. The discount rate is determined based on market yields of high-quality corporate bonds denominated in the currency in which the benefits are to be paid, taking into account the duration and maturity profile of the related pension obligations. Other key assumptions related to defined benefit obligations are based on current market conditions.

During the reporting period, the Group changed the discount rate calculation method among the actuarial assumptions for the projected unit credit method to more reasonably determine the defined benefit obligation. (see Note 13)

3. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which control is lost.

(ii) Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date. Profit or loss and other comprehensive income (loss) of subsidiaries are attributed to owners of the Parent Company and non-controlling interests.

Changes in the Group’s interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of Control

If the Parent Company loses control of subsidiaries, the Parent Company derecognizes the assets and liabilities of the former subsidiaries from the consolidated statement of financial position and recognizes the gain or loss associated with the loss of control attributable to the former controlling interest. Meanwhile, the Parent Company recognizes any investment retained in the former subsidiaries at its fair value when control is lost.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(a) Consolidation, Continued

(iv) Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the parties have joint control, whereby the parties have rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are initially recognized at cost and subsequently accounted for using the equity method of accounting. The carrying amount of investments in associates and joint ventures is increased or decreased to recognize the Group's share of the profits or losses and changes in the Group's proportionate interest of the investee after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment.

If an associate or a joint venture uses accounting policies different from those of the Parent Company for like transactions and events in similar circumstances, appropriate adjustments are made to the consolidated financial statements. As of and during the periods presented in the consolidated financial statements, no adjustments were made in applying the equity method.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, including income and expenses and any unrealized income and expenses and balance of trade accounts and notes receivable and payable arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign Currency Translation

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the end of each reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss, except for differences arising on an investment in equity instruments designated as at FVOCI and a financial asset and liability designated as a cash flow hedge, which are recognized in other comprehensive income. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition are recognized in profit or loss in the period in which they arise. Foreign currency differences arising from assets and liabilities in relation to the investing and financing activities including borrowings, bonds and cash and cash equivalents are recognized in finance income (costs) in the consolidated statement of comprehensive income (loss) and foreign currency differences arising from assets and liabilities in relation to activities other than investing and financing activities are recognized in other non-operating income (expense) in the consolidated statement of comprehensive income (loss). Foreign currency differences are presented in gross amounts in the consolidated statement of comprehensive income (loss).

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(b) Foreign Currency Translation, Continued

If the presentation currency of the Group is different from a foreign operation's functional currency, the financial position and financial performance of the foreign operation are translated into the presentation currency using the following methods. The assets and liabilities of foreign operations, whose functional currency is not the currency of a hyperinflationary economy are translated to the Group's functional currency at the exchange rates at the end of each reporting period. The income and expenses of foreign operations are translated to the Group's functional currency at exchange rates at the dates of the transactions and foreign currency differences are recognized in other comprehensive income (loss). Relevant proportionate shares of foreign currency differences are allocated to the controlling interests and non-controlling interests. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation is treated as assets and liabilities of the foreign operation. Thus, they are expressed in the functional currency of the foreign operation and translated at closing rate.

(c) Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash.

(d) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method, and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on the actual capacity of production facilities. However, the normal capacity is used for the allocation of fixed production overheads if the actual level of production is lower than the normal capacity.

(e) Financial Instruments

(i) Non-derivative financial assets

Recognition and initial measurement

Trade receivables and debt instruments issued are initially recognized when they are originated. All other financial assets are recognized in statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(e) Financial Instruments, Continued

Classification and subsequent measurement

i) Financial assets

On initial recognition, a financial asset is classified as measured at: financial assets at amortized cost; financial assets at FVOCI; financial assets at FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the subsequent reporting period following the change in the business model.

A financial asset is measured as at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured as at FVTPL. This includes all derivative financial assets. At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

ii) Financial assets: business model

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice (these include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets);
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(e) Financial Instruments, Continued

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sale for this purpose.

A financial asset that is held for trading or is managed and whose performance is evaluated on a fair value basis is measured at FVTPL.

iii) Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of the assessment, “principal” is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and cost (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest or the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued but unpaid contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

iv) Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(e) Financial Instruments, Continued

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred. In addition, if the Group neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, it derecognizes the asset when it does not retain control of the asset.

If the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset.

(ii) Non-derivative financial liabilities

The Group classifies financial liabilities into two categories, financial liabilities at FVTPL and other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities, and recognizes them in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities at FVTPL include financial liabilities held for trading and designated as such upon initial recognition at FVTPL. After initial recognition, financial liabilities at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the issuance of financial liabilities are recognized in profit or loss as incurred.

Non-derivative financial liabilities other than financial liabilities classified as at FVTPL are classified as other financial liabilities and measured initially at fair value minus transaction costs that are directly attributable to the issuance of financial liabilities. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. As of December 31, 2025, non-derivative financial liabilities consist of borrowings, bonds, trade accounts and notes payable, other accounts payable and others.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(iii) Derivative financial instruments

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Hedge Accounting

If necessary, the Group designates derivatives as hedging items to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecasted transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Group's management formally designates and documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship, both at the inception of the hedge relationship as well as on an ongoing basis.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(e) Financial Instruments, Continued

i) Fair value hedges

Change in the fair value of a derivative hedging instrument designated as a fair value hedge and the hedged item is recognized in profit or loss, respectively. The gain or loss from remeasuring the hedging instrument at fair value and the gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss in the same line item of the statement of comprehensive income (loss). The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised; or if the hedge no longer meets the criteria for hedge accounting.

ii) Cash flow hedges

When a derivative designated as a cash flow hedging instrument meets the criteria of cash flow hedge accounting, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and the ineffective portion of changes in the fair value of the derivative is recognized in profit or loss. The Group discontinues cash flow hedge accounting if the hedging instrument expires or is sold, terminated or exercised; or if the hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income is reclassified to profit or loss in the periods during which the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in profit or loss.

Embedded derivative

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Other derivative financial instruments

Other derivative financial instruments are measured at fair value and changes of their fair value are recognized in profit or loss.

(f) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes an expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and recognized in other non-operating income or other non-operating expenses.

(ii) Subsequent costs

Subsequent expenditure on an item of property, plant and equipment is recognized as part of its cost only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(f) Property, Plant and Equipment, Continued

(iii) Depreciation

Land is not depreciated and depreciation of other items of property, plant and equipment is recognized in profit or loss on a straight-line basis, reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The residual value of property, plant and equipment is zero.

Typical estimated useful lives of the assets are as follows:

	Typical estimated useful lives (years)
Buildings and structures	20~40
Machinery	4, 5
Furniture and fixtures	4
Equipment, tools and vehicles	2, 4, 12
Right-of-use assets	(*)

(*) The Group depreciates the right-of-use assets from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate and any changes are accounted for as changes in accounting estimates.

(g) Borrowing Costs

The Group capitalizes borrowing costs, which includes interests and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. To the extent that the borrowings are directly attributable to the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. The Group immediately recognizes other borrowing costs as an expense.

(h) Government Grants

In case there is reasonable assurance that the Group will comply with the conditions attached to a government grant, the government grant is recognized as follows:

(i) Grants related to the purchase or construction of assets

A government grant related to the purchase or construction of assets is deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense and cash related to grant received is presented in investing activities in the statement of cash flows.

(ii) Grants for compensating the Group's expenses incurred

A government grant that compensates the Group for expenses incurred is recognized in profit or loss as a deduction from relevant expenses on a systematic basis in the periods in which the expenses are recognized.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(h) Government Grants, Continued

(iii) Other government grants

A government grant that becomes receivable for the purpose of giving immediate financial support to the Group with no compensation for expenses or losses already incurred or no future related costs is recognized as other non-operating income of the period in which it becomes receivable.

(i) Intangible Assets

Intangible assets are initially measured at cost. Subsequently, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

(i) Goodwill

Goodwill arising from business combinations is recognized as the excess of the acquisition cost of a business over the net fair value of the identifiable assets acquired and liabilities assumed. Any deficit is a bargain purchase that is recognized in profit or loss. Goodwill is not amortized and is measured at cost less accumulated impairment losses.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred. Development activities involve a plan or design of the production of new or substantially improved products and processes. Development expenditure is capitalized as intangible assets only if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- its intention to complete the intangible asset and use or sell it,
- its ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the usefulness of the intangible asset by existence of a market for the output of the intangible asset or the intangible asset itself if it is to be used internally),
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development projects are divided into research activities and development activities. Expenditures on research activities are recognized in profit or loss and qualifying development expenditures on development activities are capitalized.

The expenditure capitalized includes the cost of materials, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs on qualifying assets.

(iii) Other intangible assets

Other intangible assets include intellectual property rights, software, customer relationships, technology, memberships and others. The Group currently has a number of patent license agreements related to product production. When the amount of payments is determined, it is recognized as intangible assets as intellectual property rights and other account payables, respectively, and the intangible assets are amortized on a straight-line basis over the patent license period.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(i) Intangible Assets, Continued

(iv) Subsequent costs

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific intangible asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(v) Amortization

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which condominium and golf club memberships are expected to be available for use, these intangible assets are regarded as having indefinite useful lives and not amortized.

Typical estimated useful lives of the intangible assets are as follows:

	Typical estimated useful lives (years)
Intellectual property rights	5, 10, (*1)
Software	4, (*1)
Technology	10
Development costs	(*2)
Condominium and golf club memberships	Indefinite

(*1) Patent royalty (included in intellectual property rights) and software license are amortized over the useful lives considering the contract period.

(*2) Capitalized development costs are amortized over the useful lives considering the life cycle of the developed products.

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at each financial year-end. The useful lives of intangible assets with indefinite useful lives are reviewed at each financial year-end to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. If appropriate, the changes are accounted for as changes in accounting estimates.

(j) Investment Property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment properties are initially measured at cost, including transaction costs incurred at the time of acquisition, and subsequently, measured at cost less accumulated depreciation and accumulated impairment loss.

Subsequent expenditure on an item of investment property is recognized as part of its cost only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other subsequent expenditures are expensed in the period in which it is incurred.

Among investment properties, land is not depreciated, and investment properties except land are depreciated on a straight-line basis by applying 20 years of the building according to the economic depreciation period. Depreciation methods, useful lives and residual values of investment properties are reviewed at each reporting period-end and if appropriate, the changes are accounted for as changes in accounting estimates.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(k) Impairment

(i) Financial assets

Financial instruments

The Group recognizes loss allowance for financial assets measured at amortized cost and debt investments at FVOCI at the 'expected credit loss' (ECL).

The Group recognizes a loss allowance for the life-time expected credit losses except for following, which are measured at 12-month ECLs:

- debt instruments that are determined to have low credit risk at the reporting date; and
- other debt instruments and bank deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of the ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Estimation of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured using the present value of the difference between the contractual cash flows and the expected contractual cash flows. The expected credit losses are discounted using effective interest rate of the financial assets.

Credit-impaired financial assets

At each reporting period-end, the Group assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(k) Impairment, Continued

Presentation of loss allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instruments at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI instead of reducing the carrying amount of financial assets in the consolidated statement of financial position.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations for recovering the financial asset in its entirety or a portion thereof. The Group assess whether there are reasonable expectations of recovering the contractual cash flows from customers and individually assess the timing and amount of write-off. The Group expects no significant recovery from the amount written-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from employee benefits, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, the recoverable amount is estimated each year.

Recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit ("CGU") is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In identifying whether cash inflows from an asset or group of assets are largely independent of the cash inflows from other assets or groups of assets, the Group considers various factors including how management monitors the entity's operations or how management makes decisions about continuing or disposing of the entity's assets and operations. Parent Company's cash-generating units consist of Display CGU, Display (Large OLED) CGU and Display (AD PO) CGU. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an asset or cash-generating unit is determined as the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Fair value less costs to sell is based on the best information available to reflect the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(k) Impairment, Continued

In respect of assets other than goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized from the acquisition cost. An impairment loss in respect of goodwill is not reversed.

(l) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of its relative stand-alone price. For certain leases, the Group accounts for the lease and non-lease components as a single lease component by applying the practical expedient not to separate non-lease components.

The Group recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(l) Leases, Continued

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the consolidated statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

At the commencement date, the Group recognizes assets held under a finance lease in its consolidated statement of financial position and present them as a receivable at an amount equal to the net investment in the lease and recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

(m) Provisions

A provision is recognized as a result of a past event, if the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The risks and uncertainties that inevitably surround events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows. The unwinding of the discount is recognized as finance cost.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(m) Provisions, Continued

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

The Group recognizes a liability for warranty obligations based on the estimated costs expected to be incurred under its basic limited warranty. This warranty covers defective products and is normally applicable for a warranty period from the date of purchase. These liabilities are accrued when product revenues are recognized. Factors that affect the Group's warranty liability include historical and anticipated rates of warranty claims on those repairs and cost per claim to satisfy the Group's warranty obligation. Warranty costs primarily include raw materials and labor costs. As these factors are impacted by actual experience and future expectations, management periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Accrued warranty obligations are included in the current and non-current provisions.

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

(n) Non-current Assets (liabilities) Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily from sale rather than through continuing use. In order to be classified as held for sale, the asset (or disposal group) is available for immediate sale in its present condition and its sale is highly probable. The assets (or disposal groups) that are classified as non-current assets (liabilities) held for sale are measured at the lower of their carrying amount and fair value less costs to sell on initial classification. The Group recognizes an impairment loss for any subsequent decrease in fair value of the asset (or disposal group) for which an impairment loss was recognized on initial classification as held-for-sale and a gain for any subsequent increase in fair value in profit or losses, up to the cumulative impairment loss previously recognized.

The Group does not depreciate a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

(o) Employee Benefits

(i) Short-term employee benefits

Short-term employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service are recognized in profit or loss on an undiscounted basis. The expected cost of profit-sharing and bonus plans and others are recognized when the Group has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

(iii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the period during which services are rendered by employees.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(o) Employee Benefits, Continued

(iv) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan, and the Group recognizes a net defined benefit liability by deducting the fair value of plan assets from the present value of the defined benefit obligation as of the reporting date.

The calculation is performed annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is measured by discounting the estimated future benefit payments using market yields on high-quality corporate bonds denominated in the currency in which the benefits are to be paid, taking into account the timing and maturity profile of the expected benefit payments. The Group recognizes remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions related to the defined benefit plans in other comprehensive income and transfers immediately to retained earnings.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Consequently, the net interest on the net defined benefit liability (asset) includes the following components: interest cost on the defined benefit obligation, interest income on plan assets, and interest on the effect of the asset ceiling.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) Termination benefits

The Group recognizes expense for termination benefits at the earlier of the date when the entity can no longer withdraw the offer of those benefits and when the entity recognizes costs for a restructuring involving the payment of termination benefits. If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, the Group measures the termination benefit with present value of future cash payments.

(p) Revenue from contracts with customers

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of estimated returns, trade discounts, volume rebates and other cash incentives paid to customers.

The Group recognizes revenue according to the five stage revenue recognition model (①Identifying the contract→② Identifying performance obligations →③ Determining transaction price→④ Allocating the transaction price to performance obligations →⑤ Recognizing revenue for performance obligations).

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(p) Revenue from contracts with customers, Continued

The Group generates revenue primarily from sale of display panels. Product revenue is recognized when a customer obtains control over the Group's products, which typically occurs upon shipment or delivery depending on the terms of the contracts with the customer.

The Group includes return option in the sales contract of display panels with its customers and the consideration receivable from the customer is subject to change due to returns. The Group estimates an amount of variable consideration by using the expected value method with which the Group expects to better predict the amount of consideration. The Group includes in the transaction price an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur during the return period when the uncertainty associated with the variable consideration is subsequently resolved. The Group recognizes a refund liability and an asset for its right to recover products from customers if the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer. Sales taxes or value-added taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and are excluded from revenues in the consolidated statement of comprehensive income (loss).

(q) Operating Segments

An operating segment is a component of the Group that: 1) engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the group, 2) whose operating results are reviewed regularly by the Group's chief operating decision maker ("CODM") in order to allocate resources and assess its performance, and 3) for which discrete financial information is available. The CODM does not receive and therefore does not review discrete financial information for any component of the Group. Consequently, no operating segment information is included in these consolidated financial statements. Entity wide disclosures of geographic and product revenue information are provided in Note 17 to these consolidated financial statements.

(r) Finance Income and Finance Costs

Finance income includes interest income on funds invested (including debt instruments measured at FVOCI), dividend income, gains on disposal of debt instruments measured at FVOCI and changes in fair value of financial instruments at FVTPL. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance costs includes interest expense on borrowings, unwinding of the discount on provisions, gain and losses from financial instruments measured at FVTPL and impairment losses recognized on financial assets. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

(s) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(s) Income Tax, Continued

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of prepaid income tax and income tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit (tax loss) of future periods, and non-taxable or non-deductible items from the accounting profit.

(ii) Deferred tax

Deferred tax is recognized, using the asset and liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates except to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that the differences relating to investments in subsidiaries, associates and joint ventures will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period, considering the likelihood of generating taxable income against which temporary differences, unused tax loss carryforwards, and tax credit carryforwards can be utilized. The potential taxable income is estimated based on business plans approved by management, historical experience of taxable income estimates, and tax policies including the transfer pricing of the Group. Additionally, future taxable income includes the anticipated permanent differences, considering the realization effect of temporary differences consistent with the business plan and the dividend policy of the Group. The Group recognizes deferred tax assets to the extent that it is probable that sufficient taxable income will be generated in the future, or there are sufficient taxable temporary differences available to utilize unused tax losses, etc.

The Group offsets deferred tax assets and deferred tax liabilities if, and only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(t) Earnings Per Share

The Parent Company presents basic and diluted earnings per share (“EPS”) data for its common shares in the statements of comprehensive income. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Parent Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares such as convertible bonds and others.

(u) Accounting standards and Interpretation issued and adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2025.

(i) Amendments to IAS 21 *Effect of Exchange Rate Fluctuations*, Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards - Lack of exchangeability*

The amendment requires the entity to disclose the relevant information when an entity estimates a spot exchange rate because the exchangeability between two currencies is lacking. The amendments do not have a significant impact on the consolidated financial statements.

(v) New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

(i) Amendments to IFRS 9 *Financial Instruments*, IFRS 7 *Financial Instruments: Disclosure*

IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is currently reviewing the impact of the amendment on the consolidated financial statements.

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion
- Add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI)

(ii) Annual Improvement to IFRS Accounting Standards - Volume 11

Annual Improvements to IFRS Accounting Standards - Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the consolidated financial statements.

- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

3. Material Accounting Policies, Continued

(v) New standards and interpretations not yet adopted by the Group, Continued

- Amendments to IFRS 7 Financial Instruments: Disclosure: Gain or loss on derecognition and implementation guidance
- Amendments to IFRS 9 Financial Instruments: Derecognition of lease liabilities and definition of transaction price
- Amendments to IFRS 10 Consolidated Financial Statements: Determination of a ‘de facto agent’
- Amendments to IAS 7 Statement of Cash Flows: Cost Method

(iii) Amendments to IFRS 9 *Financial Instruments*, Amendments to IFRS 7 *Financial Instruments*:
Disclosure – nature-dependent electricity contracts

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that ‘contracts to buy or sell such electricity’ are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. These amendments are required to be applied for annual reporting periods beginning on or after January 1, 2026 and earlier application is permitted. The amendments do not have a significant impact on the consolidated financial statements.

(iv) Standards to IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 *Presentation and Disclosure in Financial Statements* replaces IAS 1 *Presentation of Financial Statements*, and includes new requirements aimed at improving comparability of financial performance among similar entities and providing more relevant information to users of financial statements. The amendments do not affect the recognition or measurement of items in the financial statements, but the impact on presentation and disclosure, including those relating to the statement of comprehensive income and management-defined performance measures, is expected to be extensive.

The amendments should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirements, comparative information for the years ended December 31, 2026 and 2025.

The Group is in the process of determining the impact on the Group of applying IFRS 18. Adoption of the standard is not expected to have an impact on the Group’s net profit or loss; however, it will require revenues and expenses in the income statements to be classified into new categories, which is expected to have an impact on the calculation and presentation of operating profit (loss).

(v) IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. This standard is not expected to have a significant impact on the financial statements.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

4. Cash and Cash Equivalents and Deposits in Banks

Details of Cash and cash equivalents and deposits in banks as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Current assets		
Cash and cash equivalents		
Deposits	2,021,640	1,572,058
Deposits in banks		
Time deposits	₩ 600	600
Non-current assets		
Deposits in banks		
Deposit for checking account	₩ 11	11

5. Trade Accounts and Notes Receivable, and Other Accounts Receivable

(a) Details of trade accounts and notes receivable and other accounts receivable as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Trade accounts and notes receivable, net	₩ 3,624,477	2,359,184
Other accounts receivable		
Non-trade receivables, net	₩ 227,477	145,426
Accrued income, net	22,552	34,987
Subtotal	<u>250,029</u>	<u>180,413</u>
Total	<u>3,874,506</u>	<u>2,539,597</u>

(b) The aging of trade accounts and notes receivable, and other accounts receivable as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>			
	<u>Original amount</u>		<u>Allowance for doubtful account</u>	
	<u>Trade accounts and notes receivable</u>	<u>Other accounts receivable</u>	<u>Trade accounts and notes receivable</u>	<u>Other accounts receivable</u>
Not past due	₩ 3,609,870	207,928	(1,369)	(464)
1-15 days past due	15,951	37,722	(14)	(2)
16-30 days past due	4	1,915	—	(1)
31-60 days past due	35	350	—	(3)
More than 60 days past due	—	2,592	—	(8)
Total	<u>₩ 3,625,860</u>	<u>250,507</u>	<u>(1,383)</u>	<u>(478)</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

5. Trade Accounts and Notes Receivable, and Other Accounts Receivable, Continued

<i>(In millions of won)</i>	December 31, 2025			
	Original amount		Allowance for doubtful account	
	Trade accounts and notes receivable	Other accounts receivable	Trade accounts and notes receivable	Other accounts receivable
Not past due	₩ 2,351,767	128,489	(722)	(523)
1-15 days past due	1,385	1,314	—	(1)
16-30 days past due	5,581	10,224	—	(1)
31-60 days past due	1,167	10,768	—	(3)
More than 60 days past due	6	30,422	—	(276)
Total	<u>₩ 2,359,906</u>	<u>181,217</u>	<u>(722)</u>	<u>(804)</u>

The movement in the allowance for doubtful account in respect of trade accounts and notes receivable and other accounts receivable for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	Trade accounts and notes receivable		
	2023	2024	2025
At January 1	₩ 875	933	1,383
(Reversal of) bad debt expense	58	450	(661)
At December 31	<u>₩ 933</u>	<u>1,383</u>	<u>722</u>

<i>(In millions of won)</i>	Other accounts receivable		
	2023	2024	2025
At January 1	₩ 1,778	207	478
(Reversal of) bad debt expense	(239)	271	326
Write-off	(1,332)	—	—
At December 31	<u>₩ 207</u>	<u>478</u>	<u>804</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

6. Other Financial Assets

Details of other financial assets as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Current assets		
Financial assets at fair value through profit or loss		
Derivatives (*1)	₩ 186,676	62,740
Fair value hedging derivatives		
Derivatives (*2)	₩ 99,116	—
Financial assets at amortized cost		
Deposits	₩ 10,429	8,851
Short-term loans	26,098	13,318
Subtotal	₩ 36,527	22,169
Other financial assets		
Lease receivables	₩ 6,302	4,616
Total	₩ 328,621	89,525
Non-current assets		
Financial assets at fair value through profit or loss		
Equity instruments	₩ 120,501	124,316
Convertible securities	1,470	—
Derivatives (*1)	69,575	69,247
Subtotal	₩ 191,546	193,563
Fair value hedging derivatives		
Derivatives (*2)	₩ 19,982	—
Financial assets at amortized cost		
Deposits	₩ 6,318	5,698
Long-term loans	11,045	—
Subtotal	₩ 17,363	5,698
Other financial assets		
Lease receivables	₩ 3,761	2,790
Total	₩ 232,652	202,051

(*1) The derivatives, which are not designated as hedging instruments, arise from cross-currency interest rate swap contracts and others for the purpose of managing currency and interest rate risks associated with foreign currency denominated borrowings and bonds.

(*2) The derivatives, which are designated as hedging instruments, arise from forward exchange contracts for the purpose of managing currency risk associated with advances received in foreign currency.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

7. Inventories

Details of inventories as of December 31, 2024 and 2025 are as follows:

(i) As of December 31, 2024

<i>(In millions of won)</i>	<u>Cost</u>	<u>Valuation allowance</u>	<u>Carrying amount</u>
Finished goods	₩ 995,999	(51,305)	944,694
Work-in-process	1,184,516	(82,655)	1,101,861
Raw materials	477,929	(17,648)	460,281
Supplies	184,869	(20,463)	164,406
Total	<u>₩ 2,843,313</u>	<u>(172,071)</u>	<u>2,671,242</u>

(ii) As of December 31, 2025

<i>(In millions of won)</i>	<u>Cost</u>	<u>Valuation allowance</u>	<u>Carrying amount</u>
Finished goods	₩ 802,647	(57,184)	745,463
Work-in-process	1,271,007	(156,597)	1,114,410
Raw materials	528,812	(24,969)	503,843
Supplies	204,905	(22,955)	181,950
Total	<u>₩ 2,807,371</u>	<u>(261,705)</u>	<u>2,545,666</u>

For the years ended December 31, 2023, 2024 and 2025, the amounts of inventories recognized as cost of sales and inventory write-downs included in cost of sales and usage of inventory write-downs are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cost of sales	₩ 20,985,643	24,039,928	22,433,623
Including: Inventory write-downs	192,627	175,262	257,995
Usage of inventory write-downs	245,619	192,627	172,071

There were no significant reversals of inventory write-downs recognized during the years ended December 31, 2023, 2024 and 2025.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

8. Investments in Equity Accounted Investees

(a) Details of investments in associates as of December 31, 2024 and 2025 are as follows:

(In millions of won)

Associates	Location	Closing	Business	December 31, 2024		December 31, 2025	
				Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount
Paju Electric Glass Co., Ltd.	Paju, South Korea	December	Production of glass for display	40%	₩ 29,479	40%	₩ 31,479
Arctic Sentinel, Inc.	Los Angeles, U.S.A.	March	Development and production of tablet for kids	10%	—	10%	—
Cynora GmbH	Bruchsal, Germany	December	Development of organic light emitting materials for displays and lighting devices	10%	—	10%	—
Material Science Co., Ltd. (*)	Hwaseong, South Korea	December	Development, production, and sales of materials for display	14%	3,698	9%	5,027
Total					<u>₩ 33,177</u>		<u>₩ 36,506</u>

(*) Due to the investee's issuance of new shares, the Parent Company's percentage of ownership decreased from 14% to 9%.

Although the Parent Company's respective share interests in Arctic Sentinel, Inc., Cynora GmbH and Material Science Co., Ltd. are below 20%, the Parent Company is able to exercise significant influence through its right to appoint one or more directors to the board of directors of each investee. Accordingly, the investments in these investees have been accounted for using the equity method.

Dividend income recognized from associates for the years ended December 31, 2025 amounted to ₩1,664 million (2023: ₩15,200 million, 2024: ₩200 million).

(b) Summarized of financial information of the significant associates as of December 31, 2024 and 2025 and for the years ended December 31, 2023, 2024 and 2025 are as follows:

Paju Electric Glass Co., Ltd.

(In millions of won)

	December 31, 2024	December 31, 2025
Total assets	₩ 123,520	122,221
Current assets	110,055	110,544
Non-current assets	13,465	11,677
Total liabilities	48,088	42,107
Current liabilities	47,418	41,469
Non-current liabilities	670	638

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

8. Investments in Equity Accounted Investees, Continued

<i>(In millions of won)</i>	2023	2024	2025
Revenue	₩ 184,880	277,093	274,754
Profit (loss) for the year	(2,655)	10,015	7,499
Other comprehensive income (loss)	(4,894)	3,301	1,342
Total comprehensive income (loss)	(7,549)	13,316	8,841

(c) The reconciliation of the summarized financial information of the significant associates to the carrying amounts of the equity accounted investments as of December 31, 2024 and 2025 are as follows:

(i) As of December 31, 2024

<i>(In millions of won)</i>						
Company	Net assets	Ownership interest	Net assets (applying ownership interest)	Intra-group transaction	Carrying amount	
Paju Electric Glass Co., Ltd.	₩ 75,432	40%	30,173	(694)	29,479	

(ii) As of December 31, 2025

<i>(In millions of won)</i>					
Company	Net assets	Ownership interest	Net assets (applying ownership interest)	Intra-group transaction	Carrying amount
Paju Electric Glass Co., Ltd.	₩ 80,114	40%	32,046	(567)	31,479

(d) Carrying amount of other associates, in aggregate, as of December 31, 2024 and 2025 are as follows:

(i) As of December 31, 2024

<i>(In millions of won)</i>		<u>Net profit (loss) of associates (applying ownership interest)</u>		
	<u>Book value</u>	<u>Profit (loss) for the year</u>	<u>Other comprehensive income (loss)</u>	<u>Total comprehensive income (loss)</u>
Other associates	₩ 3,698	1,455	1,912	3,367

(ii) As of December 31, 2025

<i>(In millions of won)</i>		<u>Net profit (loss) of associates (applying ownership interest)</u>		
	<u>Book value</u>	<u>Profit (loss) for the year</u>	<u>Other comprehensive income (loss)</u>	<u>Total comprehensive income (loss)</u>
Other associates	₩ 5,027	(644)	2,263	1,619

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

8. Investments in Equity Accounted Investees, Continued

(e) Changes in investments in associates accounted for using the equity method for the years ended December 31, 2024 and 2025 are as follows:

(In millions of won)

Company		2024						December 31,
		January 1	Disposals and others	Dividends received	Equity income on investments	Other comprehensive income	Other gain	
	Paju Electric Glass Co., Ltd.	₩ 24,200	—	—	3,957	1,322	—	29,479
Associates	Others	60,129	(60,581)	(200)	1,455	1,912	983	3,698
Total		₩ 84,329	(60,581)	(200)	5,412	3,234	983	33,177

(In millions of won)

Company		2025						December 31,
		January 1	Disposals and others	Dividends received	Equity income on investments	Other comprehensive income	Other gain	
	Paju Electric Glass Co., Ltd.	₩ 29,479	—	(1,664)	3,127	537	—	31,479
Associates	Others	3,698	(1,853)	—	(644)	2,263	1,563	5,027
Total		₩ 33,177	(1,853)	(1,664)	2,483	2,800	1,563	36,506

9. Property, Plant and Equipment

(a) Changes in property, plant and equipment for the years ended December 31, 2024 and 2025 are as follows:

(i) 2024

(In millions of won)

	Land	Buildings and structures	Machinery and equipment	Furniture and fixtures	Construction-in-progress (*1)	Right-of-use asset	Others (*2)	Total
Acquisition cost as of January 1, 2024	₩ 472,813	10,192,281	52,107,890	942,376	7,571,687	245,149	1,448,688	72,980,884
Accumulated depreciation as of January 1, 2024	—	(4,715,087)	(43,466,025)	(775,953)	—	(119,804)	(1,062,377)	(50,139,246)
Accumulated impairment loss as of January 1, 2024	—	(447,003)	(1,860,182)	(13,285)	(285,626)	(6,099)	(29,111)	(2,641,306)
Book value as of January 1, 2024	₩ 472,813	5,030,191	6,781,683	153,138	7,286,061	119,246	357,200	20,200,332
Additions	—	—	—	—	1,499,468	33,865	—	1,533,333
Depreciation (*3)	—	(444,982)	(3,424,197)	(80,195)	—	(68,445)	(305,354)	(4,323,173)
Disposals	(47,344)	(28,598)	(132,473)	(178)	—	—	(52,377)	(260,970)
Impairment loss (*4)	—	(28)	(58,660)	(1,275)	(27,000)	—	(7,249)	(94,212)
Others (*5)	873	948,851	4,186,807	42,191	(5,565,372)	—	385,812	(838)
Government grants received	—	—	(2,307)	—	—	—	—	(2,307)
Effect of movements in exchange rates	—	265,665	350,074	7,520	106,339	23,058	9,741	762,397
Classified as held for sale	—	(545,867)	(24,526)	(4,050)	(9,778)	(18,791)	(8,677)	(611,689)
Book value as of December 31, 2024	₩ 426,342	5,225,232	7,676,401	117,151	3,289,718	88,933	379,096	17,202,873
Acquisition cost as of December 31, 2024	₩ 426,342	10,529,816	53,029,839	925,048	3,581,525	225,250	1,570,421	70,288,241
Accumulated depreciation as of December 31, 2024	₩ —	(4,813,622)	(43,403,177)	(793,522)	—	(129,395)	(1,161,523)	(50,301,239)
Accumulated impairment loss as of December 31, 2024	₩ —	(490,962)	(1,950,261)	(14,375)	(291,807)	(6,922)	(29,802)	(2,784,129)

(*1) As of December 31, 2024, construction-in-progress mainly relates to construction of manufacturing facilities.

(*2) Others mainly consist of tools and instruments.

(*3) The Group has classified the depreciation as manufacturing overhead costs, selling expenses, administrative expenses and research and development expenses. It includes capitalized development costs.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

9. **Property, Plant and Equipment, Continued**

(*4) Impairment losses are recognized for the difference between the carrying amount and the recoverable amount of property, plant and equipment.

(*5) Others mainly represent the reclassification of construction-in-progress to other property, plant and equipment.

(ii) 2025

<i>(In millions of won)</i>		Land	Buildings and structures	Machinery and equipment	Furniture and fixtures	Construction -in-progress (*1)	Right-of-use asset	Others (*2)	Total
Acquisition cost as of January 1, 2025	₩	426,342	10,529,816	53,029,839	925,048	3,581,525	225,250	1,570,421	70,288,241
Accumulated depreciation as of January 1, 2025		—	(4,813,622)	(43,403,177)	(793,522)	—	(129,395)	(1,161,523)	(50,301,239)
Accumulated impairment loss as of January 1, 2025		—	(490,962)	(1,950,261)	(14,375)	(291,807)	(6,922)	(29,802)	(2,784,129)
Book value as of January 1, 2025	₩	426,342	5,225,232	7,676,401	117,151	3,289,718	88,933	379,096	17,202,873
Additions		—	—	—	—	1,230,814	59,797	—	1,290,611
Depreciation (*3)		—	(405,985)	(2,820,923)	(68,357)	—	(54,801)	(298,610)	(3,648,676)
Disposals		(12,559)	(38,691)	(79,455)	(230)	—	—	(35,999)	(166,934)
Reversal (Impairment loss) (*4)		—	(1)	(1,696)	23	(151,170)	—	(6,418)	(159,262)
Others (*5)		2,320	78,511	824,638	59,400	(1,278,851)	—	319,314	5,332
Government grants received		—	—	(1,041)	—	—	—	—	(1,041)
Effect of movements in exchange rates		—	(25,102)	(26,561)	(610)	(4,615)	5,819	(1,058)	(52,127)
Book value as of December 31, 2025	₩	416,103	4,833,964	5,571,363	107,377	3,085,896	99,748	356,325	14,470,776
Acquisition cost as of December 31, 2025	₩	416,103	10,241,886	52,909,959	898,593	3,527,370	242,844	1,706,196	69,942,951
Accumulated depreciation as of December 31, 2025	₩	—	(4,917,449)	(45,387,667)	(777,017)	—	(136,546)	(1,317,039)	(52,535,718)
Accumulated impairment loss as of December 31, 2025	₩	—	(490,473)	(1,950,929)	(14,199)	(441,474)	(6,550)	(32,832)	(2,936,457)

(*1) As of December 31, 2025, construction-in-progress mainly relates to construction of manufacturing facilities.

(*2) Others mainly consist of tools and instruments.

(*3) The Group has classified the depreciation as manufacturing overhead costs, selling expenses, administrative expenses and research and development expenses. It includes capitalized development costs.

(*4) Impairment losses are recognized for the difference between the carrying amount and the recoverable amount of property, plant and equipment.

(*5) Others mainly represent the reclassification of construction-in-progress to other property, plant and equipment.

(b) Capitalized borrowing costs and capitalization rate for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>		2023	2024	2025
Capitalized borrowing costs	₩	258,168	41,826	13,962
Capitalization rate		5.18%	5.64%	4.57%

(c) The Group provides a portion of property, plant and equipment as an operating lease. For the year ended December 31, 2025, rental income from property, plant and equipment is ₩5,028 million (2023: ₩2,271 million, 2024: ₩1,755 million).

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

10. Intangible Assets

(a) Changes in intangible assets for the years ended December 31, 2024 and 2025 are as follows:

(i) 2024

<i>(In millions of won)</i>	Intellectual property rights	Software	Member-ships	Development costs	Construction -in-progress	Technology	Good-will	Total
Acquisition cost as of January 1, 2024	₩ 2,189,071	1,403,157	23,463	2,295,468	33,036	12,763	109,115	6,066,073
Accumulated amortization as of January 1, 2024	(1,299,655)	(1,160,702)	—	(1,509,575)	—	(11,574)	—	(3,981,506)
Accumulated impairment loss as of January 1, 2024	(60,637)	(19,001)	(1,541)	(144,432)	—	(43)	(84,958)	(310,612)
Book value as of January 1, 2024	₩ 828,779	223,454	21,922	641,461	33,036	1,146	24,157	1,773,955
Additions - internally generated	—	—	—	548,224	—	—	—	548,224
Additions - external purchases	49,818	—	—	—	110,616	—	—	160,434
Amortization (*1)	(188,058)	(122,539)	—	(546,377)	—	(164)	—	(857,138)
Disposals	—	(187)	(6,433)	—	—	—	—	(6,620)
Impairment loss (*2)	(1,931)	(4,517)	—	(66,028)	—	—	—	(72,476)
Others (*3)	—	128,986	—	—	(128,148)	—	—	838
Effect of movements in exchange rates	1,224	5,568	73	—	24	—	5,076	11,965
Classified as held for sale	—	(775)	—	—	—	—	—	(775)
Book value as of December 31, 2024	₩ 689,832	229,990	15,562	577,280	15,528	982	29,233	1,558,407
Acquisition cost as of December 31, 2024	₩ 2,275,735	1,482,559	15,562	2,357,041	15,528	12,763	114,191	6,273,379
Accumulated amortization as of December 31, 2024	₩ (1,525,276)	(1,228,377)	—	(1,715,408)	—	(11,738)	—	(4,480,799)
Accumulated impairment loss as of December 31, 2024	₩ (60,627)	(24,192)	—	(64,353)	—	(43)	(84,958)	(234,173)

(*1) The Group has classified the amortization as manufacturing overhead costs, selling expenses, administrative expenses and research and development expenses.

(*2) The Group recognized an impairment loss amounting to ₩66,028 million for development projects which are not likely to generate probable future economic benefits.

(*3) Others mainly represent the reclassification of construction-in-progress to intangible assets.

(ii) 2025

<i>(In millions of won)</i>	Intellectual property rights	Software	Member-ships	Development costs	Construction -in-progress	Technology	Good-will	Total
Acquisition cost as of January 1, 2025	₩ 2,275,735	1,482,559	15,562	2,357,041	15,528	12,763	114,191	6,273,379
Accumulated amortization as of January 1, 2025	(1,525,276)	(1,228,377)	—	(1,715,408)	—	(11,738)	—	(4,480,799)
Accumulated impairment loss as of January 1, 2025	(60,627)	(24,192)	—	(64,353)	—	(43)	(84,958)	(234,173)
Book value as of January 1, 2025	₩ 689,832	229,990	15,562	577,280	15,528	982	29,233	1,558,407
Additions - internally generated	—	—	—	546,706	—	—	—	546,706
Additions - external purchases	67,785	—	—	—	107,069	—	—	174,854
Amortization (*1)	(167,885)	(129,238)	—	(453,824)	—	(224)	—	(751,171)
Disposals	(326)	—	—	(3,741)	—	—	—	(4,067)
Reversal (Impairment loss) (*2)	(1,106)	286	—	(54,184)	—	—	—	(55,004)
Others (*3)	—	122,267	—	—	(113,582)	2,400	—	11,085
Effect of movements in exchange rates	86	(1,916)	(15)	—	(4)	—	(926)	(2,775)
Book value as of December 31, 2025	₩ 588,386	221,389	15,547	612,237	9,011	3,158	28,307	1,478,035
Acquisition cost as of December 31, 2025	₩ 2,335,399	1,553,129	15,547	2,622,548	9,011	15,163	113,265	6,664,062
Accumulated amortization as of December 31, 2025	₩ (1,686,428)	(1,308,290)	—	(1,934,470)	—	(11,962)	—	(4,941,150)
Accumulated impairment loss as of December 31, 2025	₩ (60,585)	(23,450)	—	(75,841)	—	(43)	(84,958)	(244,877)

(*1) The Group has classified the amortization as manufacturing overhead costs, selling expenses, administrative expenses and research and development expenses.

(*2) The Group recognized an impairment loss amounting to ₩54,184 million for development projects which are not likely to generate probable future economic benefits.

(*3) Others mainly represent the reclassification of construction-in-progress to intangible assets.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

10. Intangible Assets, Continued

- (b) The book value and remaining amortization period of development costs and intellectual property rights as of December 31, 2024 and 2025 are as follows:

Development costs

- (i) As of December 31, 2024

(In millions of won and in years)

Classification	Category	Book Value	Remaining amortization period(*)
Development completed	TV	₩ 49,705	0.8
	IT	49,615	0.7
	Mobile and others	255,128	2.7
	Subtotal	₩ 354,448	
Development in process	TV	₩ 14,802	—
	IT	37,737	—
	Mobile and others	170,293	—
	Subtotal	₩ 222,832	
Total		₩ 577,280	

(*) Weighted average of the remaining useful life based on the book value at the end of the reporting period as each product has a different remaining amortization period.

- (ii) As of December 31, 2025

(In millions of won and in years)

Classification	Category	Book Value	Remaining amortization period(*)
Development completed	TV	₩ 21,361	0.7
	IT	66,077	0.8
	Mobile and others	253,106	2.4
	Subtotal	₩ 340,544	
Development in process	TV	₩ 21,758	—
	IT	25,502	—
	Mobile and others	224,433	—
	Subtotal	₩ 271,693	
Total		₩ 612,237	

(*) Weighted average of the remaining useful life based on the book value at the end of the reporting period as each product has a different remaining amortization period.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

10. Intangible Assets, Continued

Intellectual property rights

(i) As of December 31, 2024

<i>(In millions of won and in years)</i>			
Classification	Category	Book Value	Remaining amortization period (*1)
Patent	Direct additions	₩ 237,364	7.0
	Licenses agreement (*2)	449,617	5.1
	Subtotal	₩ 686,981	
Other		2,851	3.7
	Total	₩ 689,832	

(*1) Weighted average of the remaining useful life based on the book value at the end of the reporting period as each patent has a different remaining amortization period.

(*2) The Group's rights under contracts with the patent company.

(ii) As of December 31, 2025

<i>(In millions of won and in years)</i>			
Classification	Category	Book Value	Remaining amortization period (*1)
Patent	Direct additions	₩ 263,559	6.9
	Licenses agreement (*2)	321,790	4.9
	Subtotal	₩ 585,349	
Other		3,037	3.6
	Total	₩ 588,386	

(*1) Weighted average of the remaining useful life based on the book value at the end of the reporting period as each patent has a different remaining amortization period.

(*2) The Group's rights under contracts with the patent company

(c) The total amount of research and development expenditure recognized as an expense for the year ended December 31, 2025 is ₩1,410,786 million (2023: ₩1,379,653 million, 2024: ₩1,447,706 million).

(d) Details of impairment test on Good-will as of December 31,2024

As of December 31, 2024, the entire amount of goodwill has been allocated to the Display cash-generating unit (CGU), Display (Large OLED) cash-generating unit (CGU) and Display (AD PO) cash-generating unit(CGU).Accordingly, the Group performed an impairment test on the Display CGU to which the goodwill has been allocated.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

10. Intangible Assets, Continued

(d) Details of impairment test on Good-will as of December 31, 2024, Continued

The recoverable amount of CGU is determined based on its value in use. Value in use is calculated using the estimated cash flow based on 5-year business plan approved by management. The estimated operating performance of the Group's products used in the forecast was determined considering external sources and the Group's historical experience. Management estimated the future cash flows based on its past performance and forecasts on market growth. The key assumptions used in the estimation of value in use for each Display CGU include the future operating performance for the forecast period and discount rate. Terminal growth rate and the discount rate used in the estimation of value in use are as follows:

Classification	Pre-tax discount rate(*)	Post-tax discount rate(*)	Terminal growth rate
Display CGU	9.3%	7.6%	1.0%
Display (Large OLED) CGU	9.5%	7.6%	1.0%
Display (AD PO) CGU	9.9%	7.6%	0.0%

(*) The discount rate was calculated using the weighted average cost of equity capital and debt and the beta of equity capital was calculated as the average of seven global listed companies in the same industry and the Group. Cost of debt was calculated using the yield rate of non-guaranteed corporate bond considering the Group's credit rating and debt ratio was determined using the average of the debt ratios of the seven global listed companies in the same industry and the Group. The Group calculates the value in use of the CGU using post-tax cash flows and a post-tax discount rate, and the result is not significantly different from the value in use calculated using pre-tax cash flows and pre-tax discount rate.

As a result of impairment test for Display CGU to which goodwill is allocated, the recoverable amount exceeded its carrying amount by ₩1,250,028 million. Management has identified that a reasonably possible change in certain key assumption could cause the carrying amount to exceed the recoverable amount. The value in use determined for this CGU is sensitive to the discount rate used in the discounted cash flow model. Specifically, the discount rate would need to increase by 0.98% (holding all the other assumptions constant) for the estimated recoverable amount to be equal to the carrying amount.

On the other hand, as a result of impairment assessment for Display (Large OLED) CGU and Display (AD PO) CGU, the recoverable amount exceeded its carrying amount by ₩1,463,528 million and ₩2,734,516 million, respectively.

(e) Details of impairment assessment on Good-will as of December 31, 2025

As of December 31, 2025, the entire amount of goodwill has been allocated to the Display cash-generating unit(CGU). Accordingly, the Group performed an impairment test on the Display CGU to which the goodwill has been allocated.

The recoverable amount of CGU is determined based on its value in use. Value in use is calculated using the estimated cash flow based on 5-year business plan approved by management. The estimated revenue and operating expenditures of the Group's products used in the forecast was determined considering external sources and the Group's historical experience. Management estimated the future cash flows based on its past performance and forecasts on market growth. The key assumptions used in the estimation of value in use for Display CGU include revenue and operating expenditures for the forecast period and discount rate. Terminal growth rate and the discount rate used in the estimation of value in use are as follows.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

10. Intangible Assets, Continued

(e) Details of impairment assessment on Good-will as of December 31, 2025, Continued

Classification	Pre-tax discount rate(*)	Post-tax discount rate(*)	Terminal growth rate
Display CGU	9.1%	7.2%	1.0%

(*) The discount rate was calculated using the weighted average cost of equity capital and debt and the beta of equity capital was calculated as the average of seven global listed companies in the same industry and the Group. Cost of debt was calculated using the yield rate of non-guaranteed corporate bond considering the Group's credit rating and debt ratio was determined using the average of the debt ratios of the seven global listed companies in the same industry and the Group. The Group calculates the value in use of the CGU using post-tax cash flows and a post-tax discount rate, and the result is not significantly different from the value in use calculated using pre-tax cash flows and pre-tax discount rate.

As a result of impairment test for Display CGU to which goodwill is allocated, the recoverable amount exceeded its carrying amount by ₩611,764 million. Management has identified that a reasonably possible change in certain key assumption could cause the carrying amount to exceed the recoverable amount. The value in use determined for this CGU is sensitive to the discount rate used in the discounted cash flow model. Specifically, the discount rate would need to increase by 0.89% (holding all the other assumptions constant) for the estimated recoverable amount to be equal to the carrying amount.

11. Investment Property

(a) Changes in investment property for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2024	2025
Book value as of January 1	₩ 32,995	27,911
Transfer	—	(5,331)
Depreciation	(5,084)	(4,558)
Others	—	9
Book value as of December 31	₩ 27,911	18,031

(b) For the year ended December 31, 2025, rental revenue from investment property is ₩8,966 million (2024: ₩8,891 million) and rental cost is ₩4,956 million (2024: ₩5,468 million).

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

12. Financial Liabilities

(a) Details of financial liabilities as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Current		
Short-term borrowings	₩ 969,595	810,718
Current portion of long-term borrowings	4,907,390	2,548,958
Current portion of bonds	611,882	398,223
Derivatives (*)	3,762	4,066
Lease liabilities	34,821	36,429
Total	<u>₩ 6,527,450</u>	<u>3,798,394</u>
Non-current		
Long-term borrowings	₩ 7,535,290	8,781,368
Bonds	525,957	124,871
Derivatives (*)	7,006	5,487
Lease liabilities	23,154	23,249
Total	<u>₩ 8,091,407</u>	<u>8,934,975</u>

(*) The derivatives, which are not designated as hedging instruments, arise from cross currency interest rate swap contracts and others for the purpose of managing currency and interest rate risks associated with foreign currency denominated borrowings and bonds.

(b) Details of short-term borrowings as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	Annual interest rate as of December 31, 2025 (%)	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Description			
Working capital and others	3.60~5.72	₩ 969,595	810,718

(c) Details of Korean won denominated long-term borrowings as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	Latest maturity date	Annual interest rate as of December 31, 2025 (%)	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Description				
Facility capital and others	January 2026 ~ March 2030	3.46~5.65	₩ 4,668,538	4,000,423
Less: current portion			(1,861,000)	(1,190,000)
			<u>₩ 2,807,538</u>	<u>2,810,423</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

12. Financial Liabilities, Continued

(d) Details of foreign currency denominated long-term borrowings as of December 31, 2024 and 2025 are as follows:

(In millions of won, USD and CNY)

Description	Latest maturity date	Annual interest rate as of December 31, 2025 (%)	December 31, 2024	December 31, 2025
Facility capital and others	January 2026 ~ July 2029	2.03~6.27	₩ 7,774,142	7,329,903
Foreign currency equivalent of foreign currency borrowings			USD 2,528	USD 2,350
			CNY 20,164	CNY 19,332
Less: current portion			<u>(3,046,390)</u>	<u>(1,358,958)</u>
			<u>₩ 4,727,752</u>	<u>5,970,945</u>

(e) Details of bonds issued and outstanding as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won and USD)</i>	Maturity	Annual interest rate as of December 31, 2025 (%)	December 31, 2024	December 31, 2025
Korean won denominated bonds at amortized cost (*1)				
Publicly issued bonds	September 2026 ~ February 2027	2.79~3.66	₩ 655,000	335,000
Privately issued bonds	January 2026	7.25	337,000	45,000
Less: discount on bonds			(705)	(257)
Less: current portion			<u>(611,882)</u>	<u>(254,872)</u>
Subtotal			<u>₩ 379,413</u>	<u>124,871</u>
Foreign currency denominated bonds at amortized cost (*2)				
Privately issued bonds	April 2026	5.76	₩ 147,000	143,490
Foreign currency equivalent of foreign currency denominated bonds			USD 100	USD 100
Less: discount on bonds			(456)	(139)
Less: foreign currency equivalent of discount on bonds of foreign currency denominated bonds			USD (0)	USD (0)
Less: current portion			—	(143,351)
Subtotal			<u>₩ 146,544</u>	<u>—</u>
Total			<u>₩ 525,957</u>	<u>124,871</u>

(*1) Principal of the won denominated bonds is to be repaid at maturity and interest is paid quarterly.

(*2) Principal of the foreign currency denominated bonds is to be repaid at maturity and interest is paid quarterly.

13. Post-Employment Benefits

(a) Defined benefit plans

The Parent Company and certain subsidiaries' defined benefit plans provide a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Parent Company or certain subsidiaries.

The defined benefit plans expose the Group to actuarial risks, such as the risk associated with expected periods of service, interest rate risk, market (investment) risk, and others.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

13. Post-Employment Benefits, Continued

(a) Defined benefit plans, Continued

- i) Details of net defined benefit liabilities (defined benefit assets) recognized as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Present value of defined benefit obligations	₩ 1,444,252	1,276,310
Fair value of plan assets	(1,603,911)	(1,473,736)
Total	<u>₩ (159,659)</u>	<u>(197,426)</u>
Defined benefit liabilities, net	₩ 1,093	1,109
Defined benefit assets, net	₩ (160,752)	(198,535)

- ii) Changes in the present value of the defined benefit obligations for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2024</u>	<u>2025</u>
Defined benefit obligations at January 1	₩ 1,491,146	1,444,252
Current service cost	148,868	146,650
Interest cost	67,426	55,318
Remeasurements (before tax)	142,422	(82,071)
Benefit payments	(399,549)	(284,794)
Net transfers from (to) related parties	(5,975)	(3,036)
Others	(86)	(9)
Defined benefit obligations at December 31	<u>₩ 1,444,252</u>	<u>1,276,310</u>

Weighted average remaining maturity of defined benefit obligations as of December 31, 2025 is 7.62 years (December 31, 2024 : 9.98 years).

- iii) Changes in fair value of plan assets for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2024</u>	<u>2025</u>
Fair value of plan assets at January 1	₩ 1,897,025	1,603,911
Interest income	86,280	60,768
Remeasurements (before tax)	(11,781)	(894)
Contributions by employer directly to plan assets	1,499	98,705
Benefit payments	(369,112)	(288,754)
Fair value of plan assets at December 31	<u>₩ 1,603,911</u>	<u>1,473,736</u>

The Group is considering the amount of recent contributions and the size of plan assets when estimating the contributions expected to be paid in the fiscal year commencing after the end of the reporting period.

- iv) Details of plan assets as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Time deposits in banks	₩ 1,603,911	1,473,736

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

13. Post-Employment Benefits, Continued

(a) Defined benefit plans, Continued

As of December 31, 2025, the Group maintains the plan assets with Shinhan Bank, KEB Hana Bank and others.

- v) Details of expenses related to defined benefit plans recognized in profit or loss for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023	2024	2025
Current service cost	₩ 173,879	148,868	146,650
Net interest cost	(23,942)	(18,854)	(5,450)
Total(*)	<u>₩ 149,937</u>	<u>130,014</u>	<u>141,200</u>

(*) The total cost related to the defined benefit plans includes capitalized amounts of ₩10,885 million (2023: ₩15,085 million, 2024: ₩9,885 million).

Details of expenses are recognized in the consolidated statements of comprehensive income (loss) as follows:

<i>(In millions of won)</i>	2023	2024	2025
Cost of sales	₩ 99,141	89,052	94,756
Selling expenses	7,138	6,201	6,988
Administrative expenses	16,865	14,271	15,624
Research and development expenses	11,708	10,605	12,947
Total(*)	<u>₩ 134,852</u>	<u>120,129</u>	<u>130,315</u>

(*) The total cost recognized in the consolidated statements of comprehensive income (loss) related to the defined benefit plan excludes capitalized amounts of ₩10,885 million (2023: ₩15,085 million, 2024: ₩9,885 million).

- vi) Details of remeasurements of net defined benefit liabilities (assets) included in other comprehensive income (loss) for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023	2024	2025
Balance at January 1	₩ (2,900)	47,087	(84,833)
Remeasurements			
Actuarial profit or loss arising from:			
Experience adjustment	66,461	(21,525)	(5,600)
Demographic assumptions	(85)	7,487	(12,692)
Financial assumptions	(871)	(128,384)	100,363
Return on plan assets	(870)	(11,781)	(894)
Group's share of associates regarding remeasurements	170	(85)	—
Subtotal	<u>₩ 64,805</u>	<u>(154,288)</u>	<u>81,177</u>
Income tax	₩ (14,818)	22,368	(7,065)
Balance at December 31	<u>₩ 47,087</u>	<u>(84,833)</u>	<u>(10,721)</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

13. Post-Employment Benefits, Continued

(a) Defined benefit plans, Continued

vii) Details of principal actuarial assumptions as of December 31, 2024 and 2025 are as follows:

	December 31, 2024	December 31, 2025
Expected rate of salary increase	4.0%	4.0%
Discount rate for defined benefit obligations(*)	3.9%	4.7%

(*) For the year ended December 31, 2025, the Group changed the methodology used to estimate the discount rate applied to measure the defined benefit obligation. The Group determined that this methodology results in a more reasonable estimate of the assumption. As a result of this change in accounting estimate, the defined benefit obligation decreased by ₩83,842 million, and retained earnings increased by ₩76,545 million.

viii) Reasonably possible changes to respective relevant actuarial assumptions would have affected the defined benefit obligations by the following amounts as of December 31, 2025:

<i>(In millions of won)</i>	Defined benefit obligations	
	1% increase	1% decrease
Discount rate for defined benefit obligations	₩ (88,618)	100,158
Expected rate of salary increase	104,279	(93,567)

(b) Defined contribution plans

The amount recognized as an expense in relation to the defined contribution plans for the year ended December 31, 2025 is ₩33,253 million (2023: ₩8,534 million, 2024: ₩19,057 million).

14. Provisions

Changes in provisions for the years ended December 31, 2024 and 2025 are as follows:

(i) 2024

<i>(In millions of won)</i>	Litigation	Warranties (*)	Others	Total
At January 1, 2024	₩ 1,806	173,795	5,880	181,481
Additions	5,673	113,689	27,840	147,202
Usage	—	(134,801)	(27,723)	(162,524)
At December 31, 2024	₩ 7,479	152,683	5,997	166,159
Current	₩ 7,479	91,775	5,997	105,251
Non-current	₩ —	60,908	—	60,908

(*) The Group provides warranty on defective products for warranty periods after sales. The provision is calculated based on the assumption of expected number of warranty claims and costs per claim considering historical experience.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

14. Provisions, Continued

(ii) 2025

<i>(In millions of won)</i>	<u>Litigation</u>	<u>Warranties (*)</u>	<u>Others</u>	<u>Total</u>
At January 1, 2025	₩ 7,479	152,683	5,997	166,159
Additions	8,844	71,255	13,349	93,448
Usage	(14,777)	(87,629)	(15,566)	(117,972)
At December 31, 2025	₩ 1,546	136,309	3,780	141,635
Current	₩ 1,546	80,964	3,780	86,290
Non-current	₩ —	55,345	—	55,345

(*) The Group provides warranty on defective products for warranty periods after sales. The provision is calculated based on the assumption of expected number of warranty claims and costs per claim considering historical experience.

15. Contingent Liabilities and Commitments

(a) Legal Proceedings

Litigation alleging violations of antitrust and competition laws

The Group and other LCD panel manufacturers have been sued by individual companies for alleged violations of European Union competition laws. The Group is actively defending itself in these ongoing legal proceedings, and as of December 31, 2025, the Group cannot predict the ultimate outcome of the litigation.

Others

The Group is involved in various lawsuits and disputes in addition to pending proceeding described above. The Group cannot reliably estimate the timing and amount of outflows of resources embodying economic benefits relating to the disputes.

(b) Commitments

Factoring and transfer of trade receivable

The Parent Company has entered into discount agreements with Korea Development Bank and other banks for accounts receivable related to export sales transactions with its subsidiaries, with a credit limit of up to USD 1,000 million (Equivalent to ₩1,434,900 million). As of December 31, 2025, there are no discounted trade receivables under the agreements that remain outstanding until maturity. In relation to the above agreements, the financial institutions retain the right of recourse against the Group for any discounted receivables that are not collected at maturity.

The Group has entered into receivable transfer agreements with Standard Chartered Bank and other financial institutions in respect of trade receivables arising from domestic and export sales transactions, with an aggregate limit of ₩3,867,056 million. As of December 31, 2025, the amount of transferred trade receivables that remain outstanding until maturity under the agreement is ₩2,167,215 million. In relation to the above agreements, the financial institutions do not have recourse to the Group for any receivables that are not recovered at maturity.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

15. Contingent Liabilities and Commitments, Continued

(b) Commitments, Continued

Loan commitment

As of December 31, 2025, the Group has borrowing and letter of credit facilities with Hana Bank and other financial institutions, with a combined credit limit of ₩3,954,901 million.

Payment guarantees

The Group is provided with the payment guarantees for the borrowings amounting to USD 914 million (Equivalent to ₩1,311,588 million) by the Export-Import Bank of Korea and others.

The Group has entered into agreements with Seoul Guarantee Insurance Co., Ltd., China Construction Bank Corporation and others to receive guarantees up to KRW 2,662 million, CNY 830 million (Equivalent to ₩169,951 million), JPY 900 million (Equivalent to ₩8,259 million), VND 43,484 million (Equivalent to ₩2,374 million), and USD 0.2 million (Equivalent to ₩260 million) for the performance guarantees, payment of consumption tax, import value-added tax, customs duties, and electricity charges.

License agreements

The Group has a trademark license agreement with LG Corp, for use of the “LG” name. Under the terms of the current agreement, we are required to make monthly payments to LG Corp. in the aggregate amount per year of 0.2% of our sales after deducting advertising expenses.

Collateral

Details of collateral provided by the Group are as follows:

<i>(In millions of won and CNY)</i> Collateral	Carrying amount	Maximum secured amount of credit	Secured creditor	Collateral borrowings amount
Property, plant and equipment and others	₩ 217,031	780,000	Korea Development Bank and others	650,000
Property, plant and equipment and others	724,965	—	China Construction Bank Corporation and others	CNY 4,500

Commitments for asset acquisition

The amount committed to acquire property, plant, equipment and intangible assets not recognized on the financial statements as of December 31, 2025 is ₩908,493 million.

16. Share Capital, Share Premium and Reserves

(a) Share capital and Share Premium

The total number of shares to be issued by the Parent Company is 1,000,000,000 shares, the number of shares issued is 500,000,000 shares (December 31, 2024: 500,000,000 shares), and the par value per share is ₩5,000. There were no changes in the share capital of the Parent Company for the year ended December 31, 2025.

The Parent Company conducted a paid-in capital increase as below based on the resolution of the board of directors on December 18, 2023, and the newly issued shares were listed on the Korea Exchange (KRX) on March 26, 2024.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

16. Share Capital, Share Premium and Reserves, Continued

(a) Share capital and Share Premium, Continued

With the new shares of common stock, the share capital increased by ₩710,921 million to ₩2,500,000 million the year ended December 31, 2024.

Capital surplus as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Share premium	₩ 2,821,006	2,821,006
Other capital surplus	(47,419)	(80,195)
Total	<u>₩ 2,773,587</u>	<u>2,740,811</u>

(b) Reserves

Reserves consist of the following:

Foreign currency translation differences for foreign operations

Foreign currency translation differences for foreign operations include all foreign currency differences arising from translating the financial statements of the Group's foreign operations.

Other comprehensive income (loss) from associates

The other comprehensive income (loss) from associates comprises include the Group's share of other comprehensive income arising from the amount related to change in equity of investments in equity-method investments.

Other comprehensive income (loss) held for sale

The other comprehensive income (loss) held for sale comprises the translation reserve from the disposal groups held for sale.

Reserves as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Foreign currency translation differences for foreign operations	₩ 1,025,319	1,108,625
Other comprehensive loss from associates	(29,496)	(27,224)
Other comprehensive income held for sale	291,363	—
Total	<u>₩ 1,287,186</u>	<u>1,081,401</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

16. Share Capital, Share Premium and Reserves, Continued

(b) Reserves, Continued

The movement in reserves for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	Foreign currency translation differences	Other comprehensive income (loss) from associates (excluding remeasurements)	Other comprehensive income (loss) held for sale	Total
January 1, 2023	₩ 509,620	(29,992)	—	479,628
Change in reserves	39,172	(2,824)	—	36,348
December 31, 2023	<u>548,792</u>	<u>(32,816)</u>	<u>—</u>	<u>515,976</u>
January 1, 2024	548,792	(32,816)	—	515,976
Change in reserves	476,527	3,320	291,363	771,210
December 31, 2024	<u>1,025,319</u>	<u>(29,496)</u>	<u>291,363</u>	<u>1,287,186</u>
January 1, 2025	1,025,319	(29,496)	291,363	1,287,186
Change in reserves	83,306	2,272	(291,363)	(205,785)
December 31, 2025	<u>₩ 1,108,625</u>	<u>(27,224)</u>	<u>—</u>	<u>1,081,401</u>

(c) Retained earnings (accumulated deficit) as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	December 31, 2024	December 31, 2025
Legal reserve (*)	₩ 235,416	235,416
Other reserve	68,251	68,251
Defined benefit plan actuarial income (loss)	(84,833)	(10,722)
Unappropriated retained earnings (accumulated deficit)	(237,346)	(11,033)
Total	<u>₩ (18,512)</u>	<u>281,912</u>

(*) The Commercial Code of the Republic of Korea requires the Parent Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

17. Information about geographical areas and products

Details of information of geographical areas and products for the years ended December 31, 2025, and 2024 are as follows:

(a) Revenue by geography (Customer based)

(In millions of won)

Geography	2023	2024	2025
Domestic	₩ 633,529	1,007,200	990,498
Foreign			
China	14,704,357	18,150,480	16,591,815
Asia (excluding China)	2,397,980	3,228,369	4,540,843
North America	2,079,628	2,282,754	1,969,811
Europe	1,515,325	1,946,544	1,717,115
Subtotal	₩ 20,697,290	25,608,147	24,819,584
Total	₩ 21,330,819	26,615,347	25,810,082

“Company A” and “Company B” accounted for more than 10% of the Group’s revenue for the year ended December 31, 2025, with amounts of ₩14,835,862 million and ₩3,412,768 million, respectively (2024: ₩14,281,844 million and ₩3,767,278 million, 2023: ₩11,119,769 million and ₩3,371,229 million, respectively). The aggregated revenues from the Group’s top ten customers accounted for 92% of revenue for the year ended December 31, 2025 (2024: 89%, 2023: 87%).

(b) Non-current assets by geography

(In millions of won)

Geography	December 31, 2024			December 31, 2025		
	Property, plant and equipment	Intangible assets	Investment Property	Property, plant and equipment	Intangible assets	Investment Property
Domestic	₩ 11,913,201	1,485,876	27,911	10,299,102	1,427,773	18,031
Foreign						
China	2,099,653	16,792	—	1,457,884	6,816	—
Vietnam	3,181,152	41,574	—	2,699,577	30,249	—
Others	8,867	14,165	—	14,213	13,197	—
Subtotal	₩ 5,289,672	72,531	—	4,171,674	50,262	—
Total	₩ 17,202,873	1,558,407	27,911	14,470,776	1,478,035	18,031

(c) Revenue by products and services

(In millions of won)

	2023	2024	2025
TV	₩ 4,331,474	5,972,637	4,791,384
IT	7,853,034	9,419,615	9,509,439
Mobile and others(*)	7,146,998	8,942,349	9,372,982
AUTO	1,999,313	2,280,746	2,136,277
Total(*)	₩ 21,330,819	26,615,347	25,810,082

(*) This includes other revenue.

For the year ended December 31, 2025, the revenue from OLED products accounted for 61% of the total revenue (2023: 48%, 2024: 55%).

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

For the years ended December 31, 2024 and 2025, the revenue recognized by satisfying performance obligation for the amount received from the customer in prior reporting periods was ₩589,055 million and ₩1,107,611 million, respectively.

For the year ended December 31, 2023, the revenue recognized by satisfying performance obligation for the amount received from the customer in prior reporting periods was not material.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

18. The Nature of Expenses

The classifications of expenses by nature for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Changes in inventories	₩ 345,190	(143,513)	125,576
Purchases of raw materials and others	10,810,985	12,973,989	11,866,405
Depreciation and amortization	4,213,742	5,125,637	4,354,145
Outsourcing	922,565	1,159,520	1,312,558
Labor	3,439,608	3,714,001	3,595,835
Supplies and others	938,568	987,265	954,564
Utility	1,193,025	1,397,669	1,286,792
Fees and commissions	704,763	740,863	689,309
Freight cost	124,770	172,081	114,144
Advertising	76,404	67,092	61,725
Warranty	101,846	113,689	71,255
Travel	66,201	53,244	41,677
Taxes and dues	129,784	135,982	116,954
Others	773,532	678,424	702,166
Total(*)	<u>₩ 23,840,983</u>	<u>27,175,943</u>	<u>25,293,105</u>

(*) Total expenses consist of cost of sales, selling, administrative, research and development expenses.

19. Selling and Administrative Expenses

Details of selling and administrative expenses for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Salaries	₩ 372,966	579,784	541,898
Post-employment benefit	24,822	22,596	26,370
Other employee benefits	86,692	84,007	79,391
Freight cost	91,960	119,325	76,931
Fees and commissions	253,495	246,020	228,638
Depreciation and amortization	264,982	266,159	222,090
Taxes and dues	65,528	63,382	30,641
Advertising	76,404	67,092	61,725
Warranty	101,846	113,689	71,255
Insurance	13,610	14,216	12,348
Travel	18,421	13,122	11,567
Training	9,775	9,306	7,810
Others	95,186	89,611	78,032
Total	<u>₩ 1,475,687</u>	<u>1,688,309</u>	<u>1,448,696</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

20. Other Income and Other Expenses

(a) Details of other income for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Foreign currency gain	₩ 1,398,181	1,972,046	1,701,860
Gain on disposal of assets held for sale	—	—	759,387
Gain on disposal of property, plant and equipment	34,961	51,792	45,504
Gain on disposal of intangible assets	1,989	25	1,592
Reversal of impairment loss on property, plant and equipment	7	4,314	2,317
Others	37,120	72,266	85,490
Total	<u>₩ 1,472,258</u>	<u>2,100,443</u>	<u>2,596,150</u>

(b) Details of other expenses for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Foreign currency loss	₩ 1,516,528	2,479,014	1,695,524
Loss on disposal of property, plant and equipment	102,453	76,771	89,049
Impairment loss on property, plant and equipment	60,072	98,525	161,579
Impairment loss on intangible assets	54,833	72,490	55,292
Others	52,348	71,181	38,007
Total	<u>₩ 1,786,234</u>	<u>2,797,981</u>	<u>2,039,451</u>

21. Finance Income and Finance Costs

Details of finance income and costs recognized in profit or loss for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Finance income			
Interest income	₩ 134,664	87,692	51,686
Foreign currency gain	560,633	375,557	332,178
Gain on valuation of financial assets at fair value through profit or loss	5,288	532	15,677
Gain on transaction of derivatives	178,610	274,173	162,139
Gain on valuation of derivatives	239,973	145,078	16,002
Others	3,126	62	764
Total	<u>₩ 1,122,294</u>	<u>883,094</u>	<u>578,446</u>
Finance costs			
Interest expense	₩ 723,429	909,640	702,608
Foreign currency loss	512,456	861,409	274,151
Loss on sale of trade accounts and notes receivable	48,600	26,178	20,916
Loss on valuation of financial assets at fair value through profit or loss	18,562	9,122	5,556
Loss on valuation of derivatives	316,467	5,771	139,051
Others	15,020	9,792	10,634
Total	<u>₩ 1,634,534</u>	<u>1,821,912</u>	<u>1,152,916</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

22. Income Tax Benefit (Expense)

(a) Details of income tax benefit (expense) for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Current tax expense			
Current year	₩ (260,556)	(191,865)	(109,389)
Adjustment for prior years	67,985	(32,276)	(43,785)
Subtotal	<u>₩ (192,571)</u>	<u>(224,141)</u>	<u>(153,174)</u>
Deferred tax benefit			
Changes in temporary differences	₩ 955,283	6,381	(44,708)
Income tax expense	<u>₩ 762,712</u>	<u>(217,760)</u>	<u>(197,882)</u>

(b) Details of income tax benefit (expense) recognized in equity for the years ended December 31, 2023, 2024, and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>		
	<u>Before tax</u>	<u>Income tax effect</u>	<u>Net of tax</u>
Remeasurements of net defined benefit liabilities (assets)	₩ 64,635	(14,818)	49,817
Foreign currency translation differences	43,572	(20,429)	23,143
Change in equity of equity method investee	(2,679)	25	(2,654)
Total	<u>₩ 105,528</u>	<u>(35,222)</u>	<u>70,306</u>

<i>(In millions of won)</i>	<u>2024</u>		
	<u>Before tax</u>	<u>Income tax effect</u>	<u>Net of tax</u>
Remeasurements of net defined benefit liabilities (assets)	₩ (154,203)	22,368	(131,835)
Foreign currency translation differences	997,729	(71,092)	926,637
Acquisition of non-controlling shareholders' interests in subsidiaries	(61,512)	14,093	(47,419)
Change in equity of equity method investee	3,235	—	3,235
Total	<u>₩ 785,249</u>	<u>(34,631)</u>	<u>750,618</u>

<i>(In millions of won)</i>	<u>2025</u>		
	<u>Before tax</u>	<u>Income tax effect</u>	<u>Net of tax</u>
Remeasurements of net defined benefit liabilities (assets)	₩ 81,177	(7,065)	74,112
Foreign currency translation differences	(256,803)	72,373	(184,430)
Acquisition of non-controlling shareholders' interests in subsidiaries	(18,683)	(14,093)	(32,776)
Change in equity of equity method investee	2,800	(528)	2,272
Total	<u>₩ (191,509)</u>	<u>50,687</u>	<u>(140,822)</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

22. Income Tax Benefit (Expense), Continued

(c) Reconciliation of the effective tax rate for the years ended December 31, 2023, 2024, and 2025 are as follows:

<i>(In millions of won)</i>	2023	2024	2025
Profit (loss) for the year	₩ (2,576,729)	(2,409,300)	303,807
Income tax benefit (expense)	762,712	(217,760)	(197,882)
Profit (loss) before income tax	₩ (3,339,441)	(2,191,540)	501,689
Income tax benefit (expense) using the statutory tax rate of each country	789,941	527,019	(80,069)
Income not subject to tax (Expenses not deductible for tax purposes)	(19,759)	2,704	(25,777)
Tax credits	207,745	22,854	18,081
Change in unrecognized deferred tax assets (*1)	(156,783)	(703,714)	273,296
Adjustment for prior years	10,726	(13,807)	(43,785)
Effect on change in tax rate	(60,134)	(54,821)	(337,974)
Others	(9,024)	2,005	(1,654)
Total	<u>₩ 762,712</u>	<u>(217,760)</u>	<u>(197,882)</u>
Effective tax rate	(*2)	(*2)	39.4%

(*1) The effect of changes in deferred tax assets related to tax loss carryforwards and tax credit carryforwards that are not realizable based on the estimates of future taxable profit.

(*2) Actual effective tax rate is not calculated due to loss before income tax for the years ended December 31, 2023 and 2024.

(d) Global Minimum Tax

Under *Pillar Two legislation*, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group has assessed its impact of the *Pillar Two legislation* on its financial statements. As a result of the assessment, current tax expenses is recognized for ₩7,570 million for the year ended December 31, 2025. The Group applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two legislation.

23. Deferred Tax Assets and Liabilities

(a) Details of the recovery and settlement timings for deferred tax assets and liabilities as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2024	2025
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	₩ 3,694,831	3,703,599
Deferred tax asset to be recovered within 12 months	493,850	372,278
Total deferred tax assets	<u>4,188,681</u>	<u>4,075,877</u>
Deferred tax liabilities		
Deferred tax liability to be settled after more than 12 months	₩ 496,851	455,001
Deferred tax liability to be settled within 12 months	187,653	110,720
Total deferred tax liabilities	<u>684,504</u>	<u>565,721</u>
Deferred tax assets after offsetting	<u>₩ 3,504,177</u>	<u>3,510,156</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

23. Deferred Tax Assets and Liabilities, Continued

(b) Changes in deferred tax assets and liabilities for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	January 1, 2024	Profit or loss for 2024	Other comprehensive income (loss) and others for 2024	Classified as held for sale	December 31, 2024	Profit or loss for 2025	Other comprehensive income (loss) and others for 2025	December 31, 2025
Other accounts Receivable	₩ (61)	(4,409)	—	—	(4,470)	(4,056)	—	(8,526)
Inventories	51,728	12,897	—	(1,498)	63,127	24,610	—	87,737
Defined benefits assets and others	(89,753)	53,721	22,368	—	(13,664)	(26,541)	(7,065)	(47,270)
Subsidiaries and associates	(89,649)	(3,731)	(56,999)	—	(150,379)	(25,231)	57,752	(117,858)
Accrued expenses	97,867	8,902	—	(176)	106,593	28,090	—	134,683
Property, plant and equipment and intangible Assets	577,308	(58,721)	—	60,747	579,334	(200,533)	—	378,801
Provisions	39,586	(4,666)	—	—	34,920	(2,151)	—	32,769
Other temporary differences	58,731	(8,413)	—	(15,100)	35,218	(11,584)	—	23,634
Tax loss carryforwards	2,766,820	14,365	—	(72,338)	2,708,847	162,117	—	2,870,964
Tax credit carryforwards	148,215	(3,564)	—	—	144,651	10,571	—	155,222
Deferred tax assets (liabilities)	<u>₩ 3,560,792</u>	<u>6,381</u>	<u>(34,631)</u>	<u>(28,365)</u>	<u>3,504,177</u>	<u>(44,708)</u>	<u>50,687</u>	<u>3,510,156</u>

(c) Details of deductible (taxable) temporary difference, tax credit carryforwards and tax loss carryforwards unrecognized as deferred tax assets (liabilities) as of December 31, 2025, are as follows:

<i>(In millions of won)</i>	Amount	Reason
Investments with its subsidiary	₩ (1,115,322)	Unlikely to reverse (dispose of) in the foreseeable future
Tax credit carryforwards (*1)	1,081,726	Uncertainty of future taxable profit
Tax loss carryforwards (*2)	2,021,561	Uncertainty of future taxable profit

(*1) Unrecognized tax credit carryforwards due to the low probability of realization in the future as of December 31, 2025, will be expired from 2026.

(*2) Unrecognized tax loss carryforwards due to the low probability of realization in the future as of December 31, 2025, will be expired from 2039.

24. Earnings (Loss) per Share

(a) Basic earnings (loss) per share for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In won and number of shares)</i>	2023	2024	2025
Profit (loss) for the year	₩ (2,733,741,837,803)	(2,562,606,429,762)	226,311,788,315
Weighted-average number of common stocks outstanding	380,884,673	471,252,355	500,000,000
Basic earnings (loss) per share	<u>₩ (7,177)</u>	<u>(5,438)</u>	<u>453</u>

Due to paid-in capital increase for year ended December 31, 2024, the number of outstanding shares has increased.

(b) Diluted earnings (loss) per share is not different from basic earnings (loss) per share as there are no dilution effects of potential common stocks.

25. Financial Risk Management

The Group is exposed to credit risk, liquidity risk and market risk. The Group identifies and analyzes such risks, and controls are implemented under a risk management system to monitor and manage these risks at below an acceptable level.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(a) Market risk, Continued

(i) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency. The currencies in which these transactions primarily are denominated are USD and JPY, etc.

The Group adopts policies to ensure that its net exposure is kept to a manageable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances in foreign currency cash inflows and outflows. In respect of monetary assets and liabilities denominated in foreign currencies, the Group manages currency risk through continuously managing the position of foreign currencies, measuring the currency risk and, if necessary, using derivatives such as currency forwards, currency swap and others.

Cross currency interest rate swap contracts, USD 580 million (December 31, 2024: USD 500 million) and CNY 380 million (December 31, 2024: CNY 726 million) were entered into to manage currency risk with respect to foreign currency denominated borrowings and USD 1,020 million (December 31, 2024: USD 980 million) were entered into to manage currency risk and interest rate risk with respect to foreign currency denominated borrowings and bonds.

The currency forward exchange contracts entered into to manage foreign exchange risk related to advances received in foreign currency expired during the reporting period, and there is no outstanding balance as of December 31, 2025 (December 31, 2024: USD 750 million).

A weaker won, as indicated below, against the following currencies which comprise the Group's financial assets or liabilities denominated in a foreign currency as of December 31, 2024 and 2025, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considers to be reasonably possible at the end of the reporting period. The sensitivity analysis assumes that all other variables, in particular interest rates, would remain constant. The changes in profit or loss before income tax would have been as follows:

<i>(In millions of won)</i>	December 31, 2024	December 31, 2025
USD (5 percent weakening)	₩ (35,868)	21,011
JPY (5 percent weakening)	(6,645)	(5,434)

If the exchange rates for the currencies presented above were to decrease at the end of the reporting period, with all other variables held constant, the effects would be the opposite of those presented above.

(ii) Interest rate risk

Interest rate risk arises principally from the Group's variable interest-bearing bonds and borrowings. The Group establishes and applies its policy to reduce uncertainty arising from fluctuations in interest rates and to minimize finance cost and manage interest rate risk by monitoring trends of fluctuations in interest rate and establishing plan for countermeasures. Meanwhile, the Group entered into cross currency interest rate swap contracts amounting to USD 1,020 million (Equivalent to ₩1,463,598 million) and interest rate swap contracts amounting to USD 250 million (Equivalent to ₩ 358,725 million) and ₩2,280,000 million in notional amount to hedge interest rate risk with respect to variable interest-bearing borrowings.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(a) Market risk, Continued

i) Profile

The interest rate profile of the Group's interest-bearing financial instruments as of December 31, 2024 and 2025 is as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Fixed rate instruments		
Financial assets	₩ 2,023,710	1,572,658
Financial liabilities	(4,722,962)	(2,548,213)
Total	<u>₩ (2,699,252)</u>	<u>(975,555)</u>
Variable rate instruments		
Financial liabilities	₩ (9,827,152)	(10,115,925)

ii) Profit or loss before income tax sensitivity analysis for variable rate instruments

As of December 31, 2024 and 2025, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before income tax by the amounts shown below for the respective following 12 month periods. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

<i>(In millions of won)</i>	<u>Profit or loss before income tax</u>	
	<u>1%p increase</u>	<u>1%p decrease</u>
December 31, 2024		
Variable rate instruments	₩ (98,272)	98,272
December 31, 2025		
Variable rate instruments	₩ (101,159)	101,159

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk of trade and other receivables is influenced mainly by the individual characteristics of each customer. However, management believes that the default risk of the country in which each customer operates, does not have a significant influence on credit risk since the majority of the customers are global electronic appliance manufacturers operating in global markets.

The Group establishes credit limits for each customer and each new customer is analyzed quantitatively and qualitatively before determining whether to utilize third party guarantees, insurance or factoring as appropriate.

In relation to the impairment of financial assets subsequent to initial recognition, the Group recognizes the changes in expected credit loss ("ECL") in profit or loss at each reporting date.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(b) Credit risk, Continued

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Financial assets carried at amortized cost		
Cash equivalents	₩ 2,021,640	1,572,058
Deposits in banks	611	611
Trade accounts and notes receivable, net	2,500,608	2,136,774
Non-trade receivables, net	227,477	145,426
Accrued income, net	22,552	34,987
Deposits	16,747	14,549
Loans	37,143	13,318
Subtotal	<u>4,826,778</u>	<u>3,917,723</u>
Other financial assets		
Lease receivables	₩ 10,063	7,406
Financial assets at fair value through profit or loss		
Convertible securities	₩ 1,470	—
Derivatives	256,251	131,987
Subtotal	<u>₩ 257,721</u>	<u>131,987</u>
Financial assets at fair value through other comprehensive profit or loss		
Trade accounts and notes receivable, net	₩ 1,123,869	222,410
Financial assets effective for fair value hedging		
Derivatives	₩ 119,098	—
Total	<u>₩ 6,337,529</u>	<u>4,279,526</u>

Trade accounts and notes receivable are insured in order for the Group to manage credit risk if they do not meet the Group's internal credit ratings. Uninsured trade accounts and notes receivable are managed by continuous monitoring of internal credit rating standards established by the Group and seeking insurance coverage, if necessary.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group has historically been able to satisfy its cash requirements from cash flows from operations and debt and equity financing.

Meanwhile, the Group has entered into borrowing facility agreements with several banks. These agreements may include financial covenants requiring the Group to meet certain financial performance targets. The Group periodically monitors compliance with these agreements through its internal control procedures to proactively manage liquidity risk.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(c) Liquidity risk, Continued

i) Contractual cash flows of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments, as of December 31, 2024 and 2025.

(i) As of December 31, 2024

<i>(In millions of won)</i>	Carrying amount	Contractual cash flows					
		Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	₩ 13,412,275	14,453,995	3,730,807	2,609,727	3,941,215	4,146,933	25,313
Bonds	1,137,839	1,185,892	631,539	11,638	416,573	126,142	—
Trade accounts and notes payable (*)	4,156,149	4,156,149	3,884,788	271,361	—	—	—
Other accounts payable (*)	1,720,670	1,723,867	1,404,896	318,971	—	—	—
Long-term other accounts payable	279,774	323,400	—	—	69,090	192,570	61,740
Security deposits received	160,713	189,214	—	808	6,841	181,565	—
Lease liabilities	57,975	60,653	23,948	12,681	13,889	9,423	712
Derivative financial liabilities							
Derivatives	₩ 10,768	11,184	930	3,447	4,495	2,312	—
Cash outflow	—	75,016	21,402	20,467	22,342	10,805	—
Cash inflow	—	(63,832)	(20,472)	(17,020)	(17,847)	(8,493)	—
Total	₩ 20,936,163	22,104,354	9,676,908	3,228,633	4,452,103	4,658,945	87,765

(*) As of December 31, 2024, it includes ₩1,187,450 million of payable to credit card companies for utility expenses and others paid using business credit card for purchases.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(ii) As of December 31, 2025

<i>(In millions of won)</i>	Carrying amount	Contractual cash flows					
		Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	₩ 12,141,044	12,946,309	2,537,318	1,236,157	4,624,773	4,548,061	—
Bonds	523,094	538,548	198,654	213,751	126,143	—	—
Trade accounts and notes payable (*)	3,307,687	3,307,687	3,307,687	—	—	—	—
Other accounts payable (*)	1,461,014	1,462,662	1,432,529	30,133	—	—	—
Long-term other accounts payable	218,683	248,238	—	—	67,441	180,797	—
Security deposits received	138,384	147,478	480	4,109	142,864	25	—
Lease liabilities	59,678	62,604	23,122	14,889	10,342	14,095	156
Derivative financial liabilities							
Derivatives	₩ 9,553	7,157	3,027	2,416	1,792	(78)	—
Cash outflow	—	325,920	18,751	13,131	292,017	2,021	—
Cash inflow	—	(318,763)	(15,724)	(10,715)	(290,225)	(2,099)	—
Total	₩ 17,859,137	18,720,683	7,502,817	1,501,455	4,973,355	4,742,900	156

(*) As of December 31, 2025, it includes ₩704,529 million of payable to credit card companies for utility expenses and others paid using business credit card for purchases.

ii) Supplier Finance Arrangement

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts that the Group owes its suppliers and the Group agreeing to pay finance providers according to the terms and conditions of the arrangements at a date later than, when suppliers are paid. These arrangements provide the Group with extended payment terms, or the Group's suppliers with early payment terms, compared to the related invoice payment due date.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(c) Liquidity risk, Continued

The carrying amounts of financial liabilities from supplier financing agreement as of December 31, 2024 and 2025 are as follows:

	December 31, 2024		December 31, 2025	
	Trade accounts and notes payable	Other Accounts Payable	Trade accounts and notes payable	Other Accounts Payable
<i>(In millions of won)</i>				
Liabilities under supplier finance arrangement				
Purchase Card (*1)	₩ 778,535	366,853	474,781	219,697
Electronic Trade Receivable-Secured Loan (*2)	90,328	164,741	53,667	142,872
Liabilities under supplier finance arrangement of which the supplier has received payment from the finance provider				
Purchase Card (*1)	₩ 778,535	366,853	474,781	219,697
Electronic Trade Receivable-Secured Loan (*2)	2,443	2,952	2,138	12,465

(*1) The Group pays the settlement amount to the card company on the end date of credit term according to the card agreement. The Group uses purchase cards in agreement with the supplier, the amount paid to the card company is for the purchase of goods or services incurred in the normal course of business, with no change in the underlying purpose of the transaction, and the payment deadline to the card company falls within the normal business cycle of one year or less, and no collateral is provided in connection with this agreement. Therefore, it is classified as trade accounts and notes payable and other account payable and presented as operating and investing activities in the cash flow statement.

(*2) The Group enters into supplier financial agreement with financial institutions to streamline the payment process and offer early payment terms to suppliers. Under the supplier financial agreement, if a vendor that supplied goods or services to the Group transfers its account receivables to the financial institution within the payment due date, the Group pays the amount to the financial institution. There is no change in the original debt recognized as trade accounts and notes payable or other account payable because the supplier financial agreement does not result in a substantive reduction of the Group's payment obligation or a change in payment terms.

The range of payment due dates as of December 31 2024 and 2025 are as follows:

	December 31, 2024	December 31, 2025
Liabilities under supplier finance arrangement		
Purchase Card	270~288 days	91~205 days
Electronic Trade Receivable-Secured Loan	45~123 days	45~123 days
Trade accounts and notes payable not covered by the supplier finance agreement		
	3~123 days	5~123 days

There were no material business combinations or foreign exchange differences that would affect the liabilities under the supplier finance arrangement.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(d) Capital management

Management's policy is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Liabilities to equity ratio, net borrowings to equity ratio and other financial ratios are used by management to achieve an optimal capital structure. Management also monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group is also responsible for complying with certain financial ratios as part of capital maintenance conditions imposed externally. To fulfill this responsibility, the Group regularly monitors these financial ratios and takes proactive measures when necessary.

<i>(In millions of won)</i>	<u>December 31, 2024</u>	<u>December 31, 2025</u>
Total liabilities	₩ 24,786,759	19,077,462
Total equity	8,072,807	7,839,238
Cash and deposits in banks (*1)	2,022,240	1,572,658
Borrowings (including bonds)	14,550,114	12,664,138
Total liabilities to equity ratio	307%	243%
Net borrowings to equity ratio (*2)	155%	141%

(*1) Cash and deposits in banks consist of cash and cash equivalents and current deposits in banks.

(*2) Net borrowings to equity ratio is calculated by dividing total borrowings (including bonds and excluding lease liabilities and others) less cash and current deposits in banks by total equity.

(e) Determination of fair value

(i) Measurement of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(e) Determination of fair value, Continued

(ii) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	December 31, 2024		December 31, 2025	
	Carrying amounts	Fair values	Carrying amounts	Fair values
Financial assets carried at amortized cost				
Cash and cash equivalents	₩ 2,021,640	(*1)	1,572,058	(*1)
Deposits in banks	611	(*1)	611	(*1)
Trade accounts and notes receivable, net	2,500,608	(*1)	2,136,774	(*1)
Non-trade receivables, net	227,477	(*1)	145,426	(*1)
Accrued income, net	22,552	(*1)	34,987	(*1)
Deposits	16,747	(*1)	14,549	(*1)
Loans	37,143	(*1)	13,318	(*1)
Financial assets at fair value through profit or loss				
Equity instruments	₩ 120,501	120,501	124,316	124,316
Convertible securities	1,470	1,470	—	—
Derivatives	256,251	256,251	131,987	131,987
Financial assets at fair value through other comprehensive profit or loss				
Trade accounts and notes receivable, net	₩ 1,123,869	(*1)	222,410	(*1)
Financial assets effective for fair value hedging				
Derivatives	₩ 119,098	119,098	—	—
Other financial assets				
Lease receivables	10,063	(*1)	7,406	(*1)
Financial liabilities carried at amortized cost				
Borrowings	₩ 13,412,275	13,482,726	12,141,044	12,170,751
Bonds	1,137,839	1,142,725	523,094	523,500
Trade accounts and notes payable	4,156,149	(*1)	3,307,687	(*1)
Other accounts payable	2,000,444	(*1)	1,679,697	(*1)
Security deposits received	160,713	(*1)	138,384	(*1)
Financial liabilities at fair value through profit or loss				
Derivatives	₩ 10,768	10,768	9,553	9,553
Other financial liabilities				
Lease liabilities	₩ 57,975	(*2)	59,678	(*2)

(*1) Excluded from disclosures as the carrying amount approximates fair value.

(*2) Excluded from the fair value disclosures in accordance with IFRS 7 'Financial Instruments: Disclosures'.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(e) Determination of fair value, Continued

(iii) Fair values of financial assets and liabilities

i) Fair value hierarchy

Financial instruments carried at fair value are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data

The Group measures fair value for financial reporting purposes, including fair value measurements, which are classified as "Level 3". The Group consults on the fair value assessment process and its results in accordance with the financial reporting schedule, and recognizes changes in the "level" at the end of the reporting period when there is a change in events or circumstances that cause a shift between fair value levels.

ii) Assets and liabilities measured at fair value

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of December 31, 2024 and 2025 are as follows:

(In millions of won)

Classification	December 31, 2024			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Equity instruments	₩ 18,958	—	101,543	120,501
Convertible securities	—	—	1,470	1,470
Derivatives	—	256,251	—	256,251
Financial assets effective for fair value hedging				
Derivatives	₩ —	119,098	—	119,098
Financial liabilities at fair value through profit or loss				
Derivatives	₩ —	10,768	—	10,768

(In millions of won)

Classification	December 31, 2025			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Equity instruments	₩ 21,008	—	103,308	124,316
Derivatives	—	131,987	—	131,987
Financial liabilities at fair value through profit or loss				
Derivatives	₩ —	9,553	—	9,553

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(e) Determination of fair value, Continued

The valuation techniques and inputs for assets and liabilities measured at fair value that are classified as Level 2 and Level 3 within the fair value hierarchy as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i> Classification	December 31, 2024		December 31, 2025		Valuation technique	Input
	Level 2	Level 3	Level 2	Level 3		
Financial assets at fair value through profit or loss						
Equity instruments	₩	—	101,543	—	103,308	Net asset value method and Comparable company analysis Price to book value ratio
Convertible securities		—	1,470	—	—	Risk-adjusted discount model and binominal option pricing model Discount rate, stock price and volatility
Derivatives		256,251	—	131,987	—	Discounted cash flow Discount rate and Exchange rate
Financial assets effective for fair value hedging						
Derivatives	₩	119,098	—	—	—	Discounted cash flow Discount rate and Exchange rate
Financial liabilities at fair value through profit or loss						
Derivatives	₩	10,768	—	9,553	—	Discounted cash flow Discount rate and Exchange rate

iii) Financial instruments not measured at fair value but for which the fair value is disclosed

Fair value hierarchy classifications, valuation techniques and inputs for fair value measurements of the financial instruments not measured at fair value but for which the fair value is disclosed as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i> Classification	December 31, 2024			Valuation technique	Input
	Level 1	Level 2	Level 3		
Liabilities					
Borrowings	₩	—	—	13,482,726	Discounted cash flow Discount rate
Bonds		—	—	1,142,725	Discounted cash flow Discount rate

<i>(In millions of won)</i> Classification	December 31, 2025			Valuation technique	Input
	Level 1	Level 2	Level 3		
Liabilities					
Borrowings	₩	—	—	12,170,751	Discounted cash flow Discount rate
Bonds		—	—	523,500	Discounted cash flow Discount rate

iv) The interest rates applied for determination of the above fair value as of December 31, 2024 and 2025 are as follows:

	December 31, 2024	December 31, 2025
Borrowings, bonds and others	3.70%~3.96%	3.32%~3.90%

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(e) Determination of fair value, Continued

- v) There is no transfer between Level 1, Level 2 and Level 3 for the years ended December 31, 2024 and 2025, and the changes in financial assets classified as Level 3 of fair value measurements for the years ended December 31, 2024 and 2025 are as follows:

(In millions of won)

Classification	January 1, 2024	Acquisition	Disposal	Valuation	Changes in Foreign Exchange Rates	December 31, 2024
Equity instruments	₩ 87,027	5,470	(128)	(2,809)	11,983	101,543
Convertible securities	3,127	—	(1,838)	—	181	1,470

(In millions of won)

Classification	January 1, 2025	Acquisition	Disposal	Valuation	Changes in Foreign Exchange Rates	December 31, 2025
Equity instruments	₩ 101,543	1,422	—	2,914	(2,571)	103,308
Convertible securities	1,470	—	(1,399)	—	(71)	—

(f) Net gains and losses by category of financial instruments

The net gains and losses by category of financial instruments for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023						
	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at FVTPL	Financial assets at FVOCI	Derivatives	Others	Total
Interest income	₩ 134,388	—	—	—	—	276	134,664
Interest expense	—	(720,086)	—	—	—	(3,343)	(723,429)
Foreign currency differences	108,546	(176,376)	—	—	(36,052)	—	(103,882)
Reversal of bad debt expense	181	—	—	—	—	—	181
Gain or loss on disposal	(48,600)	—	132	(329)	—	—	(48,797)
Gain or loss on valuation	—	—	(13,274)	—	—	—	(13,274)
Gain or loss on repayment	—	(167)	—	—	—	—	(167)
Gain or loss on derivatives	—	—	—	—	102,116	—	102,116
Total	<u>₩ 194,515</u>	<u>(896,629)</u>	<u>(13,142)</u>	<u>(329)</u>	<u>66,064</u>	<u>(3,067)</u>	<u>(652,588)</u>

<i>(In millions of won)</i>	2024						
	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at FVTPL	Financial assets at FVOCI	Derivatives	Others	Total
Interest income	₩ 87,510	—	—	—	—	182	87,692
Interest expense	—	(906,766)	—	—	—	(2,874)	(909,640)
Foreign currency differences	1,189,874	(2,238,150)	—	—	190,906	—	(857,370)
Reversal of bad debt expense	(689)	—	—	—	—	—	(689)
Gain or loss on disposal	(7,708)	—	(109)	(18,470)	—	—	(26,287)
Gain or loss on valuation	—	—	(8,590)	—	—	—	(8,590)
Gain or loss on repayment	—	(678)	—	—	—	—	(678)
Gain or loss on derivatives	—	—	—	—	413,480	—	413,480
Total	<u>₩ 1,268,987</u>	<u>(3,145,594)</u>	<u>(8,699)</u>	<u>(18,470)</u>	<u>604,386</u>	<u>(2,692)</u>	<u>(1,302,082)</u>

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

25. Financial Risk Management, Continued

(f) Net gains and losses by category of financial instruments, Continued

<i>(In millions of won)</i>	2025						Total
	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at FVTPL	Financial assets at FVOCI	Derivatives	Others	
Interest income	₩ 51,420	—	—	—	—	266	51,686
Interest expense	—	(700,214)	—	—	—	(2,394)	(702,608)
Foreign currency differences	(367,983)	454,997	—	—	(22,646)	—	64,368
Bad debt expense	107	—	—	—	—	—	107
Gain or loss on disposal	(7,062)	—	497	(13,854)	—	—	(20,419)
Gain or loss on valuation	—	—	7,343	—	—	—	7,343
Gain or loss on derivatives	—	—	—	—	34,935	—	34,935
Dividend income	—	—	266	—	—	—	266
Total	₩ (323,518)	(245,217)	8,106	(13,854)	12,289	(2,128)	(564,322)

26. Leases

(a) Leases as lessee

The Group leases buildings, vehicles, machinery and equipment and others. Information about leases for which the Group is a lessee is presented below.

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 9(a)).

Changes in right-of-use assets for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2024						Total
	Buildings and structures	Land	Machinery and equipment	Vehicles	Others		
At January 1	₩ 57,946	51,249	714	7,439	1,898	119,246	
Acquisitions	24,008	1	2,658	7,044	154	33,865	
Depreciation	(56,080)	(3,063)	(1,645)	(6,879)	(778)	(68,445)	
Gain or loss on foreign currency translation	13,877	8,410	23	456	292	23,058	
Classified as held for sale	(11,599)	(5,585)	—	(1,563)	(44)	(18,791)	
At December 31	₩ 28,152	51,012	1,750	6,497	1,522	88,933	

<i>(In millions of won)</i>	2025						Total
	Buildings and structures	Land	Machinery and equipment	Vehicles	Others		
At January 1	₩ 28,152	51,012	1,750	6,497	1,522	88,933	
Acquisitions	54,542	75	954	4,100	126	59,797	
Depreciation	(44,366)	(2,479)	(2,024)	(5,234)	(698)	(54,801)	
Gain or loss on foreign currency translation	1,295	3,697	32	303	492	5,819	
At December 31	₩ 39,623	52,305	712	5,666	1,442	99,748	

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

26. Leases, Continued

(a) Leases as lessee, Continued

- (ii) Amounts recognized in profit or loss from leases other than leases recorded as right-of-use assets for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023	2024	2025
Interest on lease liabilities	₩ (3,343)	(2,874)	(2,394)
Income from sub-leasing right-of-use assets	276	182	266
Expenses relating to short-term leases	(241)	(274)	(208)
Expenses relating to leases of low-value assets that are not short-term leases	(942)	(543)	(436)

- (iii) Changes in lease liabilities for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2024	2025
At January 1	₩ 73,364	57,975
Additions and others	55,619	54,605
Interest expense	2,874	2,394
Repayment of liabilities	(73,882)	(55,296)
At December 31	₩ 57,975	59,678

- (iv) Total cash outflow from leases for the year ended December 31, 2025 amounted to ₩55,674 million (2024: ₩74,517 million).

(b) Leases as lessor

(i) Finance lease

The amount recognized as interest income on lease receivables during the year ended December 31, 2025 is ₩266 million (2024: ₩182 million).

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

<i>(In millions of won)</i>	December 31, 2024	December 31, 2025
6 months or less	₩ 3,255	3,703
6-12 months	3,255	946
1-2 years	3,797	787
2-5 years	—	2,291
Total undiscounted lease payments	₩ 10,307	7,727
Unearned finance income	(244)	(321)
Net Investment in the lease	₩ 10,063	7,406

(ii) Operating lease

The Group leases out investment property and a portion of property, plant and equipment as operating leases (see Notes 9 and 11).

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

27. Cash Flow Information

(a) Details of cash flows generated from operations for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Profit (loss) for the year	₩ (2,576,729)	(2,409,300)	303,807
Adjustments for:			
Income tax expense (benefit) (Note 22)	(762,712)	217,760	197,882
Depreciation and amortization (Note 18)	4,213,742	5,125,637	4,354,145
Gain on foreign currency translation	(313,378)	(587,019)	(46,390)
Loss on foreign currency translation	241,701	979,061	320,723
Post-employment benefit (Note 13)	149,937	130,014	130,315
Gain on disposal of assets held for sale	—	—	(759,387)
Gain on disposal of property, plant and equipment	(34,961)	(51,792)	(45,504)
Loss on disposal of property, plant and equipment	102,453	76,771	89,049
Impairment loss on property, plant and equipment	60,072	98,525	161,579
Gain on disposal of intangible assets	(1,989)	(25)	(1,592)
Loss on disposal of intangible assets	55	388	—
Impairment loss on intangible assets	54,833	72,490	55,292
Expense on increase of provision	101,846	119,141	93,448
Finance income	(594,944)	(511,068)	(449,117)
Finance costs	1,162,598	1,480,007	888,521
Equity in loss (income) of equity method accounted investees, net	3,061	(5,412)	(2,483)
Others	(7,279)	(89,979)	(381)
Changes in:			
Trade accounts and notes receivable	(1,013,938)	(395,513)	24,354
Other accounts receivable	39,377	(142,775)	262,409
Inventories	336,993	(85,850)	203,867
Other current assets	92,983	(14,479)	62,508
Other non-current assets	1,151	2,537	(5,093)
Trade accounts and notes payable	323,548	(46,796)	(2,600,804)
Other accounts payable	(47,798)	(529,621)	(124,910)
Accrued expenses	(47,088)	92,474	157,252
Provisions	(179,969)	(134,684)	(119,049)
Advances received	(19,461)	(16,161)	11,034
Proceeds from settlement of derivatives	—	35,757	79,881
Other current liabilities	(33,367)	(4,050)	(19,466)
Defined benefit liabilities (assets), net	(45,123)	(38,018)	(97,767)
Long-term advances received	1,580,222	—	—
Other non-current liabilities	33,493	5,436	45,827
Cash generated from operations	₩ 2,819,329	3,373,456	3,169,950

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

27. Cash Flow Information, Continued

(b) Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	Non-cash transactions						December 31, 2024
	January 1, 2024	Cash flows from financing activities	Gain or loss on foreign currency translation	Interest expense	Classification of liabilities held for sale	Others	
Short-term borrowings	₩ 1,875,635	(1,065,878)	159,838	—	—	—	969,595
Long-term borrowings	13,165,351	(726,352)	1,051,834	4,203	(1,060,592)	8,236	12,442,680
Bonds	1,488,143	(370,000)	18,004	1,692	—	—	1,137,839
Security deposits received	153,370	—	—	—	—	7,343	160,713
Lease liabilities	73,364	(71,008)	16,752	—	(6,772)	45,639	57,975
Dividend payable	7,302	(136,519)	268	—	—	135,339	6,390
Total	₩ 16,763,165	(2,369,757)	1,246,696	5,895	(1,067,364)	196,557	14,775,192

<i>(In millions of won)</i>	Non-cash transactions						December 31, 2025
	January 1, 2025	Cash flows from financing activities	Gain or loss on foreign currency translation	Interest expense	Others	Others	
Short-term borrowings	₩ 969,595	(117,506)	(41,371)	—	—	—	810,718
Long-term borrowings	12,442,680	(1,134,089)	9,619	11,108	1,008	—	11,330,326
Bonds	1,137,839	(612,000)	(3,507)	762	—	—	523,094
Security deposits received	160,713	(40,500)	—	—	—	18,171	138,384
Lease liabilities	57,975	(52,902)	(11,326)	—	—	65,931	59,678
Dividend payable	6,390	(6,390)	—	—	—	—	—
Total	₩ 14,775,192	(1,963,387)	(46,585)	11,870	85,110	—	12,862,200

(c) Details of significant non-cash transactions for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023	2024	2025
Changes in other accounts payable arising from the acquisition of property, plant and equipment	₩ (348,046)	(630,267)	(116,302)
Changes in other accounts payable arising from the acquisition of intangible assets	(27,918)	(137,918)	(88,733)
Recognition of right-of-use assets and lease liabilities	74,611	33,865	59,797
Reclassification of the current portion of borrowings/bonds	(3,441,686)	(6,559,088)	(3,874,477)
Classification of assets held for sale	—	983,317	—
Classification of liabilities held for sale	—	1,656,841	—

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

27. Cash Flow Information, Continued

- (d) For the year ended December 31, 2025, the Group disposed of its subsidiaries, LG Display Guangzhou Co., Ltd. and LG Display (China) Co., Ltd. Details of the disposals are as follows:

<i>(In millions of won)</i>	2025
Total consideration from disposal	
Cash and cash equivalents	₩ 2,203,806
Gain or loss on foreign currency translation	3,434
Subtotal	₩ 2,207,240
Carrying amount of disposed assets	
Cash and cash equivalents	₩ 1,390,495
Trade accounts and notes receivable, net	1,523,477
Inventories, net	63,516
Property, plant and equipment	606,636
Others	11,525
Subtotal	₩ 3,595,649
Carrying amount of disposed liabilities	
Trade accounts and notes payable	₩ 329,993
Financial liabilities	1,063,548
Other accounts payables and others	102,211
Others	722
Subtotal	₩ 1,496,474
Non-controlling interests	₩ 396,554
Reclassification of foreign currency translation differences for foreign operations	254,768
Gain on disposal	759,387

28. Related Parties and Others

- (a) Related parties

Details of related parties as of December 31, 2025 are as follows:

Classification	Description
Associates (*)	Paju Electric Glass Co., Ltd. and others
Entity that has significant influence over the Parent Company	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Parent Company	Subsidiaries of LG Electronics Inc.

(*) Details of associates are described in Note 8.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

28. Related Parties and Others, Continued

(b) Details of major transactions with related parties for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023			
	Sales and others	Dividend income	Purchase and Others	
			Purchase of raw material and others	Others (*1)
Associates				
AVATEC Co., Ltd.	₩ —	—	43,662	11,003
Paju Electric Glass Co., Ltd.	—	15,200	176,831	4,341
WooRee E&L Co., Ltd.	—	—	7,853	513
YAS Co., Ltd.	—	—	9,832	23,202
Material Science Co., Ltd.	—	—	—	179
Entity that has significant influence over the Parent Company				
LG Electronics Inc. (*2)	₩ 231,935	—	22,370	501,094
Subsidiaries of the entity that has significant influence over the Parent Company				
LG Electronics India Pvt. Ltd.	₩ 47,031	—	—	270
LG Electronics Vietnam Haiphong Co., Ltd.	434,789	—	—	7,090

<i>(In millions of won)</i>	2023			
	Sales and others	Dividend income	Purchase and others	
			Purchase of raw material and others	Others (*1)
LG Electronics Nanjing New Technology Co., Ltd.	₩ 350,207	—	—	451
LG Electronics do Brasil Ltda.	29,249	—	—	316
LG Innotek Co., Ltd.	7,754	—	14,970	100,272
LG Electronics Mlawa Sp. z o.o.	811,880	—	—	1,611
LG Electronics Reynosa S.A. DE C.V.	826,547	—	—	810
LG Electronics Egypt S.A.E	20,225	—	—	66
LG Electronics Japan, Inc.	114	—	—	6,278
LG Electronics RUS, LLC	360	—	—	2,359
LG Electronics U.S.A., Inc.	—	—	—	2,177
P.T. LG Electronics Indonesia	448,528	—	—	2,231
LG Electronics Nanjing Vehicle Components Co.,Ltd.	1,414	—	—	—
LG Technology Ventures LLC	—	—	—	2,596
HI-M Solutek Co., Ltd	—	—	9	7,316
Others	15	—	142	1,502
Total	₩ 3,210,048	15,200	275,669	675,677

(*1) Others include the amount of the acquisition of property, plant and equipment.

(*2) Others for LG Electronics Inc. include the amount of the acquisition of property, plant and equipment ₩320,555 million.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

28. Related Parties and Others, Continued

<i>(In millions of won)</i>	2024			
	Sales and others	Dividend income	Purchase and others	
			Purchase of raw material and others	Others (*1)
Associates				
AVATEC Co., Ltd.(*2)	₩ —	200	52,983	2,947
Paju Electric Glass Co., Ltd.	—	—	237,002	8,428
WooRee E&L Co., Ltd.(*2)	—	—	5,045	32
YAS Co., Ltd.(*2)	—	—	5,266	7,578
Material Science Co., Ltd.	—	—	3,579	1,512
Entity that has significant influence over the Parent Company				
LG Electronics Inc.(*3)	₩ 349,194	—	19,959	354,362
Subsidiaries of the entity that has significant influence over the Parent Company				
LG Electronics India Pvt. Ltd.	₩ 52,736	—	—	275
LG Electronics Vietnam Haiphong Co., Ltd.	306,727	—	—	5,945

<i>(In millions of won)</i>	2024			
	Sales and others	Dividend income	Purchase and Others	
			Purchase of raw material and others	Others (*1)
LG Electronics Nanjing New Technology Co., Ltd.	₩ 379,241	—	—	629
LG Electronics do Brasil Ltda.	32,165	—	—	248
LG Innotek Co., Ltd.	10,999	—	18,166	72,123
LG Electronics Mlawa Sp. z o.o.	977,531	—	—	1,105
LG Electronics Reynosa S.A. DE C.V.	973,432	—	—	746
LG Electronics Egypt S.A.E	24,454	—	—	32
LG Electronics Japan, Inc.	—	—	—	6,250
LG Electronics RUS, LLC	—	—	—	4,005
LG Electronics U.S.A., Inc.	—	—	—	2,128
P.T. LG Electronics Indonesia	482,099	—	—	1,254
HI-M Solutek Co., Ltd	—	—	—	9,636
LG Technology Ventures LLC	—	—	—	1,319
Others	330	—	462	1,579
Total	₩ 3,588,908	200	342,462	482,133

(*1) Others include the amount of the acquisition of property, plant and equipment.

(*2) For the year ended December 31, 2024, the entity was excluded from related parties due to the loss of significant influence, and the transaction amount represents the amount before its exclusion.

(*3) Others for LG Electronics Inc. include the amount of the acquisition of property, plant and equipment ₩184,999 million.

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

28. Related Parties and Others, Continued

<i>(In millions of won)</i>	2025				
	Sales and others	Dividend income	Purchase and others		
			Purchase of raw material and others	Others(*)	
Associates					
Paju Electric Glass Co., Ltd.	₩	—	1,664	248,746	11,413
Material Science Co., Ltd.		—		3,198	1,923
Entity that has significant influence over the Parent Company					
LG Electronics Inc.	₩	292,846	—	17,911	258,458
Subsidiaries of the entity that has significant influence over the Parent Company					
LG Electronics India Pvt. Ltd.	₩	32,143	—	—	109
LG Electronics Vietnam Haiphong Co., Ltd.		270,949	—	—	1,855
LG Electronics Nanjing New Technology Co., Ltd.		187,906	—	—	317
LG Electronics do Brasil Ltda.		23,608	—	—	88
LG Innotek Co., Ltd.		10,570	—	26,744	79,632
LG Electronics Mlawa Sp. z o.o.		1,132,561	—	—	1,031
LG Electronics Reynosa S.A. DE C.V.		949,347	—	—	933
LG Electronics Egypt S.A.E		12,586	—	—	22
LG Electronics Japan, Inc.		—	—	—	6,270
LG Electronics U.S.A., Inc.		—	—	—	2,590
P.T. LG Electronics Indonesia		477,948	—	—	746
HI-M Solutek Co., Ltd		—	—	—	10,417
LG Technology Ventures LLC		—	—	—	1,372
Others		586	—	202	1,677
Total	₩	3,391,050	1,664	296,801	378,853

(*) Others include the amount of the acquisition of property, plant, and equipment

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

28. Related Parties and Others, Continued

(c) Details of balances of receivables and payables from transactions with related parties as of December 31, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025
Associates				
Paju Electric Glass Co., Ltd.	₩	—	64,140	62,277
Material Science Co., Ltd.		—	261	385
Entity that has significant influence over the Parent Company				
LG Electronics Inc. (*1)	₩	179,710	95,844	1,071,592
Subsidiaries of the entity that has significant influence over the Parent Company				
LG Electronics Vietnam Haiphong Co., Ltd.	₩	72,521	41,403	921
LG Electronics Nanjing New Technology Co., Ltd.		61,922	19,036	15
LG Innotek Co., Ltd. (*2)		1,803	2,102	207,258
LG Electronics Mlawa Sp. z o.o.		149,789	101,105	131
LG Electronics Reynosa S.A. DE C.V.		55,500	87,555	—
P.T. LG Electronics Indonesia		63,719	23,766	53
LG Innotek USA, Inc.		19	2,688	—
Others		20,620	4,937	6,397
Total	₩	605,603	378,436	1,350,768

(*1) Trade accounts and notes payable and others for LG Electronics Inc. as of December 31, 2024 includes borrowings of ₩1,000,000 million (see Note 12.(c)). The borrowings relate to a long-term loan agreement with LG Electronics Inc. in an aggregate amount of ₩1,000,000 million at an interest rate of 6.06% per annum, which was fully repaid on June 5, 2025, with no outstanding balance as of December 31, 2025.

(*2) Trade accounts and notes payable and others for LG Innotek Co., Ltd. includes deposits received from lease agreement of ₩180,000 million as of December 31, 2024 and ₩139,500 million as of December 31, 2025.

(d) Details of significant financial transactions with related parties and others for the years ended December 31, 2024 and 2025, are as follows:

<i>(In millions of won)</i>	Company Name	2024	
		Capital increase	Collection of loans
Associates	WooRee E&L Co., Ltd. (*)	₩	—
Entity that has significant influence over the Parent Company	LG Electronics Inc.	₩	436,031

(*) For the year ended December 31, 2024, the entity was excluded from related parties due to the loss of significant influence, and the transaction amount represents the amount before its exclusion.

<i>(In millions of won)</i>	Company Name	2025	
		₩	Repayment of borrowings
Entity that has significant influence over the Parent Company	LG Electronics Inc.	₩	1,000,000

LG DISPLAY CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023, 2024 and 2025

28. Related Parties and Others, Continued

(e) Key management personnel compensation

Details of compensation costs of key management for the years ended December 31, 2023, 2024 and 2025 are as follows:

<i>(In millions of won)</i>	2023	2024	2025
Short-term benefits	₩ 2,291	2,397	2,446
Post-employment benefit	355	604	586
Total	₩ 2,646	3,001	3,032

Key management refers to the registered directors who have significant control and responsibilities over the Parent Company's operations and business.

- (f) At the end of the reporting period, the Group did not set an allowance for doubtful accounts on the balance of receivables for related parties.

29. Subsequent Event

The management of the Group decided to transfer the Auto Display LCD module business of LG Display Nanjing Co., Ltd. in order to enhance its business structure and strengthen its profitability, and entered into a business transfer agreement on February 9, 2026, with a transfer price of approximately KRW 104 billion, which may be adjusted at the closing date based on the final settlement of certain assets and liabilities.