

Dear Fellow Shareholders,

Thank you very much for your constant interest and support for LG Display.

First and foremost, I would like to express my sincere regret for our business performance in 2022, when a large-scale deficit occurred.

Recently, as the uncertainty of the macroeconomic environment is expanding in the display industry, the slowdown in demand for downstream industry is prolonged to the worst level ever. This slowdown has been a major factor in poor business performance in 2022 as the company's strengths are concentrated in the IT and high-end TV panel markets.

Of course, we made meaningful progress in terms of strengthening our business structure in the midst of this situation, with the proportion of OLED sales expanding rapidly and reaching the 40% range, and orders and sales increased significantly for automotive display. However, at this point, our top priority is to restore a stable profit structure as soon as possible.

Promoting fundamental innovation while advancing our business structure

In the display industry, which has repeatedly experienced wild up-and-down in performance due to fluctuations in supply and demand cycles, proactive and strategic decision-making on what to focus on and the core competencies to support them are essential for sustained growth and stable profitability. For the past few years, LG Display has been focusing on 'the advancement of business structure' with this perception, and we will accelerate this further.

To this end, we are expanding our "customer-based" business, where we can stabilize volumes and prices through close collaboration with strategic customers based on our differentiated competitiveness. The sales proportion of the customer-based business, which was 11% in 2019, has expanded to early 40% this year, and is aiming to reach 70% within the next two to three years.

Smartphones and watch panels will focus on premium models to further expand their supplies. We will ensure that the supply chain for our investing OLED tablet will be prepared for mass production without a problem. The automotive display business has gained the trust of many global customers through its diverse and differentiated technological competitiveness of POLED, ATO, and LTPS LCDs, further strengthening its position as the world's No. 1. We will continue to foster our automotive display business to play a pivotal role for our future growth and profit by expanding the quantity and quality of future orders.

We are reducing the proportion of "supply and demand" businesses that are sensitive to changes in market conditions reorganizing our operating system.

Following the end of domestic production of LCD TV panels in the second half of last year, we are also phasing out our LCD production lines in China and taking intensive actions to reduce fixed costs across the company.

In addition, we are promoting 'market-creating' business focusing on transparent and gaming displays. We will secure our future growth momentum through collaboration with various industries and open innovation. Moreover, we will dominate the market with systematically advanced preparation for the next-generation display business.

'True Display for a Sustainable Future'

The reason for a company's existence and the goal to pursue are to maximize corporate value based on customer value innovation and to increase shareholder value, member value, and social value.

ESG management will be the starting point and essential prerequisite for this journey.

LG Display recently established an ESG slogan, 'True Display for a Sustainable Future'. It reflects our will to conduct ESG management more sincerely than anyone else and strive for a sustainable future.

Last year, we established an ESG governance system by selecting C-level executives to be in charge of each of the nine core areas of ESG management, including climate response, resource circulation, workplace safety, and human rights management, and operating a new ESG committee under the Board of Directors.

Also, we have continued our efforts to build the foundation for systematic ESG management activities by establishing a compliance system, obtaining ISO certification for the first time in the industry, and set up a human rights management system to publicly disclosing them.

Our company will do our best to promote eco-friendly technological innovation(E), fulfill social responsibility(S), and secure transparency and integrity of management(G) based on executives' clear R&R and execution capabilities.

Dear Stakeholders,

I think the Korean government's adding display technology to national strategic technologies in last November is the result of its importance and future growth potential.

As we can expect more active policy support in many areas such as R&D national projects, training of professionals, and deregulation, we will make it as an important opportunity to strengthen our business competitiveness and accelerate innovation growth.

Although the display industry is suffering due to the unprecedented slowdown in demand with the difficult macroeconomic environment, we will definitely be able to show good performance if we continue to pursue major tasks to upgrade our business structure along with intense self-rescue efforts to restore a stable profit structure.

We would like to express our gratitude to our shareholders once again and do our best to meet your expectations and support.

Thank you.

March, 2023

CEO and President of LG Display

Hoyoung Jeong

