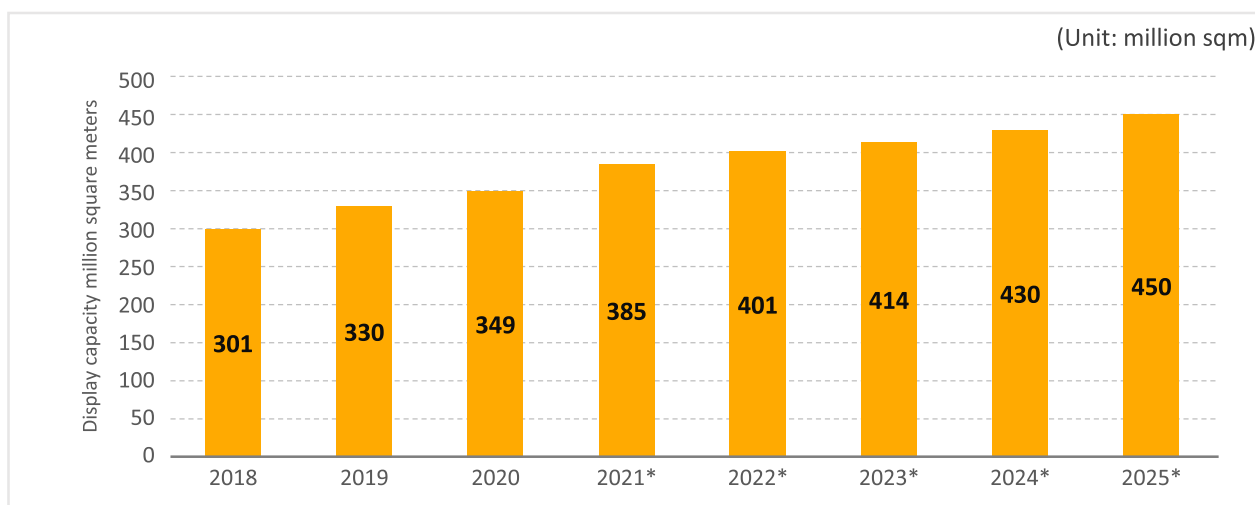


DISPLAY

Global Market Size /Forecast

- In 2024, the global display market is expected to gradually expand, driven by the growth of OLED technology, with particularly accelerated applications in IT devices, VR/AR, and automotive displays.
- In 2025, it is anticipated that competition in the premium market will intensify due to the advancement of OLED technology, while LCD is expected to maintain stable demand primarily in the low-cost market.

<Global AMOLED and LCD Display Production Capacity (2018-2025)>



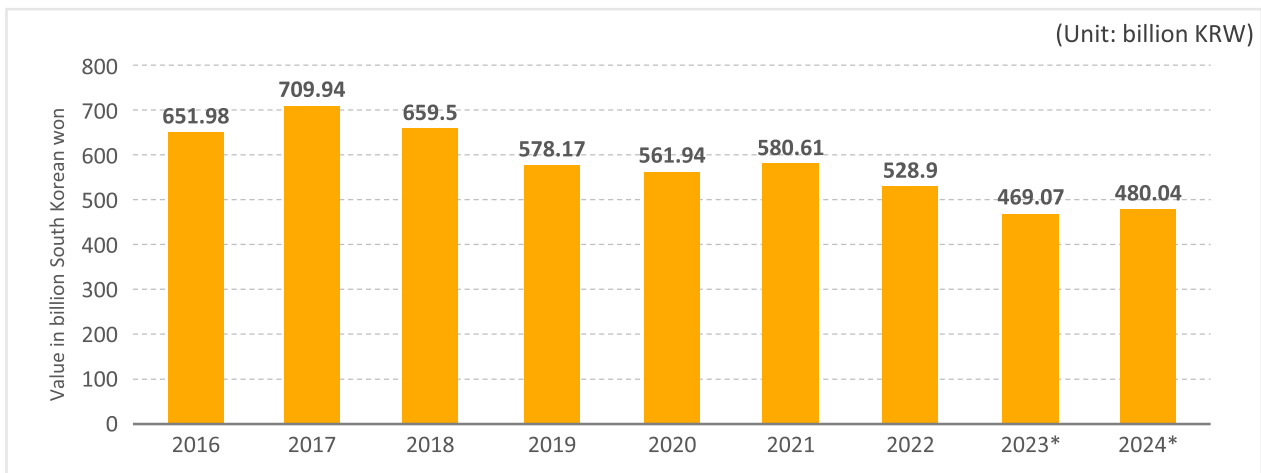
* Source: Statista 2023



Domestic Market Size/Forecast

- ▶ The display industry, where South Korea has maintained its position as the global leader for 17 years since 2004, continues to lead the global market, particularly in the OLED field, which is considered next-generation display technology. Through continuous technological development, South Korea introduced the world's first foldable OLED, further solidifying its leadership.
- ▶ Korean companies have strategically reduced the production of low-value-added LCDs and adopted high-value-added OLED products instead.
- OLED is rapidly being adopted not only in mobile and TV but also in IT and other major consumer electronics.

<South Korea's Display Panel Production Scale (2016-2024)>

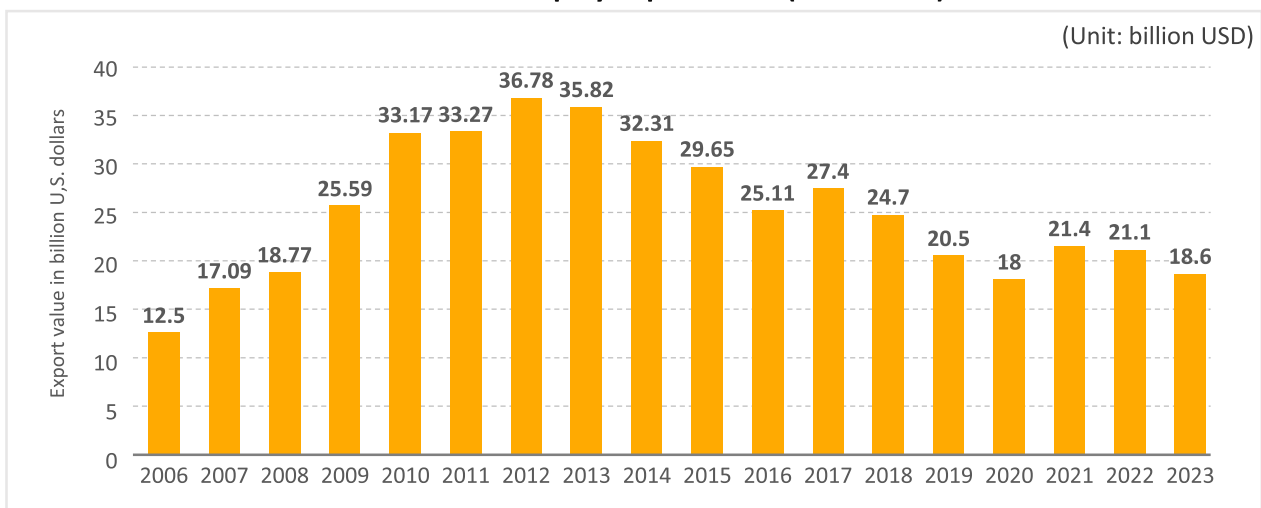


* Source: Statista 2023

Sales/Exports/Production Volume

- ▶ **(EXPORT STATUS)** In 2023, South Korea's display exports decreased slightly due to a global market downturn. However, the proportion of OLED in exports reached its highest level ever.
- OLED panels, which are widely used in flexible displays for smartphones, wearable devices, and other applications, are leading the growth of the overall OLED market.

<South Korea's Display Export Scale (2006-2023)>



* Source: Statista 2023

Trends in Foreign Investment in South Korea

- It is expected that OLED technology adoption will expand in high-value-added display applications, such as VR/AR and automotive displays. As a result, global material and component companies are expected to invest in these sectors.

Investment Strengths

- South Korea is a leader in OLED technology, with Samsung Display and LG Display driving the global market, possessing unrivaled technological expertise in high-value-added applications such as smartphones, TVs, and IT devices.
- South Korea has an advanced display manufacturing process and related facilities, providing foreign investors with a stable supply chain due to high production efficiency and quality control capabilities.
- The South Korean government has designated the display industry as a core national strategic industry and is actively implementing support policies for technological development and attracting foreign investment.
- Tax incentives for research and development investment and support for advanced industry infrastructure have led to the continued nurturing of specialized talent and technological innovation.

Incentives/Regulatory Status

(INCENTIVE STATUS)

- ▶ The South Korean government operates a tax credit system for display sector research, personnel development expenses, and facility investments.
- ▶ Seven technologies, including AMOLED, microLED, and QD, are designated as new growth and original technologies. Investments in related R&D and facilities receive partial tax deductions.
- Investments in not only panels but also related materials, components, and equipment are eligible for support, enabling several small and medium-sized enterprises to utilize this system.

<Tax Credit Eligible Technologies>

Display	
National Strategic Technologies	New Growth/ Original Technologies
<ul style="list-style-type: none">① AMOLED panel design, manufacturing, process, module, and driving technology② Eco-friendly QD material-based display panel design, manufacturing, process, module, and driving technology③ Micro LED display panel design, manufacturing, process, module, and driving technology④ Deposition and coating material technology for display panel manufacturing⑤ Display TFT formation equipment and component technology	<ul style="list-style-type: none">① 9-inch or larger active organic light-emitting diode (AMOLED) panel functionality improvement and components, materials, and equipment manufacturing technology② Atmospheric pressure plasma etching equipment technology③ Flexible display panel, components, materials, and equipment manufacturing technology④ Next-generation vehicle display panel, components, materials, and equipment manufacturing technology⑤ MicroLED display panel, components, materials, and equipment manufacturing technology⑥ VR, AR, and MR display panel, components, materials, and equipment manufacturing technology⑦ Eco-friendly Quantum Dot (QD) nanomaterial-based display panel, components, materials, and equipment manufacturing technology

<Display Sector Tax Credit Rates by Item>

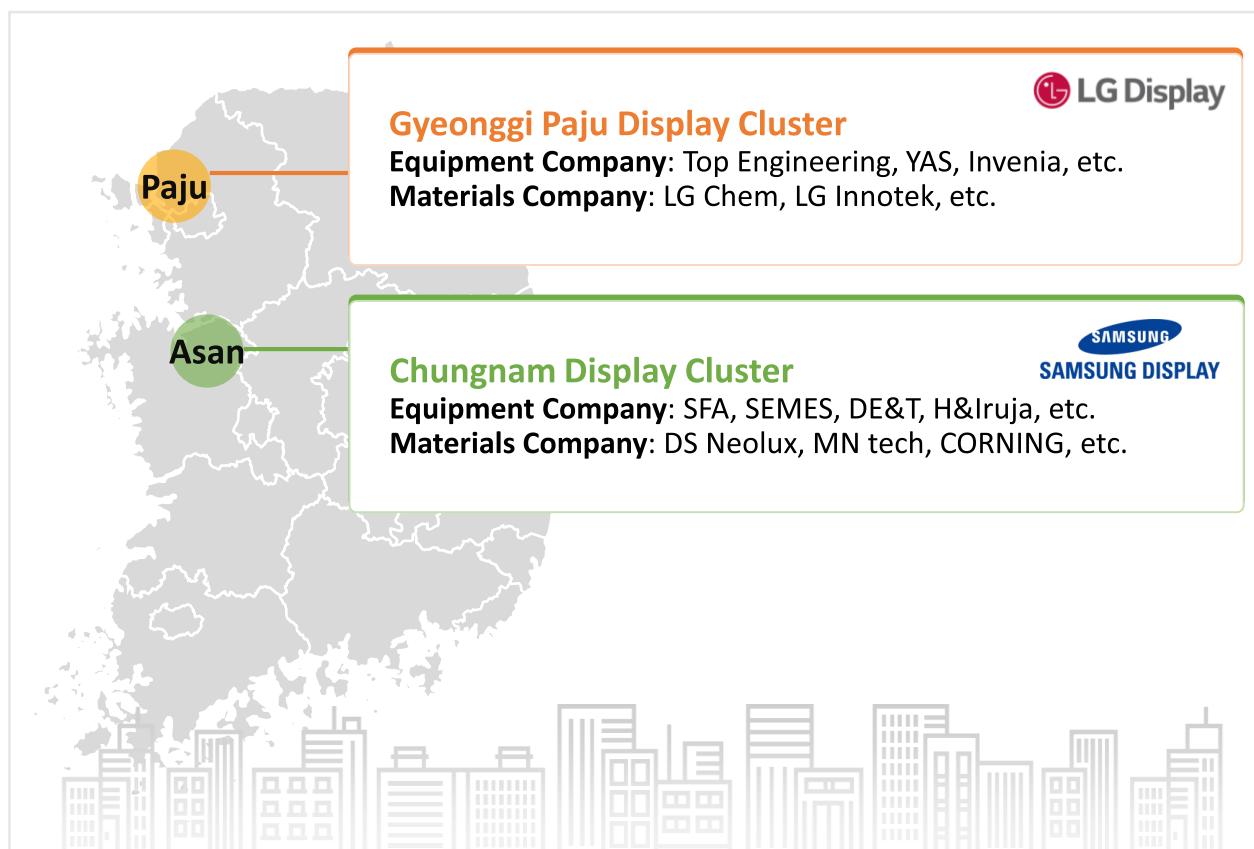
R&D(research and personnel development expenses)				
R&D	Tax Credit Rate			
	Large	Mid-sized	Small	
General	2%	8%	25%	
New Growth/Original Technologies	20~30%		30~40%	
National Strategic Technologies	30~40%		40~50%	

Facility investment				
R&D	Tax Credit Rate			Increase
	Large	Mid-sized	Small	
General	3%	7%	12%	+ 10%
New Growth/Original Technologies	6%	10%	18%	
National Strategic Technologies	15%	15%	25%	

Cluster Status

▶ Display Cluster Formation around Asan and Paju

- Asan and Tangjeong in Chungcheongnam-do possess excellent research and development capabilities, with over 10 universities located in the area and government support such as the Display Center.
- Paju is strategically located near a harbor and airport, allowing over 90% of production to be exported. Additionally, it is close to the metropolitan area, ensuring a steady supply of skilled personnel from nearby universities and specialized high schools.



Industry Development Policies

- ▶ **(DISPLAY INDUSTRY INNOVATION STRATEGY (2023))** The South Korean government is pushing forward with several support measures to secure super-gap technologies in the display industry and achieve the goal of becoming the global market leader.
- Policy goals include achieving a 50% global market share, maintaining a technology gap of more than five years from competing countries, reaching 80% self-reliance in materials, parts, and equipment, and nurturing 9,000 specialized workers.
 - To achieve these goals, the private sector plans to invest over KRW 65 trillion in South Korea from 2023 to 2027, while the government is implementing institutional support measures such as expanded tax credits, designation of specialized industrial clusters, regulatory relief, and more than KRW 1 trillion in research and development funding.

<Regaining the **World No. 1** Position in Displays in 2027>



Key Examples

- ▶ Sumitomo Chemical entered the South Korean market in 1991 and currently supplies key materials such as photoresists and touch sensor panels to South Korean display companies. It operates three production plants in Pyeongtaek, Iksan, and Samgi and has established technical research centers in Pyeongtaek and Iksan, where it conducts research and development for next-generation chemical materials such as flexible materials.
- ▶ Corning Precision Materials was established in South Korea in 1995 as a joint venture between Samsung and Corning. It supplies glasses, a critical material for LCD and OLED production, to South Korean companies. After starting production at its Gumi plant in 1996, it expanded to the Asan plant in 2003. The company also exports LCD glass produced in South Korea to China and is currently upgrading its OLED manufacturing facilities through investments in next-generation process equipment at its Asan plant.