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POSCO Co., Ltd. and its subsidiaries

Review Report

on Summarized Semi-annual Consolidated Financial Statements

1st half of 53rd period

From Jan. 1, 2020

to Jun. 30, 2020

1st half of 52nd period

From Jan. 1, 2019

to Jun. 30, 2019

Samjong Accounting Corp.

Review Report on Semi-annual Consolidated Financial Statements

Messrs. Shareholders and Board of Directors of POSCO Co., Ltd.

Aug. 13, 2020

Financial statements subject to review

I have reviewed the summarized Semi-annual Financial Statements of POSCO Co., Ltd. and its subsidiaries. The summarized Semi-annual Consolidated Financial Statements are composed of summarized Consolidated Statement of Financial Position as of June 30, 2020, summarized Consolidated Statements of Comprehensive Income for the three-month and six-month reporting period ending June 30, 2020 and 2019, summarized Consolidated Statement of Changes in Equity and summarized Consolidated Cash Flow Statement for the six-month reporting period ending June 30, 2020 and 2019, and a summary of significant accounting policies and other descriptive information.

Management's responsibility for financial statements

The management is responsible for preparing and fair presentation of this summarized Semi-annual Consolidated Financial Statements in accordance with Korean International Financial Reporting Standards No. 1034 (Interim Financial Report) and, also, responsible for any internal controls that it determines are necessary to prepare the summarized Semi-annual Consolidated Financial Statements that are free of material distortions due to fraud or error.

The auditor's responsibility

My responsibility is to conduct a review on the above summarized Semi-annual Consolidated Financial Statements, and, based on this review, to report the review results on this summary.

I have conducted a review in accordance with the Korean quarterly and semiannual financial statement review guidelines. The review is mainly conducted by questioning the company's financial and accounting officers, analytical procedures, and other review procedures. Additionally, since reviews are more limited in scope than audits conducted in accordance with the audit standards, these procedures do not provide assurance that the auditor will become aware of any significant issues that would have been identified in the audit. Therefore, I do not express an audit opinion.

Review opinion

As a result of my review, no matters in which the above summarized Semi-annual Consolidated Financial Statements were presented unfairly in terms of materiality were found in accordance with Korean International Financial Reporting Standards No. 1034 (Interim Financial Report).

Other matters

I have audited the Consolidated Statement of Financial Position as of December 31, 2019, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement (not attached to this review report) for the fiscal year ending as of December 31, 2019, in accordance with the Korean accounting audit standards and expressed an appropriate opinion in the audit report dated March 12, 2020. The Consolidated Statement of Financial Position as of December 31, 2019, attached for comparative purposes, does not differ from the audited Consolidated Statement of Financial Position above in terms of materiality.

152 Teheran-ro (27 floor, Yeoksam-Dong, Gangnam Finance Center), Gangnam-gu, Seoul

Representative Director of Samjong Accounting Corp., Gyo-tae Kim

This review report is valid as of the review report date (August 13, 2020). Certain subsequent events or circumstances, which may significantly affect the accompanying summarized semi-annual consolidated financial statements, may occur between the review report date and the time the review report is read and may result in modifications to this review report.

(Attached) Semi-annual Consolidated Financial Statements

POSCO Co., Ltd. and its subsidiaries

1st half of 53rd period

From Jan. 1, 2020

to Jun. 30, 2020

1st half of 52nd period

From Jan. 1, 2019

to Jun. 30, 2019

"The attached summarized Semi-annual Financial Statements were prepared by the Company."

Representative Director of POSCO Co., Ltd., In-hwa Jang

Head office location: (Road name address)	POSCO Co., Ltd. 6261 Donghaean-ro, Nam-gu, Pohang-si Gyeongsangbuk-do
(Phone)	054-220-0114

Summarized Semi-annual Consolidated Statement of Financial Position

Semi-annual period of 53rd period as of June 30, 2020
52nd period as of December 31, 2019

POSCO Co., Ltd. and its subsidiaries

(Unit: KRW)

Subject	Note	Semi-annual period of 53 rd (current) period	52 nd (previous) period
Assets			
I. Current assets		37,746,123,327,509	34,842,373,721,682
1. Cash and cash equivalents	21	6,038,265,565,367	3,514,872,380,076
2. Trade receivables	4,21,26,27, 34	8,561,530,079,240	9,078,351,262,797
3. Other receivables	5,21,34	1,562,007,580,533	1,581,516,517,853
4. Other financial assets	6,21	10,996,721,150,614	8,996,049,314,001
5. Inventories	7	9,743,454,794,914	10,920,319,761,897
6. Current tax assets		34,166,493,935	45,929,233,452
7. Assets held for sale	8	79,308,417,579	74,158,069,226
8. Other current assets	14	730,669,245,327	631,177,182,380
II. Non-current assets		44,365,723,747,409	44,216,287,409,109
1. Long-term trade receivables	4,21	169,333,212,776	198,785,241,457
2. Other receivables	5,21	1,205,454,437,829	1,140,878,561,380
3. Other financial assets	6,21	1,595,780,884,001	1,669,388,663,322
4. Investment in associates and joint ventures	9	3,990,671,790,204	3,927,754,825,705
5. Investment property	11	876,640,177,636	878,227,441,520
6. Property, Plant, and Equipment	12	30,161,877,490,929	29,925,972,800,156
7. Goodwill and other intangible assets	13	4,795,376,620,512	4,908,472,933,182
8. Net defined benefit assets	19	13,445,444,135	4,280,041,712
9. Deferred tax assets		1,281,441,824,031	1,237,285,286,331
10. Other non-current assets	14	275,701,865,356	325,241,614,344
Total assets		82,111,847,074,918	79,058,661,130,791
Liabilities			
I. Current liabilities		18,265,630,956,122	16,323,689,974,559
1. Trade payables	21,34	3,272,487,903,421	3,422,922,287,966
2. Borrowings	4,15,21	10,676,977,777,987	8,548,211,984,526
3. Other payables	16,21,34	1,755,224,580,795	1,879,507,655,517
4. Other financial liabilities	17,21	107,761,635,406	77,827,013,413
5. Current tax liabilities		369,516,592,337	396,615,898,146
6. Liabilities directly related to assets held for sale	8	-	7,886,706
7. Provisions	18,35	292,436,892,812	360,495,032,735
8. Other current liabilities	20,26,27	1,791,225,573,364	1,638,102,215,550
II. Non-current liabilities		16,253,070,569,934	14,940,264,335,957
1. Trade payables	21	14,094,815,570	20,066,563,114

2. Long-term borrowings	15,21	13,411,809,431,684	11,893,401,498,898
3. Other payables	16,21	613,401,175,837	585,129,148,892
4. Other financial liabilities	17,21	17,224,037,521	31,493,717,154
5. Net defined benefit liabilities	19	222,937,143,389	181,011,089,906
6. Deferred tax liabilities		1,482,859,321,677	1,691,497,535,300
7. Provisions	18,35	448,740,531,758	458,154,453,898
8. Other non-current liabilities	20,26	42,004,112,498	79,510,328,795
Total liabilities		34,518,701,526,056	31,263,954,310,516
Equity			
I. Controlling interests		44,330,920,821,075	44,471,872,428,744
1. Capital stock	22	482,403,125,000	482,403,125,000
2. Capital surpluses	22	1,335,149,108,659	1,376,251,374,089
3. Hybrid bond	23	199,383,500,000	199,383,500,000
4. Reserves	24	(1,169,285,776,774)	(1,157,979,639,409)
5. Treasury stock	25	(1,573,126,444,280)	(1,508,303,486,780)
6. Retained earnings		45,056,397,308,470	45,080,117,555,844
II. Non-controlling interests	23	3,262,224,727,787	3,322,834,391,531
Total equity		47,593,145,548,862	47,794,706,820,275
Total liabilities and equity		82,111,847,074,918	79,058,661,130,791

"Notes on the attached summarized Semi-annual Consolidated Financial Statements are part of this summarized Semi-annual Consolidated Financial Statements."

Summarized Semi-annual Consolidated Statement of Comprehensive Income

1st half of 53rd period From Jan. 1, 2020 to Jun. 30, 2020

1st half of 52nd period From Jan. 1, 2019 to Jun. 30, 2019

POSCO Co., Ltd. and its subsidiaries

(Unit: KRW)

Subject	Note	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
		3 months	Cumulative	3 months	Cumulative
I. Sales	26,27,34,37	13,721,554,433,650	28,267,367,241,877	16,321,334,900,123	32,335,572,618,355
II. Cost of sales	7,27,31,34	(12,987,612,063,003)	(26,223,142,045,247)	(14,707,162,422,996)	(28,908,028,670,116)
III. Gross profit on sales		733,942,370,647	2,044,225,196,630	1,614,172,477,127	3,427,543,948,239
IV. Selling and administrative expenses	31,34	(566,226,081,491)	(1,171,258,339,359)	(545,610,067,887)	(1,156,085,283,897)
1. Bad debt expenses		(25,337,498,071)	(35,324,709,722)	21,129,788,174	7,997,208,855
2. Other administrative expenses	28	(456,540,167,602)	(933,607,164,686)	(476,536,654,036)	(982,619,743,385)
3. Selling and logistical expenses	28	(84,348,415,818)	(202,326,464,951)	(90,203,202,025)	(181,462,749,367)
V. Operating profit		167,716,289,156	872,966,857,271	1,068,562,409,240	2,271,458,664,342
VI. Gains or losses from equity method	9	(11,529,785,104)	20,133,979,267	74,670,117,192	141,529,062,232
VII. Financial gains or losses	21,29	(21,379,858,783)	(47,232,117,708)	(77,069,900,855)	(133,648,673,433)
1. Financial revenues		210,668,822,412	1,530,093,402,865	532,861,975,364	1,026,876,497,773
2. Financial expenses		(232,048,681,195)	(1,577,325,520,573)	(609,931,876,219)	(1,160,525,171,206)
VIII. Other non-operating gains or losses	34	(660,792,258)	(51,319,601,490)	(95,681,531,282)	(161,916,620,135)
1. Other bad debt expenses		409,932,277	(787,194,183)	(12,026,895,987)	(15,416,102,723)
2. Other non-operating income	30	102,603,294,577	166,904,372,761	83,023,933,551	157,367,585,970
3. Other non-operating expenses	30,31	(103,674,019,112)	(217,436,780,068)	(166,678,568,846)	(303,868,103,382)
IX. Income before tax expenses	37	134,145,853,011	794,549,117,340	970,481,094,295	2,117,422,433,006
X. Income tax expense	32,37	(29,277,908,008)	(255,022,947,774)	(289,062,845,540)	(657,558,999,614)
XI. Semi-annual net income		104,867,945,003	539,526,169,566	681,418,248,755	1,459,863,433,392
XII. Other comprehensive income		250,762,166,167	(21,621,407,186)	134,577,689,522	289,363,654,428
1. Comprehensive income that will not be reclassified to profit or loss					
1) Remeasurement of the net defined benefit	19	1,197,668,415	(2,652,243,505)	(11,175,006,449)	(20,880,931,065)
2) Gain (loss) on valuation of equity securities	21	36,870,154,887	(165,966,296,796)	23,383,007,630	17,843,590,183
2. Comprehensive income that will be reclassified to profit or loss					
1) Gain on valuation of investment stock using the equity method		142,902,073,851	81,695,779,412	23,999,703,065	72,838,204,503
2) Gain (loss) on foreign currency translation of foreign operations		70,576,258,953	66,142,196,505	98,502,266,305	219,663,250,049
3) Gain (loss) on valuation of derivatives instruments	21	(783,989,939)	(840,842,802)	(132,281,029)	(100,459,242)
XIII. Total comprehensive income		355,630,111,170	517,904,762,380	815,995,938,277	1,749,227,087,820
XIV. Semi-annual net income attributable to:		104,867,945,003	539,526,169,566	681,418,248,755	1,459,863,433,392
1. Controlling interests		40,281,852,768	435,674,548,777	612,285,873,955	1,353,539,066,362
2. Non-controlling interests		64,586,092,235	103,851,620,789	69,132,374,800	106,324,367,030
XV. Total comprehensive income attributable to:		355,630,111,170	517,904,762,380	815,995,938,277	1,749,227,087,820
1. Controlling interests		282,754,560,633	412,741,392,337	742,367,231,712	1,654,769,612,695
2. Non-controlling interests		72,875,550,537	105,163,370,043	73,628,706,565	94,457,475,125
XVI. Earnings per share	33				
1. Basic earnings per share		483	5,400	7,622	16,854
2. Diluted earnings per share		483	5,400	7,622	16,854

"Notes on the attached summarized Semi-annual Consolidated Financial Statements are part of this summarized Semi-annual Consolidated Financial Statements."

Summarized Semi-annual Consolidated Statement of Changes in Equity

1st half of 53rd period From Jan. 1, 2020 to Jun. 30, 2020

1st half of 52nd period From Jan. 1, 2019 to Jun. 30, 2019

POSCO Co., Ltd. and its subsidiaries

(Unit: KRW)

Subject	Controlling interests							Non-controlling interests	Total
	Capital stock	Capital surpluses	Hybrid bonds	Reserves	Treasury stock	Retained earnings	Subtotal		
2019.1.1 (Beginning of the previous period)	482,403,125,000	1,410,551,114,419	199,383,500,000	(1,404,367,621,305)	(1,532,728,485,498)	44,216,018,006,790	43,371,259,639,406	3,388,291,231,001	46,759,550,870,407
Semi-annual consolidated total comprehensive income:									
Semi-annual consolidated net income	-	-	-	-	-	1,353,539,066,362	1,353,539,066,362	106,324,367,030	1,459,863,433,392
Other comprehensive income									
Remeasurement of the defined benefit plan	-	-	-	-	-	(10,623,935,994)	(10,623,935,994)	(10,256,995,071)	(20,880,931,065)
Gain on valuation of investment stock using the equity method	-	-	-	66,588,830,832	-	-	66,588,830,832	6,249,373,671	72,838,204,503
Gain on valuation of equity securities	-	-	-	36,310,691,366	-	(18,467,101,183)	17,843,590,183	-	17,843,590,183
Gain (loss) on foreign currency translation of foreign operations	-	-	-	227,517,497,592	-	-	227,517,497,592	(7,854,247,543)	219,663,250,049
Gain (loss) on valuation of derivatives instruments	-	-	-	(95,436,280)	-	-	(95,436,280)	(5,022,962)	(100,459,242)
Transactions with the owner directly reflected in the equity:									
Annual dividends	-	-	-	-	-	(400,005,660,000)	(400,005,660,000)	(60,202,423,369)	(460,208,083,369)
Interim dividends	-	-	-	-	-	(160,231,282,000)	(160,231,282,000)	-	(160,231,282,000)
Changes due to changes in consolidation scope	-	-	-	-	-	-	-	(874,023,463)	(874,023,463)
Changes due to capital increase of subsidiaries, etc.	-	(49,888,896,733)	-	-	-	-	(49,888,896,733)	7,171,722,795	(42,717,173,938)
Hybrid bond interest	-	-	-	-	-	(4,562,191,779)	(4,562,191,779)	(3,617,024,656)	(8,179,216,435)
Disposal of treasury stock	-	12,576,179,943	-	-	24,424,998,718	-	37,001,178,661	-	37,001,178,661
Others	-	1,699,142,211	-	(38,218,188,423)	-	45,205,987,352	8,686,941,140	(8,285,771,902)	401,169,238
2019.6.30 (End of the 1st semi-annual period)	482,403,125,000	1,374,937,539,840	199,383,500,000	(1,112,264,226,218)	(1,508,303,486,780)	45,020,872,889,548	44,457,029,341,390	3,416,941,185,531	47,873,970,526,921
2020.1.1 (Beginning of the current period)	482,403,125,000	1,376,251,374,089	199,383,500,000	(1,157,979,639,409)	(1,508,303,486,780)	45,080,117,555,844	44,471,872,428,744	3,322,834,391,531	47,794,706,820,275
Semi-annual consolidated total comprehensive income:									
Semi-annual consolidated net income	-	-	-	-	-	435,674,548,777	435,674,548,777	103,851,620,789	539,526,169,566
Other comprehensive income									
Remeasurement of the defined benefit plan	-	-	-	-	-	(2,768,443,896)	(2,768,443,896)	116,200,391	(2,652,243,505)
Gain on valuation of investment stock using the equity method	-	-	-	77,599,931,110	-	-	77,599,931,110	4,095,848,302	81,695,779,412
Gain on valuation of equity securities	-	-	-	(162,980,943,349)	-	(2,985,353,447)	(165,966,296,796)	-	(165,966,296,796)
Gain (loss) on foreign currency translation of foreign operations	-	-	-	69,000,453,804	-	-	69,000,453,804	(2,858,257,299)	66,142,196,505
3) Gain (loss) on valuation of derivatives instruments	-	-	-	(798,800,662)	-	-	(798,800,662)	(42,042,140)	(840,842,802)
Transactions with the owner directly reflected in the equity:									
Annual dividends	-	-	-	-	-	(320,462,564,000)	(320,462,564,000)	(60,516,980,975)	(380,979,544,975)
Interim dividends	-	-	-	-	-	(120,173,461,500)	(120,173,461,500)	-	(120,173,461,500)
Changes due to capital increase of subsidiaries, etc.	-	(6,765,831,257)	-	-	-	-	(6,765,831,257)	139,008,199,996	132,242,368,739
Redemption of redeemable convertible preference shares	-	(33,580,776,870)	-	-	-	-	(33,580,776,870)	(244,999,948,778)	(278,580,725,648)
Hybrid bond interest	-	-	-	-	-	(4,587,397,259)	(4,587,397,259)	(3,637,008,218)	(8,224,405,477)
Purchase of treasury stock	-	-	-	-	(64,822,957,500)	-	(64,822,957,500)	-	(64,822,957,500)
Others	-	(755,657,303)	-	5,873,221,732	-	(8,417,576,049)	(3,300,011,620)	4,372,704,188	1,072,692,568
2020.6.30 (End of the current semi-annual period)	482,403,125,000	1,335,149,108,659	199,383,500,000	(1,169,285,776,774)	(1,573,126,444,280)	45,056,397,308,470	44,330,920,821,075	3,262,224,727,787	47,593,145,548,862

"Notes on the attached summarized Semi-annual Consolidated Financial Statements are part of this summarized Semi-annual Consolidated Financial Statements."

Summarized Semi-annual Consolidated Cash Flow Statements

1st half of 53rd period From Jan. 1, 2020 to Jun. 30, 2020

1st half of 52nd period From Jan. 1, 2019 to Jun. 30, 2019

POSCO Co., Ltd. and its subsidiaries

(Unit: KRW)

Subject	Note	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
I. Cash Flows from Operating Activities		3,850,363,647,719	2,695,049,201,893
1. Cash flow generated from operating activities		4,272,944,031,747	3,713,049,841,987
A. Semi-annual consolidated net income		539,526,169,566	1,459,863,433,392
B. Adjustment		2,527,916,080,977	2,806,914,483,920
Depreciation		1,555,036,527,074	1,523,108,431,490
Amortization of intangible assets		230,393,770,375	203,732,693,250
Financial revenues		(749,166,010,333)	(562,510,326,354)
Financial expenses		894,469,790,995	712,547,071,822
Income tax expense		255,022,947,774	657,558,999,614
Impairment loss on PPE		21,399,597,853	149,658,892,593
Gains on disposals of property, plant and equipment		(7,346,240,254)	(16,362,013,072)
Losses on disposals of property, plant and equipment		78,989,201,407	37,395,907,355
Impairment loss on intangible assets		1,183,562,897	1,171,127,019
Gain on disposal of subsidiaries, associates and joint ventures		(41,338,944,436)	(15,820,639,025)
Loss on disposal of subsidiaries, associates and joint ventures		10,072,861,224	5,586,477,284
Gain on valuation using the equity method of accounting		(20,133,979,267)	(141,529,062,232)
Impairment loss on assets held for sale		5,030,000,000	3,346,337,411
Retirement benefits		123,988,868,307	117,225,996,402
Bad debt expenses		36,111,903,905	7,418,893,868
Loss on valuation of inventories		129,397,696,843	73,600,282,991
Transfer of provisions		19,156,026,929	82,758,991,197
Other expenses (revenue)		(14,351,500,316)	(31,973,577,693)
C. Net changes in assets and liabilities resulting from operations	36	1,205,501,781,204	(553,728,075,325)
2. Interest received		175,455,120,525	188,096,008,476
3. Interest paid		(346,722,976,968)	(389,714,446,105)
4. Dividends received		140,615,843,885	156,730,275,562
5. Income tax burden		(391,928,371,470)	(973,112,478,027)
II. Cash flows from investing activities		(3,679,308,406,849)	(538,183,377,982)
1. Purchase of short-term financial instruments		(21,020,169,172,275)	(15,440,039,494,554)
2. Proceeds from sales of short-term financial instruments		19,491,360,304,986	16,213,040,233,808
3. Payment of loans		(503,914,002,322)	(164,573,671,562)
4. Collection of loans		544,805,813,774	190,831,438,426
5. Purchase of securities		(674,766,971,024)	(370,458,029,459)
6. Proceeds from sales of securities		270,641,966,759	165,241,889,777
7. Purchase of investment shares in associates and joint ventures		(85,907,580,915)	(45,979,805,407)
8. Proceeds from sales of investment shares in associates and joint ventures		7,591,485,875	3,598,232,250
9. Purchase of investment property		(3,906,949,514)	(12,230,168,676)
10. Proceeds from sales of investment property		249,763,617	1,126,661,613
11. Purchase of PPE		(1,622,464,638,366)	(990,483,187,261)
12. Proceeds from sales of PPE		(19,138,714,498)	30,956,633,869
13. Purchase of intangible assets		(197,535,462,618)	(158,570,347,685)
14. Proceeds from sales of intangible assets		71,304,012,799	9,225,695,630
15. Proceeds from sales of assets held for sale		589,583,254	311,187,920
16. Collection of lease receivables		27,452,715,228	19,107,056,710

17. Purchase of net assets due to changes in consolidation scope	-	(33,014,322,900)
18. Proceeds from sales of net assets due to changes in consolidation scope	38,360,240,107	34,265,647,390
19. Cash flows from other investing activities	(3,860,801,716)	9,460,972,129
III. Cash flows from financing activities	2,350,284,554,945	(2,305,440,544,548)
1. Borrowing of debentures and long-term borrowings	3,218,540,469,703	892,586,990,884
2. Repayment of debentures and long-term borrowings	(1,044,881,116,838)	(1,372,043,719,206)
3. Net borrowing of short-term borrowings	994,266,357,025	(1,131,448,808,031)
4. Capital paid by non-controlling shareholders	139,008,199,996	23,578,848,000
5. Payment of dividends	(500,915,011,456)	(625,405,553,670)
6. Purchase of treasury stock	(64,822,957,500)	-
7. Hybrid bond interest paid	(8,249,610,957)	(8,204,421,915)
8. Repayment of lease payables	(96,092,199,069)	(85,989,096,245)
9. Redemption of redeemable convertible preference shares	(278,580,725,648)	-
10. Cash flows from other financing activities	(7,988,850,311)	1,485,215,635
IV. Change in cash due to foreign currency exchange	4,699,082,029	57,955,894,278
V. Increase (reduction) of cash (I+II+III+IV)	2,526,038,877,844	(90,618,826,359)
VI. Cash at the beginning of the period	8	2,643,864,862,314
VII. Cash at the end of the semi-annual period	8	2,553,246,035,955

"Notes on the attached summarized Semi-annual Consolidated Financial Statements are part of this summarized Semi-annual Consolidated Financial Statements."

Notes

POSCO Co., Ltd. and its subsidiaries

As of June 30, 2020

1. General information

The general details of POSCO Co., Ltd. (hereinafter referred to as "the Company"), a parent company according to Korea International Financial Reporting Standards No. 1110 (Consolidated Financial Statements), 33 domestic subsidiaries including POSCO E&C, which are subject to preparation of consolidated financial statements, 131 overseas subsidiaries including POSCO America Corporation and 133 affiliates and joint ventures are as follows.

(1) Overview of controlling company

The Company was established on April 1, 1968 for the purpose of producing and selling rolling materials, iron making and steel making and is the largest integrated steel mill in Korea based on crude steel capacity.

On June 10, 1988, the Company was listed on the Korea Exchange, and as of the end of the current semi-annual period, two steel mills (Pohang and Gwangyang) and one office in Korea and six offices overseas are being established and operated.

As of the end of the current semi-annual period, the Company's stocks are listed on the Korea Exchange and the Stock Depository on the New York Stock Exchange.

(2) Subsidiaries newly included in the consolidation

The status of subsidiaries included in the consolidated financial statements for the first time during the current semi-annual period is as follows:

Company	Date incorporated	Purchased Equity (%)	Reason
POSCO International (Thailand) Co., Ltd.	Jan. 2020	100	New establishment
PT POSCO INTERNATIONAL INDONESIA	Jan. 2020	100	New establishment
POSCO SPS Co., Ltd.	Apr. 2020	100	New establishment

(3) Subsidiaries excluded from the consolidation

The current status of subsidiaries excluded from the preparation of consolidated financial statements during the current semi-annual period is as follows:

Company	Date excluded	Reason
LA-SRDC	Apr. 2020	Liquidation
POSCO China Dalian Plate Processing Center Co., Ltd.	Jun. 2020	Disposal

2. Financial statement creation standards

(1) Application of accounting standards

The semi-annual consolidated financial statements of POSCO Co., Ltd. and its subsidiaries (hereinafter referred as "the Group") are summarized interim consolidated financial statements prepared in accordance with the K-IFRS. The summarized semi-annual consolidated financial statements were prepared in accordance with K-IFRS 1034 (Interim Financial Report) and contain less information than the information required in the annual consolidated financial statements. Selective notes include explanations of transactions or events that are significant in understanding changes in the financial position and management performance of the Group that occurred after the end of the previous annual reporting period.

(2) Estimates and judgments

1) Management's judgments and uncertainties in assumptions and estimates

In the K-IFRS, it is required to use estimates and assumptions based on management's best judgment regarding the matters affecting the reported amounts of assets, liabilities, income and expenses as of the end of the interim reporting period and the application of accounting policies in preparing interim consolidated financial statements. If the estimates and assumptions based on management's best judgment as of the end of the interim reporting period differ from actual circumstances, actual results may differ from these estimates. The estimates and basic assumptions for estimation made are constantly being reviewed. Changes in accounting estimates are recognized for the period in which the estimates are changed and affected in the future.

Management's judgment on the estimated amount and the application of the Group's accounting policy used in summarized semi-annual financial statements was based on the same accounting policies and basis of the estimates as the annual consolidated financial statements for the fiscal year ended December 31, 2019.

With the spread of COVID-19 around the world, governments around the world are implementing measures such as factory closures, self-isolation, entry restrictions, and travel bans to control this. The ultimate impact of the COVID-19 pandemic on the Group's operations is not yet known, and it is expected to change depending on the future developments. The duration and severity of COVID-19 are very uncertain and unpredictable, and the protective measures of the government or the Group may result in substantial business disruption and decrease in business size. The financial impact of this cannot be estimated reasonably, but management expects that most of the regions and business units in which the Group operates will be affected to some extent. The extent and duration of the impact of COVID-19 on the Group's operations cannot yet be determined.

2) Fair value measurement

The Group has established policies and procedures for fair value evaluation. These policies and procedures include the operation of the evaluation department responsible for reviewing all significant fair value measurements, including fair values classified as Level 3 in the fair value hierarchy, and the results are reported directly to the finance officer.

The valuation department regularly reviews significant inputs and evaluation adjustments that are not observable. In the case of using third-party information such as broker prices or evaluation agencies in fair value measurement, evaluation, based on information obtained from third parties by the evaluation department, is being determined whether it can be concluded that the requirements of the relevant standard are met and includes classification by level within the fair value hierarchy.

The Group reports significant evaluation issues to the Audit Committee.

When measuring the fair value of an asset or liability, the Group uses input variables that are observable in the market as much as possible. Fair value is classified within the fair value hierarchy based on the input variables used in valuation techniques as follows:

Level 1	Unadjusted published price in an accessible active market for the same assets or liabilities at the measurement date
Level 2	Directly or indirectly observable input variables to assets or liabilities other than the published price at Level 1
Level 3	Unobservable input variables to assets or liabilities

If multiple inputs used to measure the fair value of an asset or liability are classified at different levels within the fair value hierarchy, the Group classifies the entire fair value measurement at the same level as the lowest level input variable in the fair value hierarchy, which is significant for the entire measurement value, and recognizes a shift between levels in the fair value hierarchy at the end of the reporting period in which the change occurred.

3. Significant accounting policy

The Group applies the same accounting policies as applied when preparing the annual consolidated financial statements for the fiscal year ending December 31, 2019, except for the matters specified in K-IFRS 1034 (Interim Financial Reporting) and the matters described below. Changes in accounting policies described below will also be reflected in the annual consolidated financial statements for the fiscal year ending December 31, 2020.

(1) K-IFRS No.1001 (Expression of Financial Statements) and No.1008 (Accounting Policies, Changes and Errors in Accounting Estimates)

'Definition of materiality' has been clarified, and K-IFRS No.1001 (Expression of Financial Statements) and No. 1008 (Accounting Policies, Changes and Errors in Accounting Estimates) have been revised according to the clear definition. When

determining materiality, not only omissions or misrepresentations of important information, but also the impact of non-important information were considered, and the characteristics of information users were taken into account when determining the information to be disclosed. The Group expects that this amendment will not affect the consolidated financial statements.

(2) K-IFRS No.1103 (Business Combination)

In the revised standard, the set of acquired activities and assets shall contain inputs and substantive processes with the ability to contribute significantly to the creation of outputs to meet the definition of a business. In addition, if the fair value of most of the total assets acquired is concentrated in a single identifiable asset or set of assets, then the set of acquired activities and assets can be determined as an asset or set of assets rather than a business. The Group expects that this amendment will not affect the consolidated financial statements.

(3) K-IFRS No.1109 (Financial Instruments), No.1039 (Financial Instruments: Recognition and Measurement), No.1107 (Financial Instruments: Public Announcement)

The revised standard requires exceptions to be applied when analyzing future prospects in relation to the application of hedging accounting while uncertainty from the interest rate indicator reform movement exists. In the exceptions, when evaluating whether there is a very high probability of occurrence of expected cash flow based on the existing interest rate indicator, whether there is an economic relationship between the hedged item and the hedging instrument, and whether there is a high hedging effect between the two, it is assumed that the interest rate indicator that the hedged item and the hedging instrument are based on does not change due to the impact of the interest rate indicator reform. There is no material impact on the consolidated financial statements of the amendment of the standard.

4. Trade receivables

As of the end of the current semi-annual period and the previous period, trade receivables of the Group are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Trade receivables	7,730,664	8,352,968
Financial lease receivables	234	221
Unclaimed construction	1,266,197	1,136,436
Allowance for bad debts	(435,565)	(411,274)
Total	8,561,530	9,078,351
[Non-current items]		
Trade receivables	179,984	209,310
Financial lease receivables	44,740	43,725
Allowance for bad debts	(55,391)	(54,250)
Total	169,333	198,785

As of the end of the current semi-annual period and the previous period, of the Group's accounts receivables, which were sold to financial institutions, the carrying amount of trade receivables that do not meet the elimination conditions because the financial institution owns claims is KRW 240,786 million and KRW 244,305 million, respectively. The fair value of the trade receivable is close to the carrying amount, which is included in short-term borrowings.

5. Other receivables

As of the end of the current semi-annual period and the previous period, other receivables of the Group are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current)period	52nd (previous) period
[Current items]		
Short-term loans	305,784	367,580
Accounts receivables	947,622	971,845
Accrued revenue	333,663	272,528
Short-term deposit	67,742	86,519
Other current assets	21,007	14,510
Lease receivables	51,009	48,744

Allowance for bad debts	(164,819)	(180,209)
Total	1,562,008	1,581,517
[Non-current items]		
Long-term loans	713,916	701,529
Long-term receivables	222,348	209,039
Long-term accrued revenue	75,686	65,275
Long-term deposit	281,286	238,261
Long-term lease receivables	169,230	179,315
Allowance for bad debts	(257,012)	(252,540)
Total	1,205,454	1,140,879

6. Other financial assets

As of the end of the current semi-annual period and the previous period, other financial assets of the Group are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Derivative assets	142,578	47,541
Debt securities	690,538	342,371
Deposit (Note 1, 2)	2,742,343	1,744,895
Short-term financial instruments (Note 2)	7,421,262	6,861,242
Total	10,996,721	8,996,049
[Non-current items]		
Derivative assets	192,994	64,737
Equity securities (Note 3)	1,017,957	1,204,902
Debt securities	19,272	25,555
Other securities(Note 3)	311,402	340,008
Deposit (Note 2)	54,156	34,187
Total	1,595,781	1,669,389

(Note 1) As of the end of the current semi-annual period and the previous period, deposits of KRW 5,689 million and KRW 4,524 million, respectively, are restricted in terms of government consignment projects.

(Note 2) As of the end of the current semi-annual period and the previous period, the use of financial instruments of KRW 74,830 million and KRW 73,525 million, respectively, are restricted in relation to financial arrangements and collateral provision.

(Note 3) As of the end of the current semi-annual period and the end of the previous period, pledges of KRW 108,792 million and KRW 109,395 million have been set in the securities of the Group for borrowing and construction projects, respectively.

7. Inventories

As of the end of the current semi-annual period and the previous period, inventories of the Group are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Products	1,610,663	1,655,228
Goods	946,938	1,058,874
Semi-finished products	1,587,368	2,097,289
Raw materials	2,789,427	2,656,341
Fuel and materials	906,740	1,026,133
Construction inventories	848,098	734,649
Goods to arrive	1,205,936	1,824,044
Other inventories	65,580	83,905
Subtotal	9,960,750	11,136,463
Provisions for valuation loss	(217,295)	(216,143)
Total	9,743,455	10,920,320

Loss on valuation of inventories reflected in the cost of sales during the current semi-annual period and the previous period, were KRW 129,398 million and KRW 96,201 million, respectively.

8. Assets held for sale

As of the end of the current semi-annual period and the previous period, the Group's assets held for sale and related liabilities are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period			52nd (previous) period		
	Controlling company (Note 1)	Subsidiaries (Note 2)	Total	Controlling company (Note 1)	Subsidiaries	Total
[Assets]						
Cash and cash equivalents (Note 3)	-	3,019	3,019	-	374	374
Other financial assets	-	43,734	43,734	-	185	185
Property, Plant, and Equipment	31,705	-	31,705	36,321	32,972	69,293
Others	812	38	850	-	4,306	4,306
Total	32,517	46,791	79,308	36,321	37,837	74,158
[Liabilities]						
Others	-	-	-	-	8	8

(Note 1) During the previous period, the Company decided to sell the discontinued individual assets such as the CEM plant, and classified the assets as held for sale. The Company recognized an impairment loss of KRW 5,030 million for the difference between the CEM plant's carrying amount and the fair value less costs to sell during the current semi-annual period.

(Note 2) The Company decided to dissolve the POSCO Family Strategy Fund, which is a subsidiary, in the current semi-annual period, and accordingly, classified the assets of the POSCO Family Strategy Fund as held for sale.

(Note 3) In the cash at the end of the current semi-annual period and the previous period in the consolidated cash flow statement includes cash and cash equivalents classified as held for sale.

9. Investment in associates and joint ventures

(1) As of the end of the current semi-annual period and the previous period, the Group's investments in associates are as follows:

(Unit: million KRW)

Company	Semi-annual of 53rd (current) period				52nd (previous) period
	Shares held (shares)	Ratio of shares (%)	Purchase cost	Carrying amount	Carrying amount
[Domestic]					
EQP POSCO. Global No. 1 Overseas Resource Development Private Equity Investment Company	178,787,468,209	33.41	178,787	175,248	175,907
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.) (Note 1, 2)	4,507,138	34.00	179,410	154,267	161,280
SNNC Co., Ltd.	18,130,000	49.00	90,650	140,813	142,602
QS One Co., Ltd.	200,000	50.00	84,395	85,634	85,887
Chuncheon Energy Co., Ltd. (Note 1)	17,308,143	49.10	86,541	48,973	56,679
Seobu Inland Expressway Co., Ltd.	8,818,236	29.80	44,091	43,552	5,115
Nextrain Co., Ltd. (Note 1)	8,321,920	32.00	41,610	39,932	41,447
Keystone-Hyundai Securities No. 1 Private Equity Investment Company	22,523,123	52.58	22,523	19,437	19,438
NEXPOLIS Co., Ltd.	2,008,000	29.53	10,040	17,250	17,824
Daesung Steel Co., Ltd. (Note 3)	108,038	17.54	14,000	15,281	15,375
PCC Amberstone 1st Private Equity Partnership (Note 3)	8,670,897,169	8.80	8,671	9,230	9,570

Others (57 companies) (Note 1)				111,339	114,490
Subtotal				860,956	845,614
[Overseas]					
South-East Asia Gas Pipeline Company Ltd.	135,219,000	25.04	135,899	229,364	225,933
AES-VCM Mong Duong Power Company Limited (Note 4)	-	30.00	164,303	181,333	178,892
9404-5515 Quebec Inc. (formerly, 7623704 Canada Inc.) (Note 3, 5)	114,452,000	10.40	124,341	137,516	131,529
Eureka Moly LLC	-	20.00	240,123	88,505	85,349
AMCI (WA) PTY LTD	49	49.00	209,664	72,662	72,937
NCR LLC	-	29.40	49,744	47,845	46,391
KOREA LNG LTD.	2,400	20.00	135,205	46,582	46,557
Nickel Mining Company SAS	3,234,698	49.00	157,585	38,631	37,940
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	134,400,000	40.00	22,423	22,719	22,356
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	10,200,000	34.00	9,517	15,411	15,128
PT. Wampu Electric Power (Note 1)	8,708,400	20.00	10,054	14,556	13,363
PT. Batutua Tembaga Raya	128,285	22.00	21,824	10,274	14,717
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	50	25.00	4,723	7,015	6,755
Others (27 companies) (Note 1)				103,407	121,048
Subtotal				1,015,820	1,018,895
Total				1,876,776	1,864,509

(Note 1) As of the end of the current semi-annual and the previous period, the Group provides equity investments of associates of KRW 278,999 million and KRW 258,754 million as collateral in relation to borrowings by associates.

(Note 2) During the current semi-annual period, POS Power Co., Ltd. changed its name to Samcheok Blue Power Co., Ltd.

(Note 3) As of the end of the current semi-annual period, the ratio of shares was less than 20%, but it was classified as an associate company as it was deemed to have a significant influence when considering the composition of the board of directors.

(Note 4) As of the end of the current semi-annual period and the previous period, the Group provides shares of PSC Energy Global Co., Ltd., a subsidiary, as collateral in relation to the borrowings of the relevant associate.

(Note 5) During the current semi-annual period, 7623704 Canada Inc. changed its name to 9404-5515 Quebec Inc.

(2) As of the end of the current semi-annual period and the previous period, the Group's investments in joint ventures are as follows:

(Unit: million KRW)

Company	Semi-annual of 53rd (current) period				52nd (previous) period
	Shares held (shares)	Ratio of shares (%)	Purchase cost	Carrying amount	Carrying amount
[Domestic]					
PMC Tech Co., Ltd.	11,568,000	60.00	115,680	150,859	182,648
Others (8 companies)				13,597	10,305
Subtotal				164,456	192,953
[Overseas]					
Roy Hill Holdings Pty Ltd. (Note 1)	13,117,972	12.50	1,528,672	1,326,394	1,235,682
POSCO-NPS Niobium LLC	325,050,000	50.00	364,609	390,336	376,410
KOBRASCO	2,010,719,185	50.00	32,950	54,813	115,641
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	-	25.00	61,961	91,406	88,935
DMSA/AMSA (Note 1, 2)	-	4.06	398,970	52,678	12,189
CSP - Companhia Siderurgica do Pecem	1,367,314,532	20.00	631,796	-	-

Others (10 companies)	33,813	41,436
Subtotal	1,949,440	1,870,293
Total	2,113,896	2,063,246

(Note 1) As of the end of the current semi-annual period and the previous period, the Group provides investment shares of the joint venture as collateral in relation to the borrowings of the joint venture.

(Note 2) In order to defer the repayment of the borrowings of the joint venture, investors of the joint venture provide funding arrangements. However, the Group determines that the resolution to provide supplementary funds is invalid and is proceeding with arbitration, and the Group's obligation to supplement funds is suspended and may vary depending on the arbitration result.

(3) Changes in investments in associates and joint ventures of the Group during the current semi-annual period and the previous period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Beginning of the period	Acquisition	Dividends received	Gains or losses from equity method	Other increase or decrease (Note 1)	End of the period
[Domestic]						
EQP POSCO. Global No. 1 Overseas Resource Development Private Equity Investment Company	175,907	-	-	(659)	-	175,248
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.) (Note 2)	161,280	-	-	(1,602)	(5,411)	154,267
SNNC Co., Ltd.	142,602	-	(2,901)	(805)	1,917	140,813
QS One Co., Ltd.	85,887	-	(1,140)	887	-	85,634
Chuncheon Energy Co., Ltd.	56,679	-	-	(8,079)	373	48,973
Seobu Inland Expressway Co., Ltd.	5,115	38,670	-	(236)	3	43,552
Nextrain Co., Ltd.	41,447	-	-	(1,515)	-	39,932
Keystone-Hyundai Securities No. 1 Private Equity Investment Company	19,438	-	-	(1)	-	19,437
NEXPOLIS Co., Ltd.	17,824	-	-	(574)	-	17,250
Daeseong Steel Co., Ltd.	15,375	-	-	(94)	-	15,281
PCC Amberstone 1st Private Equity Partnership	9,570	-	(378)	121	(83)	9,230
PMC Tech Co., Ltd.	182,648	-	(19,401)	(12,388)	-	150,859
Others (65 companies)	124,795	9,614	(348)	(12,591)	3,466	124,936
Subtotal	1,038,567	48,284	(24,168)	(37,536)	265	1,025,412
[Overseas]						
South-East Asia Gas Pipeline Company Ltd.	225,933	-	(29,933)	24,736	8,628	229,364
AES-VCM Mong Duong Power Company Limited	178,892	-	(12,753)	19,291	(4,097)	181,333
9404-5515 Quebec Inc. (formerly, 7623704 Canada Inc.) (Note 3)	131,529	-	(7,380)	8,163	5,204	137,516
Eureka Moly LLC	85,349	-	-	(7)	3,163	88,505
AMCI (WA) PTY LTD	72,937	-	-	(1,542)	1,267	72,662
NCR LLC	46,391	-	-	(427)	1,881	47,845
KOREA LNG LTD.	46,557	-	(5,331)	5,279	77	46,582
Nickel Mining Company SAS	37,940	-	-	(993)	1,684	38,631
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	22,356	-	-	(168)	531	22,719
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	15,128	-	-	(142)	425	15,411
PT. Wampu Electric Power	13,363	-	-	707	486	14,556
PT. Batutua Tembaga Raya	14,717	-	-	(4,758)	315	10,274
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	6,755	-	-	(3)	263	7,015
Roy Hill Holdings Pty Ltd	1,235,682	-	-	63,198	27,514	1,326,394
POSCO-NPS Niobium LLC	376,410	-	(4,774)	4,733	13,967	390,336
KOBRASCO	115,641	-	(37,922)	5,832	(28,738)	54,813
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	88,935	-	-	481	1,990	91,406
DMSA/AMSA	12,189	52,692	-	(14,279)	2,076	52,678
CSP - Companhia Siderurgica do Pecem	-	37,623	-	(42,126)	4,503	-
Others (37 companies)	162,484	-	(10,329)	(10,305)	(4,630)	137,220
Subtotal	2,889,188	90,315	(108,422)	57,670	36,509	2,965,260
Total	3,927,755	138,599	(132,590)	20,134	36,774	3,990,672

(Note 1) It is an increase or decrease due to the gain on valuation of investment stock using the equity method caused by the changes in accumulated other comprehensive income of the investee and the disposal for the current semi-annual period.

(Note 2) During the current semi-annual period, POS Power Co., Ltd. changed its name to Samcheok Blue Power Co., Ltd.

(Note 3) During the current semi-annual period, 7623704 Canada Inc. changed its name to 9404-5515 Quebec Inc.

2) 52nd (previous) period

(Unit: million KRW)

Company	Beginning of the period	Acquisition	Dividends received	Gains or losses from equity method	Other increase or decrease (Note 1)	End of the period
[Domestic]						
EQP POSCO. Global No. 1 Overseas Resource Development Private Equity Investment Company	174,123	-	-	(976)	2,760	175,907
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.) (Note 2)	161,477	-	-	(4,744)	4,547	161,280
SNNC Co., Ltd.	116,922	-	(1,450)	27,655	(525)	142,602
QS One Co., Ltd.	85,550	-	(950)	1,287	-	85,887
Chuncheon Energy Co., Ltd	62,478	6,050	-	(11,849)	-	56,679
Seobu Inland Expressway Co., Ltd.	1,494	3,752	-	(167)	36	5,115
Nextrain Co., Ltd.	10	41,600	-	(163)	-	41,447
Keystone-Hyundai Securities No. 1 Private Equity Investment Company	11,183	8,723	-	(342)	(126)	19,438
NEXPOLIS Co., Ltd.	17,382	-	-	442	-	17,824
Daeseong Steel Co., Ltd.	15,644	-	-	(269)	-	15,375
PCC Amberstone 1st Private Equity Partnership	9,693	-	(723)	1,079	(479)	9,570
PMC Tech Co., Ltd.	180,192	-	(16,369)	19,377	(552)	182,648
Others (62 companies)	143,578	27,221	(669)	(24,448)	(20,887)	124,795
Subtotal	979,726	87,346	(20,161)	6,882	(15,226)	1,038,567
[Overseas]						
South-East Asia Gas Pipeline Company Ltd.	179,459	-	(24,267)	63,749	6,992	225,933
AES-VCM Mong Duong Power Company Limited	209,936	-	(18,099)	24,126	(37,071)	178,892
9404-5515 Quebec Inc. (formerly, 7623704 Canada Inc.) (Note 3)	126,885	-	(9,902)	9,912	4,634	131,529
Eureka Moly LLC	82,447	-	-	(25)	2,927	85,349
AMCI (WA) PTY LTD	71,086	-	-	(4,377)	6,228	72,937
NCR LLC	37,602	9,605	-	(822)	6	46,391
KOREA LNG LTD.	43,554	-	(13,404)	13,501	2,906	46,557
Nickel Mining Company SAS	41,712	-	-	(4,250)	478	37,940
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	-	22,423	-	61	(128)	22,356
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	14,796	-	-	10	322	15,128
PT. Wampu Electric Power	14,120	-	-	(1,247)	490	13,363
PT. Batutua Tembaga Raya	20,479	-	-	(6,209)	447	14,717
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	6,478	-	-	80	197	6,755
Roy Hill Holdings Pty Ltd	1,041,600	-	-	158,562	35,520	1,235,682
POSCO-NPS Niobium LLC	363,506	-	(24,933)	24,543	13,294	376,410
KOBRASCO	133,449	-	(74,716)	56,474	434	115,641
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	88,391	-	(1,574)	665	1,453	88,935
DMSA/AMSA	26,709	23,682	-	(40,415)	2,213	12,189
CSP - Companhia Siderurgica do Pecem	24,832	35,352	-	(57,647)	(2,537)	-
Others (38 companies)	143,236	552	(19,430)	30,168	7,958	162,484
Subtotal	2,670,277	91,614	(186,325)	266,859	46,763	2,889,188
Total	3,650,003	178,960	(206,486)	273,741	31,537	3,927,755

(Note 1) It is an increase or decrease due to the gain on valuation of investment stock using the equity method caused by the changes in accumulated other comprehensive income of the investee and the disposal for the previous period.

(Note 2) During the current semi-annual period, POS Power Co., Ltd. changed its name to Samcheok Blue Power Co., Ltd.

(Note 3) During the current semi-annual period, 7623704 Canada Inc. changed its name to 9404-5515 Quebec Inc.

(4) As of the end of the current semi-annual period and the previous period, the summarized financial information of major associates and joint ventures is as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Assets	Liabilities	Equity	Sales	Gains (losses) for the current period
[Domestic]					

EQP POSCO. Global No. 1 Overseas Resource Development Private Equity Investment Company	514,469	570	513,899	-	(1,974)
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.) (Note 1)	956,378	467,794	488,584	-	(2,705)
SNNC Co., Ltd.	534,166	230,490	303,676	299,820	(10,070)
QS One Co., Ltd.	249,626	78,357	171,269	8,366	1,774
Chuncheon Energy Co., Ltd	613,715	513,012	100,703	126,067	(16,766)
Seobu Inland Expressway Co., Ltd.	155,127	9,847	145,280	-	(791)
Nextrain Co., Ltd.	139,400	11,758	127,642	-	(1,239)
Keystone-Hyundai Securities No. 1 Private Equity Investment Company	184,366	135,430	48,936	9,678	119
NEXPOLIS Co., Ltd.	53,271	25,168	28,103	4,197	(1,944)
Daeseong Steel Co., Ltd.	168,164	112,428	55,736	37,567	(532)
PCC Amberstone 1st Private Equity Partnership	104,936	4	104,932	6,379	1,377
PMC Tech Co., Ltd.	439,971	188,618	251,353	54,254	(20,022)
[Overseas]					
South-East Asia Gas Pipeline Company Ltd.	1,784,195	868,215	915,980	229,933	98,785
9404-5515 Quebec Inc. (formerly, 7623704 Canada Inc.)(Note 2)	1,334,428	3	1,334,425	-	78,489
KOREA LNG LTD.	233,268	356	232,912	27,403	26,394
Nickel Mining Company SAS	494,816	361,745	132,071	98,514	(13,569)
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	74,173	17,554	56,619	96	(546)
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd Tinplate Industrial Co., Ltd	71,036	20,083	50,953	44,913	(419)
PT. Wampu Electric Power	229,179	159,480	69,699	9,627	3,537
PT. Batutua Tembaga Raya	429,571	419,014	10,557	30,787	(22,099)
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	62,771	34,263	28,508	31,476	(9)
Roy Hill Holdings Pty Ltd	8,129,371	1,917,673	6,211,698	1,949,870	666,933
POSCO-NPS Niobium LLC	780,468	-	780,468	-	9,465
KOBRASCO	156,151	46,526	109,625	20,991	11,663
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	960,840	622,080	338,760	596,986	2,617
DMSA/AMSA	5,720,392	3,288,368	2,432,024	219,424	(356,736)
CSP - Companhia Siderurgica do Pecem	3,001,764	4,148,534	(1,146,770)	669,786	(1,213,081)

(Note 1) During the current semi-annual period, POS Power Co., Ltd. changed its name to Samcheok Blue Power Co., Ltd.

(Note 2) During the current semi-annual period, 7623704 Canada Inc. changed its name to 9404-5515 Quebec Inc.

2) 52nd (previous) period

(Unit: million KRW)

Company	Assets	Liabilities	Equity	Sales	Gains (losses) for the current period
[Domestic]					
EQP POSCO. Global No. 1 Overseas Resource Development Private Equity Investment Company	516,659	786	515,873	-	7,479
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.) (Note 1)	707,051	199,846	507,205	-	(5,294)
SNNC Co., Ltd.	677,508	357,843	319,665	738,977	63,269
QS One Co., Ltd.	250,364	78,589	171,775	17,591	2,576
Chuncheon Energy Co., Ltd	610,089	492,62	117,469	313,438	(24,677)
Seobu Inland Expressway Co., Ltd.	21,980	5,165	16,815	-	(528)
Nextrain Co., Ltd.	136,203	7,322	128,881	-	(509)
Keystone-Hyundai Securities No. 1 Private Equity Investment Company	187,156	138,219	48,937	18,342	(887)
NEXPOLIS Co., Ltd.	53,019	22,971	30,048	17,824	1,497
Daeseong Steel Co., Ltd.	164,708	108,441	56,267	85,537	(1,536)
PCC Amberstone 1st Private Equity Partnership	108,797	5	108,792	14,787	12,280

PMC Tech Co., Ltd.	474,387	170,678	303,709	216,648	32,334
[Overseas]					
South-East Asia Gas Pipeline Company Ltd.	1,808,529	906,254	902,275	555,075	254,582
9404-5515 Quebec Inc.(formerly, 7623704 Canada Inc.)(Note 2)	1,276,857	1	1,276,856	-	95,306
KOREA LNG LTD.	232,935	147	232,788	69,577	67,507
Nickel Mining Company SAS	471,377	331,194	140,183	245,509	2,432
ZHEJIANG HUAYOU-POSCO ESM CO., LTD	73,604	17,765	55,839	641	153
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd Tinplate Industrial Co., Ltd	65,413	15,232	50,181	101,101	28
PT. Wampu Electric Power	222,266	158,451	63,815	18,163	(6,233)
PT. Batutua Tembaga Raya	423,608	392,226	31,382	112,568	(28,360)
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	61,847	33,989	27,858	77,371	327
Roy Hill Holdings Pty Ltd	11,143,705	5,718,152	5,425,553	5,037,471	1,660,577
POSCO-NPS Niobium LLC	752,617	-	752,617	-	47,521
KOBRASCO	268,139	36,857	231,282	167,022	112,949
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	969,28	637,478	331,802	1,145,794	1,704
DMSA/AMSA	5,703,501	4,202,704	1,500,797	638,797	(504,077)
CSP – Companhia Siderurgica do Pecem	3,959,365	4,249,083	(289,718)	1,623,843	(465,853)

(Note 1) During the current semi-annual period, POS Power Co., Ltd. changed its name to Samcheok Blue Power Co., Ltd.

(Note 2) During the current semi-annual period, 7623704 Canada Inc. changed its name to 9404-5515 Quebec Inc.

10. Joint operation

As of the end of the current semi-annual period, the detail of major joint operations that the Group is participating in as a party to the joint arrangement is as follows:

Classification	Main business activities	Ratio of shares (%)	Location
Myanmar A-1/A-3 mine lot	Mine development and gas production	51.00	Myanmar
Offshore Midstream	Gas transport facilities	51.00	Myanmar
Greenhills Mine	Mine development	20.00	Canada
Arctos Anthracite Coal Project	Mine development	50.00	Canada
Mt. Thorley J/V	Mine development	20.00	Australia
POSMAC J/V	Mine development	20.00	Australia
RUM J/V	Mine development	10.00	Australia
Hanam Gamil Package Type Private Participation Public Housing District Joint Project	Construction	7.70	Domestic
Hanam Gamil District B6, C2, C3 Block Apartment Housing Site Development Project	Construction	27.00	Domestic
Yangsan Sasong District Private Participation Public Housing District Joint Project	Construction	13.08	Domestic
Yangsan Sasong District Apartment Housing Project	Construction	49.00	Domestic
Multifunctional Administrative City 2-1 Living Area P3 Area Apartment Housing Project	Construction	37.00	Domestic
Yongin Giheung Station Area Urban Development Project	Construction	61.00	Domestic
Hallyu World Complex Site Residential Complex Development Project	Construction	33.30	Domestic
Multifunctional Administrative City 4-1 Living Area P3 Area Apartment Housing Project	Construction	60.00	Domestic

11. Investment properties

Changes in the carrying amount of investment properties during the current semi-annual period and the previous period are as

follows:

(1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Amortization	Other (note 1)	End of the semi-annual period
Land	278,465	2,814	(183)	-	(3,920)	277,176
Buildings	598,159	3,316	-	(12,771)	9,220	597,924
Structures	1,178	-	-	(306)	293	1,165
Right-of-use assets	425	-	(56)	(5)	11	375
Total	878,227	6,130	(239)	(13,082)	5,604	876,640

(Note 1) It includes and adjustment of conversion differences and account transfer due to change of purpose of use.

(2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Amortization	Other (Note 2)	End of the period
Land	278,585	-	(5,921)	-	5,801	278,465
Buildings	571,335	1,548	(5,343)	(52,416)	83,035	598,159
Structures	1,408	-	(50)	(625)	445	1,178
Right-of-use assets	-	-	-	-	425	425
Assets under construction	77,287	18,644	-	-	(95,931)	-
Total	928,615	20,192	(11,314)	(53,041)	(6,225)	878,227

(Note 1) Impairment loss on investment property of KRW 32,642 million recognized by the rental office of POSCO (Dalian) IT Center Development Co., Ltd., a subsidiary, is included.

(Note 2) It includes and adjustment of conversion differences and account transfer due to change of purpose of use.

12. Property, Plant, and Equipment

(1) Changes in the carrying amount of Property, Plant, and Equipment during the current semi-annual year and previous period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Depreciation	Impairment (Note 1)	Other (Note 2)	End of semi-annual period
Land	2,526,059	19,576	(1,782)	-	-	21,463	2,565,316
Buildings	4,215,454	19,831	(3,225)	(160,142)	(288)	207,998	4,279,628
Structures	2,904,506	76,180	(1,159)	(112,306)	(860)	130,812	2,997,173
Machinery	17,218,264	93,823	(12,741)	(1,131,809)	(7,211)	892,608	17,052,934
Vehicles	32,285	2,733	(520)	(7,137)	-	4,420	31,781
Tools and equipment	70,751	9,055	(47)	(15,076)	(9)	7,226	71,900
Fixtures	130,132	8,243	(2,564)	(18,449)	(530)	11,617	128,449
Lease assets	774,582	64,799	(4,188)	(93,337)	-	152,525	894,381
Bearer plants	124,193	-	-	(3,699)	-	29,440	149,934
Assets under construction	1,929,747	1,323,967	(8,962)	-	(12,502)	(1,241,869)	1,990,381
Total	29,925,973	1,618,207	(35,188)	(1,541,955)	(21,400)	216,240	30,161,877

(Note 1) The Company estimated the recoverable amount by calculating net fair value less costs to sell based on the sale price or scrap price for individual asset that has been discontinued due to the establishment of a sale plan during the current semi-annual period, and recognized an impairment loss for assets whose recoverable amount is less than the carrying amount. During the current period, impairment loss was recognized for parts lost due to fire.

(Note 2) It includes account replacement due to changes in main account and purpose of use, adjustment of conversion differences and others.

2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Business combination	Disposal	Depreciation	Impairment (Note 1)	Other (Note 2)	End of semi-annual period
Land	2,548,002	6,550	-	(2,128)	-	-	(26,365)	2,526,059
Buildings	4,402,452	39,551	22,836	(10,376)	(314,107)	(90,036)	165,134	4,215,454
Structures	2,917,924	49,931	2	(3,350)	(228,616)	(27,217)	195,832	2,904,506
Machinery	18,518,129	175,743	1,216	(78,236)	(2,250,022)	(309,604)	1,161,038	17,218,264
Vehicles	31,341	8,027	189	(742)	(15,057)	(559)	9,086	32,285
Tools and equipment	66,164	19,178	5,792	(1,340)	(28,537)	(2,106)	11,600	70,751
Fixtures	136,287	34,618	252	(1,630)	(36,309)	(1,808)	(1,278)	130,132
Lease assets	137,564	72,640	490	(8,401)	(130,905)	-	703,194	774,582
Bearer plants	80,771	-	-	-	(5,916)	-	49,338	124,193
Assets under construction	1,179,639	2,261,663	17,697	(24,840)	-	(10,150)	(1,494,262)	1,929,747
Total	30,018,273	2,667,901	48,474	(131,043)	(3,009,469)	(441,480)	773,317	29,925,973

(Note 1) The Company estimated the recoverable amount by calculating net fair value less costs to sell based on the appraised value or scrap value of the appraisal corporation for individual assets such as CEM factories and Fe-Si factories that were suspended due to the establishment of a sale plan during the previous period, and recognized an impairment loss of KRW 205,396 million for assets whose recoverable amount is less than the carrying amount.

(Note 2) POSCO YAMATO VINA STEEL JOINT STOCK COMPANY (formerly POSCO SS VINA JOINT STOCK COMPANY), the subsidiary as of the end of previous period, carried out an impairment assessment due to continuous operating loss, and recognized an impairment loss of KRW 204,546 million because the recoverable amount was significantly below the carrying amount.

(Note 3) It includes account replacement due to changes in main account and purpose of use, adjustment of conversion differences and others.

(Note 4) Right-of-use assets of KRW 704,458 million recognized on the first application date (January 1, 2019) of K-IFRS No. 1116 (Lease) are included in other increases or decreases.

(2) Information on lease contracts to which the Group is a lessee is as follows:

1) Right-of-use assets

① During the current semi-annual period, changes in investment property and right-of-use assets indicated as Property, Plant, and Equipment account are as follows:

(Unit: million KRW)

Classification	Beginning of the period	Addition	Depreciation	Others	End of semi-annual period
Land	341,767	7,776	(10,736)	14,887	353,694
Buildings and structures	171,112	33,828	(22,243)	(4,684)	178,013
Equipment appliance	215,828	10,100	(29,462)	929	197,395
Vehicles	14,105	2,849	(5,071)	1,220	13,103
Ships	24,082	111,537	(13,826)	-	121,793
Others	8,113	10,246	(12,004)	24,403	30,758
Total	775,007	176,336	(93,342)	36,755	894,756

② During the previous period, changes in investment property and right-of-use assets indicated as Property, Plant, and Equipment account are as follows:

(Unit: million KRW)

Classification	Date first applied (January 1, 2019)	Addition	Depreciation	Others	End of the period
Land	340,107	22,850	(11,461)	(9,729)	341,767
Buildings and structures	209,455	23,015	(38,853)	(22,505)	171,112

Equipment appliance	219,877	14,610	(33,751)	15,092	215,828
Vehicles	20,555	8,735	(10,050)	(5,135)	14,105
Ships	26,499	-	(2,417)	-	24,082
Others	25,529	3,430	(34,373)	13,527	8,113
Total	842,022	72,640	(130,905)	(8,750)	775,007

2) Amount recognized in profit or loss

The amounts related to lease recognized in profit or loss during the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual period of 53rd (current) period		Semi-annual period of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Interest expense on lease liabilities	8,822	17,830	8,825	17,973
Expenses related to short-term leases	3,845	8,850	10,248	21,786
Expenses related to lease of small assets	3,595	7,924	3,641	8,637
Total	16,262	34,604	22,714	48,396

13. Goodwill and other intangible assets

Changes in the carrying amount of goodwill and other intangible assets during the current semi-annual period and previous period are as follows:

(1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Disposal	Amortization	Impairment	Other (Note 2)	End of semi-annual period
Goodwill	1,097,809	-	-	-	(761)	(1,042)	1,096,006
Industrial property right	2,279,210	82,752	(1,360)	(143,884)	-	21,574	2,238,292
Lease right (Note 1)	148,078	293	(5,221)	(100)	(178)	(28)	142,844
Development expenses	94,339	344	-	(24,227)	-	11,042	81,498
Port facility use rights	281,398	-	-	(22,549)	-	148	258,997
Exploration and evaluation assets	77,271	7,357	-	-	-	(31,627)	53,001
Customer relations	374,875	-	-	(22,239)	-	14	352,650
Other intangible assets	555,493	109,816	(61,398)	(17,395)	-	(14,427)	572,089
Total	4,908,473	200,562	(67,979)	(230,394)	(939)	(14,346)	4,795,377

(Note 1) The lease right includes membership with an indefinite useful life.

(Note 2) It includes account replacement, adjustment of conversion differences and others.

(2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Purchase	Business combinations	Disposal	Amortization	Impairment (Note 2)	Other (Note 3)	End of the period
Goodwill	1,125,149	-	26,256	-	-	(55,445)	1,849	1,097,809
Industrial property right	2,399,525	127,479	-	(6,566)	(271,694)	(2)	30,468	2,279,210
Lease right (Note 1)	134,793	15,636	-	(3,326)	(181)	24	1,132	148,078
Development expenses	99,163	4,484	-	(35)	(44,418)	(666)	35,811	94,339
Port facility use rights	305,081	-	-	(4,674)	(22,923)	-	3,914	281,398
Exploration and evaluation assets	192,130	9,642	-	-	-	(123,888)	(613)	77,271
Customer relations	421,773	-	-	-	(51,768)	-	4,870	374,875

Other intangible assets	493,211	141,578	74	(10,718)	(40,263)	(10,111)	(18,278)	555,493
Total	5,170,825	298,819	26,330	(25,319)	(431,247)	(190,088)	59,153	4,908,473

(Note 1) The lease right includes membership with an indefinite useful life.

(Note 2) POSCO International Co., Ltd., subsidiary, conducted exploration and evaluation of the AD-7 block in Myanmar, but failed to find economical gas. As expenditure budgets important for the additional exploration and evaluation of the block were not prepared, KRW 118,140 million was recognized as an impairment loss, which exceeded the special energy loan.

(Note 3) It includes account replacement, adjustment of conversion differences and others.

14. Other assets

As of the end of the semi-annual period and the end of the previous period, the other assets are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53 rd (current) period	52 nd (previous) period
[Current items]		
Advance payments	409,503	453,538
Prepaid expenses	290,506	145,834
Firm commitment assets	15,943	17,490
Others	14,717	14,315
Total	730,669	631,177
[Non-current items]		
Long-term advance payments	21,884	21,950
Long-term prepaid expenses	81,077	41,256
Other (note 1)	172,741	262,036
Total	275,702	325,242

(Note 1) As of the end of the current semi-annual period and the previous period, the estimated income tax refund amount due to complaints and corrections in tax audits was recognized as KRW 128,472 million and KRW 213,071 million as income tax assets.

15. Borrowings

(1) As of the end of the semi-annual period and the previous period, the short-term borrowings are as follows:

(Unit: million KRW)

Classification	Lender	Interest rate (%)	Semi-annual period of 53 rd (current) period	52 nd (previous) period
[Short-term borrowings]				
Overdraft	JP Morgan and others	0.20 ~ 8.00	207,799	159,075
Short-term borrowings	HSBC and others	0.21 ~ 9.75	6,335,935	5,327,258
Subtotal			6,543,734	5,486,333
[Current long-term liabilities]				
Current long-term borrowings	Export-Import Bank of Korea and others	0.40 ~ 6.60	1,228,321	1,491,934
Current debentures	Goldman Sachs and others	1.88 ~ 5.25	2,906,980	1,571,194
Deduction: Discount on bond issuance			(2,057)	(1,249)
Subtotal			4,133,244	3,061,879
Total			10,676,978	8,548,212

(2) As of the end of the semi-annual period and the previous period, the long-term borrowings are as follows:

(Unit: million KRW)

Classification	Lender	Interest rate (%)	Semi-annual of 53 rd (current) period	52 nd (previous) period
Long-term borrowings	Export-Import Bank of Korea and others	0.19 ~ 8.50	3,969,138	3,827,152

Deductible: Discount on present value			(21,196)	(24,374)
Debentures	KB Investment & Securities Co., Ltd. and others	0.50 ~ 4.12	9,508,419	8,124,194
Deduction: Discount on bond issuance			(44,552)	(33,571)
Total			13,411,809	11,893,401

(3) As of the end of the current semi-annual period, the details of the assets provided as collateral for the Group's borrowings are as follows:

(Unit: million KRW)

Classification	Collateral provider	Carrying amount	Collateral setting amount
Cash and cash equivalents	Shinhan Bank and others	23,928	24,228
Property, Plant, and Equipment and investment property	Korea Development Bank and others	4,842,765	5,343,459
Trade receivables	Korea Development Bank and others	46,971	44,737
Inventories	Export-Import Bank of Korea and others	99,613	12,650
Financial instrument	KB Financial Group Inc. and others	42,739	41,539
Total		5,056,016	5,466,613

16. Other payables

As of the end of the semi-annual period and the previous period, the other payables are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Outstanding Expenses	697,924	832,845
Accrued Expenses	680,361	742,370
Dividends payables	3,318	3,106
Lease liabilities	235,187	149,176
Deposit received	138,435	152,011
Total	1,755,225	1,879,508
[Non-current items]		
Long-term outstanding Expenses	6,359	2,718
Long-term accrued Expenses	3,971	4,805
Long-term lease liabilities	549,519	526,294
Long-term deposit received	53,552	51,312
Total	613,401	585,129

17. Other financial liabilities

As of the end of the semi-annual period and the previous period, the other financial liabilities are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Derivative liabilities	54,003	28,021
Financial guarantee liabilities	53,759	49,806
Total	107,762	77,827
[Non-current items]		

Derivative liabilities	13,097	17,033
Financial guarantee liabilities	4,127	14,461
Total	17,224	31,494

18. Provisions

(1) As of the end of the semi-annual period and the end of the previous period, the detail of provisions is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53 rd		52nd (previous) period	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Provisions for bonuses	54,201	37,240	76,432	47,237
Provisions for defect compensation	6,698	176,863	7,655	162,773
Provisions for contingent losses (Note 1)	5,544	67,363	6,996	77,488
Provisions for asset restoration obligations (Note 2)	5,072	81,252	6,783	80,520
Other provisions (Note 3, 4)	220,922	86,023	262,629	90,136
Total	292,437	448,741	360,495	458,154

(Note 1) As of the end of the current semi-annual period and the previous period, provision for contingent losses of KRW 46,785 million and KRW 54,228 million, respectively, is recognized for the estimated amount of resource outflow in some lawsuits filed with the Group.

(Note 2) Part of the land, including the site of the Company's magnesium smelting plant located in Gangneung City, was contaminated, and the present value of the estimated cost to restore the contaminated land, KRW 19,989 million, was recognized as a provision. In order to calculate the estimated cost, the Company used the assumption that land pollution would be restored using currently available technologies and materials, and the present value of the cost is measured using a discount rate of 1.45% to 1.60%.

(Note 3) POSCO Energy Co., Ltd and Korea Fuel Cell Co., Ltd. estimated future expenses related to fuel cell services and recognized provisions of KRW 79,934 million and KRW 178,959 million, respectively, as of the end of the current semi-annual period and the previous period.

(Note 4) The Group recognized an emission liability of KRW 61,718 million for GHG emissions expected to exceed the amount of free allocation permit.

(2) Changes in provision during the current semi-annual period and previous period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Beginning of the period	Transferred	Used	Reversed	Others (note 1)	End of semi- annual period
Provisions for bonuses	123,669	38,770	(74,528)	(1,393)	4,923	91,441
Provisions for defect compensation	170,428	27,046	(11,063)	(2,358)	(492)	183,561
Provisions for contingent losses	84,484	2,085	(12,893)	(1,005)	236	72,907
Provisions for asset restoration obligations	87,303	12,179	(4,294)	(14,555)	5,691	86,324
Other provisions	352,765	73,631	(72,263)	(77,867)	30,679	306,945
Total	818,649	153,711	(175,041)	(97,178)	41,037	741,178

(Note 1) It includes adjustment of conversion differences and others.

2) 52nd (previous) period

(Unit: million KRW)

Classification	Beginning of the period	Transferred	Used	Reversed	Other (note 1)	End of semi- annual period
Provisions for bonuses	73,478	122,714	(86,084)	(3,077)	16,638	123,669

Provisions for defect compensation	142,233	53,203	(22,858)	(3,444)	1,294	170,428
Provisions for contingent losses	111,150	26,407	(37,087)	(18,098)	2,112	84,484
Provisions for asset restoration obligations	89,168	23,559	(13,411)	(14,379)	2,366	87,303
Other provisions	316,287	95,747	(38,260)	(86,458)	65,449	352,765
Total	732,316	321,630	(197,700)	(125,456)	87,859	818,649

(Note 1) It includes adjustment of conversion differences and others.

19. Retirement benefit plan

(1) Defined contribution retirement benefit plan

During the current semi-annual period and the previous semi-annual period, the amount recognized as an expense under the defined contribution retirement benefit plan is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Defined contribution retirement benefit expenses	11,845	25,047	11,530	24,058

(2) Defined retirement benefit plan

1) The amounts recognized in the statement of financial position related to net defined benefit liabilities as of the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
The present value of the defined benefit obligation arising from the funded plan	2,422,616	2,416,203
Fair value of plan assets (Note 1)	(2,234,092)	(2,255,149)
The present value of the defined benefit obligation arising from a plan that has not been funded	20,968	15,677
Total	209,492	176,731

(Note 1) As of the end of the current semi-annual period and the previous period, KRW13,445 million and KRW4,280 million, respectively, accumulated in excess of the defined benefit obligation at each consolidated company unit are recognized as net defined benefit assets.

2) Changes in the present value of the defined benefit obligation during the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Opening balance	2,431,880	2,137,161
Current service cost	122,511	236,735
Interest expenses	23,630	51,900
Remeasurement	4,252	152,713
Payment	(146,492)	(152,275)
Other increase or decrease	7,803	5,646
Ending balance	2,443,584	2,431,880

3) Changes in the fair value of plan assets during the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Opening balance	2,255,149	1,997,717

Interest income on plan assets	22,152	48,210
Remeasurement of plan assets	20	(8,692)
User contribution	88,297	342,915
Payment	(136,625)	(124,962)
Other increase or decrease	5,099	(39)
Ending balance	2,234,092	2,255,149

4) During the current semi-annual period and the previous semi-annual period, gains or losses recognized in relation to defined benefit plans are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Current service cost	61,202	122,511	56,060	114,990
Net interest price	179	1,478	1,138	2,235
Total	61,381	123,989	57,198	117,225

20. Other liabilities

As of the end of the current semi-annual period and the previous period, other liabilities are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
[Current items]		
Over claimed construction	779,829	676,054
Advances	488,475	487,526
Unearned revenue	85,027	61,795
Deposit received	418,805	388,486
Firm commitment liabilities	6,965	15,637
Others	12,125	8,604
Total	1,791,226	1,638,102
[Non-current items]		
Unearned revenue	18,675	27,161
Others	23,329	52,349
Total	42,004	79,510

21. Financial instruments

(1) Classification of financial instruments and fair value

1) As of the end of the current semi-annual period and the previous period, the carrying amount and fair value of financial assets and financial liabilities of the Group are as follows:

① Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
[Financial assets]						
Fair value through profit or loss	Derivative assets	322,743	-	322,743	-	322,743
	Short-term financial instruments	7,421,262	-	7,421,262	-	7,421,262
	Debt securities	19,183	-	-	19,183	19,183

	Other securities	311,402	7,743	1,145	302,514	311,402
	Other receivables	2,000	-	-	2,000	2,000
Derivatives assets as hedging instruments (Note 2)		12,829	-	12,829	-	12,829
Fair value through other comprehensive income	Equity securities	1,017,957	540,552	-	477,405	1,017,957
	Debt securities	1,706	-	-	1,706	1,706
Measured at amortized cost	Cash and cash equivalents	6,038,266	-	-	-	-
	Trade receivables	7,542,447	-	-	-	-
	Other receivables	2,282,860	-	-	-	-
	Debt securities	688,921	-	-	-	-
	Deposit	2,796,499	-	-	-	-
Total		28,458,075	548,295	7,757,979	802,808	9,109,082
[Financial liabilities]						
Fair value through profit or loss	Derivative liabilities	41,410	-	41,410	-	41,410
Hedging instrument derivative liabilities (Note 2)		25,690	-	25,690	-	25,690
Measured at amortized cost	Trade payables	3,286,583	-	-	-	-
	Borrowings	24,088,787	-	24,394,275	-	24,394,275
	Financial guarantee liabilities	57,886	-	-	-	-
	Other payables	2,257,530	-	-	-	-
Total		29,757,886	-	24,461,375	-	24,461,375

(Note 1) Financial assets and financial liabilities that are measured at amortized cost, excluding borrowings, have their fair value approximating their carrying amount.

(Note 2) The Group applies fair value hedging accounting using product futures contracts as a hedging instrument to avoid the risk of fluctuations in the fair value of firm sales and purchase contracts due to fluctuations in product price, etc. In order to avoid the risk of flow fluctuations, the Group applies cash flow hedging accounting using currency swaps as a hedging instrument.

② 52nd (previous) period

(Unit: million KRW)

Classification		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
[Financial assets]						
Fair value through profit or loss	Derivative assets	106,104	-	106,104	-	106,104
	Short-term financial instruments	6,861,242	-	6,861,242	-	6,861,242
	Debt securities	28,087	-	-	28,087	28,087
	Other securities	340,008	1,222	3,330	335,456	340,008
	Other receivables	2,000	-	-	2,000	2,000
Derivatives assets as hedging instruments (Note 2)		6,174	-	6,174	-	6,174
Fair value through other comprehensive income	Equity securities	1,204,902	782,108	73	422,721	1,204,902
	Debt securities	5,686	-	-	5,686	5,686
Measured at amortized cost	Cash and cash equivalents	3,514,872	-	-	-	-
	Trade receivables	8,214,459	-	-	-	-
	Other receivables	2,193,700	-	-	-	-
	Debt securities	334,153	-	-	-	-
	Deposit	1,779,082	-	-	-	-
Total		24,590,469	783,330	6,976,923	793,950	8,554,203
[Financial liabilities]						
Fair value through profit or loss	Derivative liabilities	32,193	-	32,193	-	32,193
Hedging instrument derivative liabilities (Note 2)		12,861		12,861	-	12,861
Measured at amortized cost	Trade payables	3,442,989	-	-	-	-
	Borrowings	20,441,613	-	20,666,476	-	20,666,476

Financial guarantee liabilities	64,267	-	-	-	-
Other payables	2,401,382	-	-	-	-
Total	26,395,305	-	20,711,530	-	20,711,530

(Note 1) Financial assets and financial liabilities that are measured at amortized cost, excluding borrowings, have their fair value approximating their carrying amount.

2) Financial income by the category of financial instrument during the current semi-annual period and the previous semi-annual period is as follows:

① Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Financial gains or losses						Other comprehensive income
	Revenue (expenses) from interest	Valuation gains or losses	Foreign exchange gains and losses	Purchase gains and losses	Others	Total	
Financial assets at fair value through profit or loss	82,003	7,804	-	2,854	998	93,659	-
Derivative assets	-	264,487	-	138,177	-	402,664	-
Fair value through other comprehensive income	-	-	-	-	25,568	25,568	(165,966)
Financial assets at amortized cost	121,999	-	296,873	(9,620)	(160)	409,092	-
Derivative liabilities	-	(39,069)	-	(176,867)	-	(215,936)	(841)
Financial liabilities at amortized cost	(346,799)	-	(415,610)	-	130	(762,279)	-
Total	(142,797)	233,222	(118,737)	(45,456)	26,536	(47,232)	(166,807)

② Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Classification	Financial gains or losses						Other comprehensive income
	Revenue (expenses) from interest	Valuation gains or losses	Foreign exchange gains and losses	Purchase gains and losses	Others	Total	
Financial assets at fair value through profit or loss	68,097	(1,372)	-	6,424	630	73,779	-
Derivative assets	-	107,978	-	82,589	-	190,567	-
Fair value through other comprehensive income	-	-	-	-	50,748	50,748	17,844
Financial assets at amortized cost	85,880	-	285,705	(19,240)	(215)	352,130	-
Derivative liabilities	-	(2,845)	-	(111,034)	-	(113,879)	(100)
Financial liabilities at amortized cost	(391,204)	-	(284,351)	(2,431)	(9,008)	(686,994)	-
Total	(237,227)	103,761	1,354	(43,692)	42,155	(133,649)	17,744

3) Financial income by the category of financial instrument during each 3 months of the current semi-annual period and the previous semi-annual period is as follows:

① 2nd quarter of 53rd (current) period

(Unit: million KRW)

Classification	Financial gains or losses					Total	Other comprehensive income
	Revenue (expenses) from interest	Valuation gains or losses	Foreign exchange gains and losses	Purchase gains and losses	Others		
Financial assets at fair value through profit or loss	40,881	7,471	-	2,549	768	51,669	-
Derivative assets	-	(45,740)	-	82,386	-	36,646	-
Fair value through other comprehensive income	-	-	-	-	262	262	36,870
Financial assets at amortized cost	70,267	-	(187,582)	(3,634)	(70)	(121,019)	-
Derivative liabilities	-	33,221	-	(86,565)	-	(53,344)	(784)
Financial liabilities at amortized cost	(171,672)	-	236,596	-	(518)	64,406	-
Total	(60,524)	(5,048)	49,014	(5,264)	442	(21,380)	36,086

② 2nd quarter of 52nd (previous) period

(Unit: million KRW)

Classification	Financial gains or losses					Total	Other comprehensive income
	Revenue (expenses) from interest	Valuation gains or losses	Foreign exchange gains and losses	Purchase gains and losses	Others		
Financial assets at fair value through profit or loss	33,024	(2,156)	-	5,704	32	36,604	-
Derivative assets	-	59,954	-	49,999	-	109,953	-
Fair value through other comprehensive income	-	-	-	-	19,838	19,838	23,383
Financial assets at amortized cost	45,426	-	134,303	(9,832)	(107)	169,790	-
Derivative liabilities	-	1,396	-	(70,694)	-	(69,298)	(132)
Financial liabilities at amortized cost	(190,726)	-	(151,301)	(194)	(1,737)	(343,958)	-
Total	(112,276)	59,194	(16,998)	(25,017)	18,026	(77,071)	23,251

(2) Financial risk management

With regard to financial instruments, the Group is exposed to credit risk, liquidity risk and market risk. The Group's financial risk management objectives and policies are the same for the fiscal year ending December 31, 2019.

22. Capital and capital surplus

(1) As of the end of the current semi-annual period and the previous period, the parent company's capital stock is as follows:

(Unit: KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Authorized capital stock	200,000,000 shares	200,000,000 shares
Amount per share	5,000	5,000
Shares outstanding (Note 1)	87,186,835 shares	87,186,835 shares
Common stock (Note 2)	482,403,125,000	482,403,125,000

(Note 1) As of the end of the current semi-annual period, the total number of American Depository Receipt (ADR) of the company traded on overseas exchanges totaled 30,935,880 shares (number of common shares: 7,733,970 shares).

(Note 2) As the Company incinerates profits of 9,293,790 shares by the end of the current semi-annual period, the total par value of common stock and issued shares differs by KRW 46,469 million.

(2) As of the end of the current semi-annual period and the previous period, the consolidated capital surplus of the Group is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Capital in excess of par value	463,825	463,825
Gains on sale of treasury stock	796,623	796,623
Other capital surplus	74,701	115,803
Total	1,335,149	1,376,251

(3) POSCO ENERGY Co., Ltd., a subsidiary of the Company, issued KRW 245,000 million (8,643,193 shares) of redeemable convertible preference shares classified as equity (non-controlling interests) on February 25, 2017, and completed repayment on February 25, 2020 (4,477,246 shares) and March 30, 2020 (4,165,947 shares).

23. Hybrid bonds

(1) The details of Hybrid Tier 1 classified as equity as of the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Issue date	Maturity date	Interest rate (%)	Semi-annual of 53rd (current) period	52nd (previous) period
1st and 2nd hybrid bonds	2013-06-13	2043-06-13	4.60	200,000	200,000
Issuance costs				(616)	(616)
Total				199,384	199,384

(Note 1) The conditions for issuance of Hybrid Tier 1 are as follows:

Classification	1st and 2nd hybrid bonds
Maturity	30 years (when the maturity arrives, the maturity can be extended according to the Company's decision)
Interest rate	Issue date ~ 2023-06-12: annual fixed rate 4.60% After that, it is recalculated and applied every 10 years, and the 10-year treasury bond yield + 1.40% per year According to the step-up clause, +0.25% after 10 years and an additional +0.75% after 30 years
Interest payment conditions	3 months' post-payment and optional delay of payment is possible.
Others	Issuer can exercise call option at 10 years after issuance and every interest payment date thereafter

As of the end of the current semi-annual period, the balance of interest payables related to the above hybrid bonds is KRW 454 million.

(2) POSCO Energy Co., Ltd., a subsidiary of the Company, issued Hybrid Tier 1 classified as equity (non-controlling interests). The details of the Hybrid Tier 1 as of the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Issue date	Maturity date	Interest rate (%)	Semi-annual of 53rd (current) period	52nd (previous) period
1st -4th hybrid bonds (Note 1)	2013-08-29	2043-08-29	5.21	140,000	140,000
Issuance costs				(429)	(429)
Total				139,571	139,571

(Note 1) The conditions for issuance of Hybrid Tier 1 are as follows:

Classification	1st - 4th Hybrid bonds
Maturity	30 years (when the maturity arrives, the maturity can be extended according to the Group's decision)
Interest rate	Issue date ~ 2023-08-29: annual fixed rate 5.21% After that, it is recalculated and applied every 10 years, and the 10-year treasury bond yield + 1.55% per year According to the step-up clause, +0.25% after 10 years and an additional +0.75% after 30 years
Interest payment	3 months' post-payment and optional delay of payment is possible.

conditions

Others Issuer can exercise call option at 10 years after issuance and every interest payment date thereafter

As of the end of the current semi-annual period, the balance of interest payables related to the above hybrid bonds is KRW 639 million.

24. Reserves

As of the end of the semi-annual period and the previous period, the details of reserves are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Gain on valuation of investment stock using the equity method	(599,389)	(676,416)
Gain on valuation of equity securities	(448,053)	(285,073)
Gain (loss) on foreign currency translation of foreign operations	(133,635)	(202,636)
Gain (loss) on valuation of derivatives instruments	(1,236)	(438)
Other capital adjustment	13,027	6,583
Total	(1,169,286)	(1,157,980)

25. Treasury stock

During the current semi-annual period, according to the resolution of the board of directors, the Company decided to enter into a trust contract to acquire treasury stock. The contract amount of this trust contract is KRW 1,000 billion, and the contract period is from April 13, 2020 to April 12, 2021, and the number of treasury shares acquired during the current semi-annual period is 358,953 shares.

As of the end of the current semi-annual period, the number of treasury shares held by the Company for the purposes of stock price stabilization is 7,430,147 shares according to the resolution of the board of directors.

26. Revenue

(1) Classification of revenue

1) The composition of sales classified according to the type of revenue and the timing of revenue recognition of the Group during the current semi-annual period and the previous semi-annual period is as follows:

① Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Steel sector	Trade sector	Construction sector	Other Sector	Total
[Type of Revenue]					
Revenue from sales of goods	13,227,955	9,738,336	-	367,967	23,334,258
Revenue from the provision of services	232,864	191,253	22,848	885,331	1,332,296
Revenue from construction contract	-	-	3,368,635	14,207	3,382,842
Other revenue	18,599	87,032	4,019	108,321	217,971
Total	13,479,418	10,016,621	3,395,502	1,375,826	28,267,367
[Revenue recognition timing]					
Revenue recognized temporarily	13,246,554	9,825,368	104,538	476,289	23,652,749
Revenue recognized over time	232,864	191,253	3,290,964	899,537	4,614,618
Total	13,479,418	10,016,621	3,395,502	1,375,826	28,267,367

② Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Classification	Steel sector	Trade sector	Construction sector	Other Sector	Total
[Type of Revenue]					

Revenue from sales of goods	15,919,961	10,936,991	-	341,736	27,198,688
Revenue from the provision of services	311,731	196,471	24,568	1,154,776	1,687,546
Revenue from construction contract	-	-	3,222,542	17,097	3,239,639
Other revenue	22,938	68,902	3,452	114,408	209,700
Total	16,254,630	11,202,364	3,250,562	1,628,017	32,335,573
[Revenue recognition timing]					
Revenue recognized temporarily	15,942,899	11,005,893	5,728	461,406	27,415,926
Revenue recognized over time	311,731	196,471	3,244,834	1,166,611	4,919,647
Total	16,254,630	11,202,364	3,250,562	1,628,017	32,335,573

2) The composition of sales classified according to the type of revenue and the timing of revenue recognition of the Group during the 3 months of current and the previous semi-annual period is as follows:

① 2nd quarter of 53rd (current) period

(Unit: million KRW)

Classification	Steel sector	Trade sector	Construction sector	Other Sector	Total
[Type of Revenue]					
Revenue from sales of goods	6,256,679	4,823,693	-	176,643	11,257,015
Revenue from the provision of services	108,391	108,114	10,788	368,404	595,697
Revenue from construction contract	-	-	1,762,872	7,587	1,770,459
Other revenue	8,895	29,139	2,918	57,431	98,383
Total	6,373,965	4,960,946	1,776,578	610,065	13,721,554
[Revenue recognition timing]					
Revenue recognized temporarily	6,265,574	4,852,832	93,583	234,076	11,446,065
Revenue recognized over time	108,391	108,114	1,682,995	375,989	2,275,489
Total	6,373,965	4,960,946	1,776,578	610,065	13,721,554

② 2nd quarter of 52nd (previous) period

(Unit: million KRW)

Classification	Steel sector	Trade sector	Construction sector	Other Sector	Total
[Type of Revenue]					
Revenue from sales of goods	8,019,477	5,529,989	-	181,518	13,730,984
Revenue from the provision of services	150,001	98,407	12,500	509,075	769,983
Revenue from construction contract	-	-	1,717,341	10,637	1,727,978
Other revenue	13,336	36,087	2,079	40,888	92,390
Total	8,182,814	5,664,483	1,731,920	742,118	16,321,335
[Revenue recognition timing]					
Revenue recognized temporarily	8,032,813	5,566,076	2,508	225,262	13,826,659
Revenue recognized over time	150,001	98,407	1,729,412	516,856	2,494,676
Total	8,182,814	5,664,483	1,731,920	742,118	16,321,335

(2) Contract balances

As of the end of the current semi-annual period and the previous period, receivables, contract assets and contract liabilities arising from contracts with customers are as follows:

(Unit: million KRW)

Classification		Semi-annual of 53rd (current) period	52nd (previous) period
Receivables	Trade receivables	7,542,447	8,214,459
Contract assets	Unclaimed construction	1,188,416	1,062,677
Contract liabilities	Advances	492,503	489,658
	Over claimed construction	779,829	676,054

27. Commitment with input method applied

(1) The details of contracts in progress as of the end of the current semi-annual period and the previous period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		52nd (previous) period	
	Construction sector	Other Sector	Construction sector	Other Sector
Cumulative cost incurred	29,893,770	300,248	29,106,218	249,751
Cumulative contract profits	2,952,358	59,676	2,863,207	47,107
Cumulative contract losses	(1,199,546)	(2,403)	(1,182,989)	(2,211)
Cumulative contract revenue	31,646,582	357,521	30,786,436	294,647

(2) As of the end of the current semi-annual period and the previous period, the details of unclaimed constructions and over claimed constructions are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		52nd (previous) period	
	Construction sector	Other Sector	Construction sector	Other Sector
Unclaimed construction	1,213,373	52,824	1,087,119	49,317
Over claimed construction	(751,585)	(28,244)	(639,130)	(36,924)
Total	461,788	24,580	447,989	12,393

(3) As of the end of the current semi-annual period and the previous period, the detail of provision for construction losses is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	52nd (previous) period
Construction sector	33,298	35,526
Other Sector	410	406
Total	33,708	35,932

(4) During the current semi-annual period, cost fluctuations occurred and the estimated total contract cost of the contract fluctuated. Accordingly, the amount affecting the gain or loss for the current and future periods is as follows:

(Unit: million KRW)

Classification	Fluctuations in the estimated total contract cost	Changes in contract gain or loss		
		Gains (losses) for the current period	Future income	Total
Construction sector	128,439	20,087	127,633	147,720
Other Sector	2,665	3,451	869	4,320
Total	131,104	23,538	128,502	152,040

The impact on gain or loss for the current period and the future is calculated based on the estimated total contract income as of the end of the current semi-annual period and the estimated total contract cost on the basis of the circumstances that occurred from the beginning of the contract to the end of the current semi-annual period. The estimated total contract cost and the estimated total contract income are subject to change over time.

(5) The uncertainty of the estimate

1) Total contract revenue

Total contract revenue is measured based on the initially agreed contract amount, but it may be increased according to contract changes, compensation, and grant or decreased according to paying a penalty on account of delay in completion due to reasons attributable to the Group in the process of executing the contract. Therefore, the measurement of contract revenue is subject to various uncertainties related to the outcome of future events.

2) Total contract cost

The amount of contract revenue is affected by the progress rate measured based on the cumulative contract costs incurred, and total contract costs are estimated based on future estimates such as material costs, labor costs, and cooperative work costs. In these future estimates, there is uncertainty due to the influence of various internal and external factors such as fluctuations in market conditions due to long-term contracts, customer risk fluctuations, and past business performance experience. The important assumptions that involve uncertainty regarding the estimation of total contract costs are as follows:

Classification	Setting method and important assumptions
Material cost	Estimated based on the latest purchase contract and market price
Labor costs	Estimated based on standard monthly and daily labor costs
Cooperative work costs	Estimated based on the past experience rate and market price of similar projects

The management of the Group reviews the estimates used in contracts using the input method at the end of each reporting period and adjusts them if necessary.

28. Selling and administrative expenses

(1) Other administrative expenses

During the current semi-annual period and the previous semi-annual period, the detail of other general administrative expenses of the Group is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Salaries wages	197,024	410,520	197,241	405,863
Retirement benefits	19,502	41,881	18,202	40,070
Employee benefits	40,293	85,751	43,344	89,121
Travel expenses	3,537	9,890	11,514	21,181
Depreciation	37,905	72,857	31,294	65,620
Amortization expense	27,351	54,633	28,442	56,802
Communication expenses	2,409	4,801	2,556	5,029
Power expenses	1,849	4,030	2,001	4,031
Taxes dues	19,719	32,075	18,971	31,856
Rent paid	9,632	16,265	9,219	20,677
Repair expenses	1,311	3,238	4,107	6,624
Business operating expenses	1,437	3,545	2,609	5,641
Advertising expenses	17,296	34,653	24,059	41,965
Ordinary research and development expense	25,405	49,271	26,299	56,682
Commissions	37,342	76,775	36,066	87,588
Vehicle maintenance expenses	1,129	2,499	1,919	4,247
Association membership fee	2,373	6,039	1,980	5,417
Conference expenses	2,482	5,325	3,957	7,810
Transfer of provisions	355	1,882	1,084	2,482
Other administrative expenses	8,189	17,677	11,673	23,914
Total	456,540	933,607	476,537	982,620

(2) Selling and logistical expenses

The details of selling and logistics expenses of the Group during the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
----------------	--------------------------------------	---------------------------------------

	3 months	Cumulative	3 months	Cumulative
Freight and storage expenses	40,640	86,103	40,176	87,537
Intermediate base operation expenses	1,661	3,687	2,657	5,251
Sales commissions	20,194	67,919	22,563	38,599
Sales advertising expenses	312	570	370	604
Sales promotion expenses	1,393	3,236	2,478	5,015
Samples	331	872	617	1,128
Sales insurance premiums	7,452	15,629	7,916	15,925
Sales order expenses	8,118	15,750	7,439	16,079
Other selling expenses	4,247	8,560	5,987	11,325
Total	84,348	202,326	90,203	181,463

29. Financial gains or losses

During the current semi-annual period and the previous semi-annual period, the detail of financial gains and losses is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
[Financial revenues]				
Revenue from interest (Note 1)	111,148	204,002	78,450	153,977
Dividends received	1,030	26,566	19,870	51,378
Gains foreign currency transactions	290,855	636,287	261,833	379,766
Gain on foreign exchange translations	(227,550)	219,977	54,450	199,617
Gains on transaction of derivatives instruments	84,616	144,640	51,200	84,600
Gains on valuation of derivatives instruments	(60,773)	281,200	59,795	146,869
Other financial revenues	11,343	17,421	7,264	10,669
Total	210,669	1,530,093	532,862	1,026,876
[Financial expenses]				
Interest expenses	171,672	346,799	190,726	391,204
Losses foreign currency transactions	236,231	484,754	210,009	315,298
Losses on foreign exchange translations	(221,940)	490,247	123,272	262,731
Losses on transaction of derivatives instruments	88,795	183,330	71,895	113,045
Losses on valuation of derivatives instruments	(48,254)	55,782	(1,555)	41,736
Losses on disposals of accounts receivable	3,670	9,656	9,832	19,240
Other financial expenses	1,875	6,758	5,753	17,271
Total	232,049	1,577,326	609,932	1,160,525

(Note 1) Revenue from interest measured by the effective interest method during the current semi-annual period and the previous semi-annual period are KRW 121,999 million and KRW 85,880 million, respectively.

30. Other non-operating gains or losses

During the current semi-annual period and the previous semi-annual period, the detail of other non-operating gains and losses is as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
[Other non-operating income]				
Gains on sale of assets held for sale	-	299	8,536	8,536
Losses on disposals of investment of	37,370	41,339	1,385	15,821

subsidiaries, associates and joint ventures				
Gains on disposals of property, plant and equipment	2,511	7,346	4,080	16,362
Gains on valuation of firm commitment	17,548	37,666	9,258	28,968
Gains on valuation of certified emission reduction	-	-	25,440	25,440
Gains on disposals of certified emission reduction	16,823	24,566	-	-
Reversal of other provisions	561	839	5,595	6,170
Others	27,790	54,849	28,730	56,071
Total	102,603	166,904	83,024	157,368
[Other non-operating expenses]				
Impairment loss on assets held for sale	5,030	5,030	(849)	3,346
Losses on disposals of investment of subsidiaries, associates and joint ventures	5,121	10,073	3,716	5,586
Losses on disposals of property, plant and equipment	38,318	78,989	25,099	37,396
Impairment loss on property, plant and equipment	21,322	21,400	81,314	149,659
Losses on valuation of firm commitment	1,742	36,075	14,763	18,572
Expenses on assets not in use	5,330	10,685	10,808	18,427
Transfer of other provisions	372	1,224	2,098	7,371
Donations	4,553	16,708	1,788	11,194
Others	21,886	37,253	27,942	52,317
Total	103,674	217,437	166,679	303,868

31. Classification of expenses by nature

The Group classifies expenses by function, and the expenses during the current semi-annual period and the previous semi-annual period are classified by nature as follows: However, financial expenses and income tax expenses among the Group's expenses are not considered in this note.

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Changes in raw material usage and inventory assets, etc.	8,300,004	16,948,281	9,577,372	19,256,695
Employee salaries and wages	852,159	1,772,198	870,497	1,746,165
Cooperative work costs	2,056,490	4,086,789	1,992,121	3,762,751
Electricity and water expenses	142,562	313,258	329,161	548,963
Depreciation (Note 1)	784,867	1,555,037	758,349	1,523,108
Amortization expense	116,107	230,394	104,471	203,733
Freight and storage expenses	329,787	682,131	362,400	731,634
Sales commissions	20,194	67,919	22,563	38,599
Losses on disposals of property, plant and equipment	38,318	78,989	25,099	37,396
Impairment loss on property, plant and equipment	21,322	21,400	81,314	149,659
Donations	4,553	16,708	1,789	11,194
Others	990,157	1,848,640	1,306,735	2,375,453
Total	13,656,520	27,621,744	15,431,871	30,385,350

(Note 1) Depreciation of investment property is included.

32. Income tax expense

Income tax expense was calculated by adjusting the income tax expense (revenue) related to adjustments recognized in the current semi-annual period for the current income tax as of the past period, deferred tax expense (revenue) due to the occurrence and extinguishment of temporary differences and items recognized other than profit or loss.

The average effective tax rates of income tax expenses during the current semi-annual period and the previous semi-annual period are 32.10% and 31.05%, respectively.

33. Earnings per share

The calculation detail of earnings per share for the current semi-annual period and the previous semi-annual period is as follows:

(Unit: KRW)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Semi-annual profit (loss), attributable to owners of parent	40,281,852,768	435,674,548,777	612,285,873,955	1,353,539,066,362
Hybrid bond interest	(1,662,931,506)	(3,325,863,013)	(1,662,931,506)	(3,307,589,040)
Weighted common shares outstanding (Note 1)	80,006,436	80,061,039	80,115,641	80,111,845
Basic earnings per share	483	5,400	7,622	16,854

(Note 1) The weighted common shares outstanding used in calculating basic earnings per share are as follows:

(Unit: share)

Classification	Semi-annual of 53rd (current) period		Semi-annual of 52nd (previous) period	
	3 months	Cumulative	3 months	Cumulative
Shares outstanding	87,186,835	87,186,835	87,186,835	87,186,835
Weighted treasury stock	(7,180,399)	(7,125,796)	(7,071,194)	(7,074,990)
Weighted common shares outstanding	80,006,436	80,061,039	80,115,641	80,111,845

As of the end of the current semi-annual period and the previous semi-annual period, the Group does not have any potential common shares that have a diluting effect, so diluted earnings per share is the same as basic earnings per share.

34. Related party transactions

(1) Important transactions between the Company and related parties for the current semi-annual period and the previous semi-annual period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Sales, etc. (Note 1)		Purchase etc. (Note 2)			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries] (Note 3)						
POSCO Engineering & Construction Co., Ltd.	3,548	11,096	15	442,305	60	12,835
POSCO Coated & Color Co., Ltd.	205,766	1,695	-	-	15,176	208
POSCO ICT Co., Ltd. (Note 4)	1,429	4,991	-	184,310	20,941	87,668
eNtoB Co., Ltd.	7	60	113,378	18,848	28	12,493
POSCO Chemical Co., Ltd.	144,466	24,770	229,721	12,830	154,424	4,362
POSCO Energy Co., Ltd.	1,553	1,216	9,995	3	-	11,110
POSCO International Co., Ltd.	2,795,437	54,331	110,798	-	11,371	2,083
POSCO Thainox Public Company Limited	106,717	137	3,454	-	-	-
POSCO America Corporation	96,266	-	-	-	-	3
POSCO Canada Ltd.	-	816	90,805	-	-	-
POSCO Asia Co., Ltd.	719,978	965	81,671	2,272	1,162	1,419
Qingdao Pohang Stainless Steel Co., Ltd.	70,768	66	-	-	-	176
POSCO JAPAN Co., Ltd.	548,842	-	16,420	2,959	-	1,088
POSCO-VIETNAM Co., Ltd.	101,105	223	-	-	-	20
POSCO MEXICO S.A. DE C.V. DE C.V.	68,574	99	-	-	-	304
POSCO Maharashtra Steel Private	153,754	847	-	-	-	185

Limited

POSCO (Suzhou) Automotive Processing Center Co., Ltd.	57,645	-	-	-	-	-
POSCO VST CO., LTD.	132,216	56	-	-	-	20
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	804	291,649	-	-	-
Others	573,063	18,184	41,106	25,580	128,557	58,065
Subtotal	5,781,134	120,356	989,012	689,107	331,719	192,039
[Associates and joint ventures] (Note 3)						
POSCO Plantec Co., Ltd. (Note 5)	65	41	916	84,839	4,086	12,431
SNNC Co., Ltd.	2,901	3,478	219,060	-	-	-
POSCO-SAMSUNG-Slovakia Processing Center Processing Center	17,154	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	625,545	-	-	-
Others	14,332	54,933	28,954	-	-	13,348
Subtotal	34,452	58,452	874,475	84,839	4,086	25,779
Total	5,815,586	178,808	1,863,487	773,946	335,805	217,818

(Note 1) It consists of sales of steel products to subsidiaries, associates and joint ventures.

(Note 2) It consists of providing construction services to subsidiaries and purchasing raw and subsidiary materials for the production of steel products.

(Note 3) As of the end of the current semi-annual period, the Company is providing payment guarantees for related parties. (See Notes 35)

(Note 4) Most of others of the purchases from POSCO ICT Co., Ltd. consist of fees related to maintenance and repair of the ERP system.

(Note 5) POSCO PLANTEC Co., Ltd. was excluded from associates due to the loss of significant influence during the current semi-annual period.

2) Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries]						
POSCO Engineering & Construction Co., Ltd.	3,608	11,089	-	139,349	21	5,233
POSCO Coated & Color Co., Ltd.	233,408	1,707	-	-	7,684	491
POSCO ICT Co., Ltd.	1,509	4,989	-	148,817	17,055	88,838
eNtoB Co., Ltd.	7	60	159,576	16,936	59	13,431
POSCO Chemical Co., Ltd.	197,793	25,129	255,299	7,578	156,383	2,010
POSCO Energy Co., Ltd.	106,602	624	-	-	-	62
POSCO International Co., Ltd.	2,841,376	46,572	330,044	-	26,037	2,569
POSCO Thainox Public Company Limited	120,032	13,675	3,733	-	-	3
POSCO America Corporation	184,517	-	-	-	-	39
POSCO Canada Ltd.	340	604	151,892	-	-	-
POSCO Asia Co., Ltd.	861,771	585	248,431	-	987	2,796
Qingdao Pohang Stainless Steel Co., Ltd.	59,410	-	-	-	-	-
POSCO JAPAN Co., Ltd.	756,357	-	21,553	3,021	-	1,487
POSCO-VIETNAM Co., Ltd.	141,535	181	-	-	-	37
POSCO MEXICO S.A. DE C.V. DE C.V.	153,766	31	-	-	-	5
POSCO Maharashtra Steel Private Limited	333,608	187	-	-	-	256
POSCO (Suzhou) Automotive	43,313	-	1,481	-	-	-

Processing Center Co., Ltd.						
POSCO VST CO., LTD.	137,025	-	-	-	-	62
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	180	322,210	-	-	-
Others	425,315	14,560	81,055	10,572	133,582	60,791
Subtotal	6,601,292	120,173	1,575,274	326,273	341,808	178,110
[Associates and joint ventures]						
POSCO Plantec Co., Ltd.	183	65	1,399	110,614	9,326	9,362
SNNC Co., Ltd.	2,747	3,380	244,626	-	-	10
POSCO-SAMSUNG-Slovakia Processing Center	31,764	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	482,848	-	-	-
Others	6,985	86,037	27,127	-	-	-
Subtotal	41,679	89,482	756,000	110,614	9,326	9,372
Total	6,642,971	209,655	2,331,274	436,887	351,134	187,482

(2) Important transactions between the Company and related parties during each 3 months of the current semi-annual period and the previous semi-annual period are as follows:

1) 2nd quarter of 53rd (current) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries]						
POSCO Engineering & Construction Co., Ltd.	2,011	17	-	198,832	60	5,123
POSCO Coated & Color Co., Ltd.	89,666	1	-	-	6,818	91
POSCO ICT Co., Ltd.	718	2	-	85,004	10,483	41,213
eNtoB Co., Ltd.	3	-	55,786	9,743	9	6,931
POSCO Chemical Co., Ltd.	61,232	4,828	105,977	8,690	71,609	653
POSCO Energy Co., Ltd.	266	537	5,385	-	-	5,598
POSCO International Co., Ltd.	1,274,878	-	31,102	-	-	941
POSCO Thainox Public Company Limited	55,096	71	792	-	-	-
POSCO America Corporation	32,624	-	-	-	-	-
POSCO Canada Ltd.	-	753	51,250	-	-	-
POSCO Asia Co., Ltd.	402,677	746	36,185	504	766	910
Qingdao Pohang Stainless Steel Co., Ltd.	35,299	66	-	-	-	119
POSCO JAPAN Co., Ltd.	230,608	-	9,698	2,339	-	650
POSCO-VIETNAM Co., Ltd.	37,517	108	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	17,483	63	-	-	-	249
POSCO Maharashtra Steel Private Limited	36,314	44	-	-	-	-
POSCO (Suzhou) Automotive Processing Center Co., Ltd.	25,094	-	-	-	-	-
POSCO VST CO., LTD.	62,622	56	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	462	136,882	-	-	-
Others	304,164	3,644	14,283	12,622	67,484	28,998
Subtotal	2,668,272	11,398	447,340	317,734	157,229	91,476
[Associates and joint ventures]						
SNNC Co., Ltd.	1,491	443	98,634	-	-	-
POSCO-SAMSUNG-Slovakia Processing Center	3,229	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	303,358	-	-	-
Others	4,625	39,739	16,589	-	-	5,695

Subtotal	9,345	40,182	418,581	-	-	5,695
Total	2,677,617	51,580	865,921	317,734	157,229	97,171

2) 2nd quarter of 52nd (previous) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.			
	Sales	Others	Purchase of raw materials	Purchase of fixed assets	Cooperative work costs	Others
[Subsidiaries]						
POSCO Engineering & Construction Co., Ltd.	2,198	16	-	72,852	-	2,519
POSCO Coated & Color Co., Ltd.	116,211	1	-	-	5,315	119
POSCO ICT Co., Ltd.	729	-	-	87,989	8,498	42,677
eNtoB Co., Ltd.	3	-	81,080	10,952	33	7,907
POSCO Chemical Co., Ltd.	93,869	5,799	124,303	5,513	78,253	1,881
POSCO Energy Co., Ltd.	49,714	310	-	-	-	42
POSCO International Co., Ltd.	1,423,768	1	154,881	-	13,381	1,629
POSCO Thainox Public Company Limited	54,928	13,616	2,063	-	-	-
POSCO America Corporation	89,516	-	-	-	-	21
POSCO Canada Ltd.	340	529	75,279	-	-	-
POSCO Asia Co., Ltd.	445,133	498	100,397	-	429	2,235
Qingdao Pohang Stainless Steel Co., Ltd.	5,363	-	-	-	-	-
POSCO JAPAN Co., Ltd.	350,682	-	12,033	707	-	853
POSCO-VIETNAM Co., Ltd.	66,995	96	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	75,553	17	-	-	-	-
POSCO Maharashtra Steel Private Limited	142,945	92	-	-	-	256
POSCO(Suzhou) Automotive Processing Center Co., Ltd.	25,309	-	957	-	-	-
POSCO VST CO., LTD.	58,204	-	-	-	-	19
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	41	198,168	-	-	-
Others	204,728	3,439	25,317	4,790	66,424	34,354
Subtotal	3,206,188	24,455	774,478	182,803	172,333	94,512
[Associates and joint ventures]						
POSCO Plantec Co., Ltd.	67	5	648	59,868	4,411	6,651
SNNC Co., Ltd.	1,399	1,100	128,978	-	-	-
POSCO-SAMSUNG-Slovakia Processing Center	7,901	-	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	280,820	-	-	-
Others	2,993	74,784	13,962	-	-	-
Subtotal	12,360	75,889	424,408	59,868	4,411	6,651
Total	3,218,548	100,344	1,198,886	242,671	176,744	101,163

(3) As of the end of the current semi-annual period and the previous period, the balances of related receivables and payables due to important transactions between the Company and related parties are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Receivables			Payables			
	Trade receivables	Others	Total	Trade payables	Outstanding Expenses	Others	Total
[Subsidiaries]							
POSCO Engineering & Construction Co., Ltd.	3,005	56	3,061	-	55,360	381	55,741
POSCO Coated & Color Co., Ltd.	35,652	-	35,652	-	9	3,089	3,098
POSCO ICT Co., Ltd.	123	-	123	2,602	70,313	35,076	107,991
eNtoB Co., Ltd.	-	34	34	2,698	31,539	18	34,255
POSCO Chemical Co., Ltd.	20,537	2,904	23,441	11,092	45,121	17,606	73,819
POSCO Energy Co., Ltd.	166	214	380	-	2,563	13,630	16,193
POSCO International Co., Ltd.	438,989	10	438,999	756	238	-	994
POSCO Thainox Public Company Limited	34,981	3	34,984	-	-	-	-
POSCO America Corporation	4,432	-	4,432	-	-	-	-
POSCO Asia Co., Ltd.	295,369	847	296,216	3,810	257	-	4,067
Qingdao Pohang Stainless Steel Co., Ltd.	21,523	-	21,523	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	40,423	707	41,130	-	-	-	-
POSCO Maharashtra Steel Private Limited	196,825	477	197,302	-	-	-	-
Others	597,632	43,367	640,999	15,367	28,726	85,326	129,419
Subtotal	1,689,657	48,619	1,738,276	36,325	234,126	155,126	425,577
[Associates and joint ventures]							
SNNC Co., Ltd.	340	216	556	10,364	-	-	10,364
Roy Hill Holdings Pty Ltd	-	-	-	169,954	-	-	169,954
Others	408	38,077	38,485	4,042	-	-	4,042
Subtotal	748	38,293	39,041	184,360	-	-	184,360
Total	1,690,405	86,912	1,777,317	220,685	234,126	155,126	609,937

2) 52nd (previous) period

(Unit: million KRW)

Company	Receivables			Payables			
	Trade receivables	Others	Total	Trade payables	Outstanding Expenses	Others	Total
[Subsidiaries]							
POSCO Engineering & Construction Co., Ltd.	5,702	65	5,767	-	78,512	385	78,897
POSCO Coated & Color Co., Ltd.	57,792	-	57,792	-	11	3,828	3,839
POSCO ICT Co., Ltd.	225	1	226	1,147	129,424	42,844	173,415
eNtoB Co., Ltd.	-	-	-	3,459	27,431	-	30,890
POSCO Chemical Co., Ltd.	35,102	3,578	38,680	17,839	52,710	19,369	89,918
POSCO Energy Co., Ltd.	1,876	4	1,880	-	3,229	14,912	18,141
POSCO International Co., Ltd.	633,073	-	633,073	345	2,218	3,839	6,402
POSCO Thainox Public Company Limited	52,826	2	52,828	916	-	-	916
POSCO America Corporation	8,448	-	8,448	-	-	-	-
POSCO Asia Co., Ltd.	508,962	748	509,710	12,784	171	-	12,955
Qingdao Pohang Stainless Steel Co., Ltd.	29,842	-	29,842	-	-	-	-
POSCO MEXICO S.A. DE C.V. DE C.V.	90,351	702	91,053	-	-	-	-
POSCO Maharashtra Steel Private Limited	235,917	444	236,361	-	-	-	-
Others	470,734	33,851	504,585	14,397	40,233	87,652	142,282
Subtotal	2,130,850	39,395	2,170,245	50,887	333,939	172,829	557,655

[Associates and joint ventures]

POSCO Plantec Co., Ltd.	84	10	94	471	49,511	-	49,982
SNNC Co., Ltd.	297	65	362	19,769	-	-	19,769
Roy Hill Holdings Pty Ltd	-	-	-	93,383	-	-	93,383
Others	942	706	1,648	3,447	586	-	4,033
Subtotal	1,323	781	2,104	117,070	50,097	-	167,167
Total	2,132,173	40,176	2,172,349	167,957	384,036	172,829	724,822

(4) Important transactions between the Group and related parties excluding the Company during the current semi-annual period and the previous semi-annual period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.	
	Sales	Others	Purchase of raw materials	Others
[Associates and joint ventures]				
POSCO Plantec Co., Ltd.	2,558	-	5	-
New Songdo International City LLC.	51,863	26,450	-	46
SNNC Co., Ltd.	27,202	-	25,282	107,507
Chuncheon Energy Co., Ltd	287	211	-	-
Noeul GreenEnergy Co., Ltd.	3,039	-	-	-
CSP - Companhia Siderurgica do Pecem	18,311	4,925	123,368	-
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	18,928	-	24,782	-
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	-	-	2,393	-
POS-SEAH STEELWIRE (TIANJIN) CO., Ltd.	3,294	-	-	-
PT. Batutua Tembaga Raya	-	1,111	16,575	-
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	12,131	-	165	-
DMSA/AMSA	-	-	29,198	-
South-East Asia Gas Pipeline Company Ltd.	7	38,517	-	-
PMC Tech Co., Ltd.	15,961	19,438	1,888	452
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.)	89,910	-	-	-
T. K. Chemical Co., Ltd.	59,752	-	18,743	-
Others	61,699	29,773	17,714	16,853
Total	364,942	120,425	260,113	124,858

2) Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.	
	Sales	Others	Purchase of raw materials	Others
[Associates and joint ventures]				
POSCO Plantec Co., Ltd.	5,659	-	21	7,757
New Songdo International City LLC.	751	4,471	-	13
SNNC Co., Ltd.	44,025	-	18,961	31,156
Chuncheon Energy Co., Ltd	1,145	-	-	-
Noeul GreenEnergy Co., Ltd.	3,361	-	-	1,217
USS-POSCO Industries	2	-	1,316	-
CSP - Companhia Siderurgica do Pecem	84,598	7,419	220,542	10,586
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	16,545	-	22,155	-
LLP POSUK Titanium	-	-	272	-

BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	3	-	1,808	-
POS-SEAHSTEELWIRE (TIANJIN) CO., Ltd.	5,298	-	-	-
PT. Batutua Tembaga Raya	-	495	21,634	-
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	13,751	-	173	-
Sebang Steel	-	-	4,862	-
DMSA/AMSA	-	-	30,613	-
South-East Asia Gas Pipeline Company Ltd.	27	9,387	-	-
PMC Tech Co., Ltd.	44,649	16,369	2,620	1,120
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.)	79,272	-	-	-
T. K. Chemical Co., Ltd.	86,987	-	39,454	-
Others	103,425	38,024	11,650	9,046
Total	489,498	76,165	376,081	60,895

(5) Important transactions between the Group and related parties excluding the Company during each 3 months of the current semi-annual period and the previous semi-annual period are as follows:

1) 2nd quarter of 53rd (current) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.	
	Sales	Others	Purchase of raw materials	Others
[Associates and joint ventures]				
POSCO Plantec Co., Ltd.	-	-	-	-
New Songdo International City LLC.	31,663	26,450	-	43
SNNC Co., Ltd.	16,847	-	13,179	508
Chuncheon Energy Co., Ltd	-	-	-	-
Noeul GreenEnergy Co., Ltd.	1,516	-	-	-
CSP - Companhia Siderurgica do Pecem	1,566	493	39,178	-
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd	8,152	-	12,242	-
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	-	-	1,437	-
POS-SEAHSTEELWIRE(TIANJIN) CO., Ltd.	767	-	-	-
PT. Batutua Tembaga Raya	-	152	5,034	-
POSCO SeAH Steel Wire(Nantong) Co., Ltd.	7,287	-	101	-
DMSA/AMSA	-	-	3,035	-
South-East Asia Gas Pipeline Company Ltd.	-	18,511	-	-
PMC Tech Co., Ltd.	7,096	37	814	185
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.)	48,026	-	-	-
T. K. Chemical Co., Ltd.	24,411	-	6,547	-
Others	28,565	24,208	8,642	7,345
Total	175,896	69,851	90,209	8,081

2) 2nd quarter of 52nd (previous) period

(Unit: million KRW)

Company	Sales, etc.		Purchase etc.	
	Sales	Others	Purchase of raw materials	Others
[Associates and joint ventures]				
POSCO Plantec Co., Ltd.	2,263	-	14	4,386
New Songdo International City LLC.	390	-	-	10
SNNC Co., Ltd.	26,013	-	13,918	10,532
Chuncheon Energy Co., Ltd	135	-	-	-
Noeul GreenEnergy Co., Ltd.	1,699	-	-	630

USS-POSCO Industries	2	-	712	-
CSP - Companhia Siderurgica do Pecem	62,328	5,352	100,154	10,201
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd.	7,800	-	11,361	-
LLP POSUK Titanium	-	-	-	-
BX STEEL POSCO Cold Rolled Sheet Co., Ltd.	3	-	956	-
POS-SEAHSTEEL WIRE (TIANJIN) CO., Ltd.	1,421	-	-	-
PT. Batutua Tembaga Raya	-	130	11,037	-
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	5,658	-	93	-
Sebang Steel	-	-	4,159	-
DMSA/AMSA	-	-	13,858	-
South-East Asia Gas Pipeline Company Ltd.	22	4,582	-	-
PMC Tech Co., Ltd.	20,034	-	1,280	407
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.)	41,863	-	-	-
T. K. Chemical Co., Ltd.	43,612	-	17,525	-
Others	55,486	23,357	6,087	2,207
Total	268,729	33,421	181,154	28,373

(6) As of the end of the current semi-annual period and the previous period, the balances of related receivables and payables due to important transactions between the Group and related parties excluding the Company are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Receivables				Payables		
	Trade receivables	Loans	Others	Total	Trade payables	Others	Total
[Associates and joint ventures]							
New Songdo International City LLC.	14,855	-	20,592	35,447	-	-	-
Chuncheon Energy Co., Ltd.	-	-	-	-	407	-	407
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.)	59,192	-	-	59,192	-	55,428	55,428
Nickel Mining Company SAS	-	62,977	144	63,121	-	-	-
CSP - Companhia Siderurgica do Pecem	174,737	-	12,101	186,838	282	-	282
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd.	7,981	-	-	7,981	2,762	-	2,762
PT. Batutua Tembaga Raya	-	39,017	984	40,001	1,399	-	1,399
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	9,399	-	-	9,399	113	-	113
DMSA/AMSA	112	7,645	-	7,757	-	-	-
South-East Asia Gas Pipeline Company Ltd.	-	126,628	-	126,628	-	-	-
PMC Tech Co., Ltd.	2,912	-	-	2,912	569	-	569
T. K. Chemical Co., Ltd.	21,953	-	-	21,953	835	-	835
Others	56,080	160,200	101,593	317,873	471	13,244	13,715
Total	347,221	396,467	135,414	879,102	6,838	68,672	75,510

2) 52nd (previous) period

(Unit: million KRW)

Company	Receivables				Payables		
	Trade receivables	Loans	Others	Total	Trade payables	Others	Total
[Associates and joint ventures]							
POSCO Plantec Co., Ltd.	4,121	-	205	4,326	791	8	799

New Songdo International City LLC.	23,626	-	20,592	44,218	-	10	10
Chuncheon Energy Co., Ltd	-	8,234	-	8,234	657	-	657
Samcheok Blue Power Co., Ltd. (formerly, POS Power Co., Ltd.)	34,945	-	-	34,945	-	67,543	67,543
Nickel Mining Company SAS	-	60,516	120	60,636	-	-	-
CSP - Companhia Siderurgica do Pecem	244,700	-	14,264	258,964	-	33	33
Zhongyue POSCO (Qinhuangdao) Tinplate Industrial Co., Ltd.	10,273	-	-	10,273	633	-	633
PT. Batutua Tembaga Raya	-	36,291	19,993	56,284	56	-	56
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	7,035	-	-	7,035	101	-	101
DMSA/AMSA	-	57,999	1,672	59,671	-	-	-
South-East Asia Gas Pipeline Company Ltd.	14	147,367	-	147,381	-	-	-
PMC Tech Co., Ltd.	8,078	-	-	8,078	916	-	916
T. K. Chemical Co., Ltd.	37,373	-	-	37,373	110	-	110
Others	94,914	138,663	97,804	331,381	7,128	13,379	20,507
Total	465,079	449,070	154,650	1,068,799	10,392	80,973	91,365

(7) The major financial transactions between the Group and related parties excluding the Company during the current semi-annual period and the previous period are as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Company	Beginning of the period	Loan	Collection	Other (Note 2)	End of semi- annual period
[Associates and joint ventures]					
UiTrans LRT Co. Ltd.	10,579	5,919	-	-	16,498
DMSA/AMSA (Note 1)	57,999	-	-	(50,354)	7,645
South-East Asia Gas Pipeline Company Ltd.	147,367	-	(24,416)	3,677	126,628
PT. Batutua Tembaga Raya	36,291	-	-	2,726	39,017
PT. Tanggamus Electric Power	4,580	-	-	170	4,750
PT. Wampu Electric Power	5,519	-	-	205	5,724
PT. POSMI Steel Indonesia	2,316	-	-	86	2,402
Nickel Mining Company SAS	60,516	-	-	2,461	62,977
KRAKATAU POS-CHEM DONG-SUH CHEMICAL	6,947	-	(1,239)	296	6,004
POS-SeAH Steel Wire (Thailand) Co., Ltd.	6,947	-	-	257	7,204
AMCI (WA) PTY LTD	78,553	1,567	-	1,496	81,616
POS-AUSTEM YANTAI AUTOMOTIVE CO.,LTD	5,789	-	-	215	6,004
POS-AUSTEM WUHAN AUTOMOTIVE CO.,LTD	9,262	-	-	343	9,605
Hyochun Co., Ltd.	2,382	-	-	-	2,382
Chuncheon Energy Co., Ltd	8,234	-	(8,234)	-	-
POS-AUSTEM Suzhou Automotive Co., Ltd	5,789	12,067	-	155	18,011
Total	449,070	19,553	(33,889)	(38,267)	396,467

(Note 1) During the current semi-annual period, KRW 52,692 million was converted into equity, and the amount is included in other increases or decreases.

(Note 2) It includes adjustment of conversion differences and others.

2) 52nd (previous) period

(Unit: million KRW)

Company	Beginning of the period	Loan	Collection	Other (Note 2)	End of the period
[Associates and joint ventures]					

UiTrans LRT Co. Ltd.	5,695	4,884	-	-	10,579
DMSA/AMSA (Note 1)	64,297	15,451	-	(21,749)	57,999
South-East Asia Gas Pipeline Company Ltd.	191,107	-	(48,027)	4,287	147,367
PT. Batutua Tembaga Raya	35,100	-	-	1,191	36,291
PT. Tanggamus Electric Power	4,423	-	-	157	4,580
PT. Wampu Electric Power	5,330	-	-	189	5,519
PT. POSMI Steel Indonesia	2,236	-	-	80	2,316
Nickel Mining Company SAS	59,664	-	-	852	60,516
KRAKATAU POS-CHEM DONG-SUH CHEMICAL	6,709	-	-	238	6,947
POSCO SeAH Steel Wire (Nantong) Co., Ltd.	3,354	-	(3,354)	-	-
POS-SeAH Steel Wire (Thailand) Co., Ltd.	6,709	-	-	238	6,947
AMCI (WA) PTY LTD	90,480	4,669	-	(16,596)	78,553
POS-AUSTEM YANTAI AUTOMOTIVE CO., LTD.	5,590	-	-	199	5,789
POS-AUSTEM WUHAN AUTOMOTIVE CO., LTD.	8,945	-	-	317	9,262
Hyochun Co., Ltd.	-	-	-	2,382	2,382
Chuncheon Energy Co., Ltd	-	8,234	-	-	8,234
POS-AUSTEM Suzhou Automotive Co., Ltd.	-	5,827	-	(38)	5,789
Total	489,639	39,065	(51,381)	(28,253)	449,070

(Note 1) During the previous period, KRW 23,682 million was converted into equity, and the amount is included in other increases or decreases.

(Note 2) It includes adjustment of conversion differences and others.

(8) Compensation for key management includes usual salaries and bonuses. Compensation details for major management of the Group for the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
Short-term employee benefits	53,802	56,769
Long-term employee benefits	8,525	7,249
Retirement benefits	9,322	10,389
Total	71,649	74,407

The main management above includes directors (including outside directors) and executive officers who have important authority and responsibility for the planning, operation and control of the activities of the Group.

35. Contingent liabilities and commitments

(1) Guarantee details

As of the end of the current semi-annual period, the contents of payment guarantees provided by the Group are as follows:

(Unit: million KRW)

Guarantee company	Guaranteed company	Guarantee provider	Currency	Guarantee ceiling		Guaranteed amount	
				Foreign currency amount	Amount converted into KRW	Foreign currency amount	Amount converted into KRW
[Group]							
POSCO Co., Ltd.	POSCO Asia Co., Ltd.	Credit Agricole	USD	50,000,000	60,035	50,000,000	60,035
	POSCO-VIETNAM Co., Ltd.	SMBC, etc.	USD	156,000,000	187,309	156,000,000	187,309
	POSCO MEXICO S.A. DE C.V.	BOA, etc.	USD	120,000,000	144,084	120,000,000	144,084
	POSCO COATED STEEL (THAILAND)CO., LTD.	SMBC, etc.	THB	5,501,000,000	213,879	5,501,000,000	213,879
	POSCO Maharashtra Steel Private Limited	ING, etc.	USD	83,784,000	100,599	83,784,000	100,599
	PT. KRAKATAU POSCO	Export-Import	USD	1,350,300,000	1,621,306	862,114,318	1,035,142

		Bank of Korea, etc.					
	POSCO ASSAN TST STEEL INDUSTRY	SMBC, etc.	USD	146,527,500	175,936	131,874,750	158,342
	Daewoo Global Development. Pte.,Ltd.	Export-Import Bank of Korea, etc.	USD	186,625,000	224,081	178,750,000	214,625
	POSCO INTERNATIONAL POWER (PNGLAE) LIMITED	Korea Development Bank	USD	48,317,404	58,015	37,167,234	44,627
	GOLDEN LACE POSCO INTERNATIONAL CO., LTD.	Shinhan Bank, etc.	USD	11,000,000	13,208	11,000,000	13,208
	PT. Bio Inti Agrindo	Export-Import Bank of Korea, etc.	USD	148,168,985	177,907	146,062,714	175,378
	POSCO ASSAN TST STEEL INDUSTRY	ING	USD	14,652,750	17,594	14,652,750	17,594
POSCO International Co., Ltd.	POSCO INTERNATIONAL AMERICA Corp.						
	POSCO INTERNATIONAL SINGAPORE Pte. Ltd.						
	POSCO INTERNATIONAL MEXICO S.A. de C.V						
	POSCO INTERNATIONAL Japan Corp.	Bank Mendes Gans	USD	50,000,000	60,035	38,291,323	45,977
	POSCO INTERNATIONAL Malaysia SDN BHD						
	POSCO INTERNATIONAL Deutschland GmbH						
	POSCO INTERNATIONAL Italia S.R.L.						
	Mykolaiv Milling Works PJSC.	Black Sea Trade and Development Bank	USD	26,144,680	31,392	26,144,680	31,392
	POSCO E&C Vietnam Co., Ltd.	Export-Import Bank of Korea, etc.	USD	47,000,000	56,433	47,000,000	56,433
	POSCO Engineering and Construction India Private Limited	Hana Bank	INR	221,000,000	3,514	192,852,525	3,066
POSCO Engineering and Construction India Private Limited	SPH	SHINYOUNG SECURITIES CO., LTD.	KRW	20,000	20,000	20,000	20,000
	JB CLARK HILLS	Korea Investment & Securities Co., Ltd.	KRW	60,000	60,000	55,000	55,000
	PT. POSCO E&C INDONESIA	POSCO Asia Co., Ltd. , etc.	USD	10,900,000	13,088	10,900,000	13,088
	HONG KONG POSCO E&C (CHINA) INVESTMENT CO., LTD.	POSCO Asia Co., Ltd. , etc.	USD	160,000,000	192,112	153,305,000	184,073
	POSCO ICT Co., Ltd.	POSCO Asia Co.,Ltd. , etc.	USD	1,200,000	1,441	1,200,000	1,441
	PT.POSCO ICT INDONESIA						
POSCO Chemical Co., Ltd.	PT.Krakatau POSCO Chemtech Calcination	POSCO Asia Co.,Ltd. , etc.	USD	15,200,000	18,251	12,000,000	14,408
POSCO Coated & Color Co., Ltd.	Myanmar POSCO C&C Company, Limited.	POSCO Asia Co.,Ltd. , etc.	USD	13,986,947	16,794	13,986,947	16,794
POSCO Energy Co., Ltd.	PT. KRAKATAU POSCO ENERGY	Export-Import Bank of Korea, etc.	USD	193,900,000	232,816	96,985,535	116,451
POSCO Asia Co.,Ltd.	POSCO America Corporation	SMBC	USD	70,000,000	84,049	70,000,000	84,049
[Associates and joint ventures]							
POSCO Co., Ltd.	CSP - Companhia Siderurgica do Pecem	Export-Import Bank of Korea, etc.	USD	420,000,000	504,292	372,140,666	446,830
		BNDES (Brazil Industrial Bank)	BRL	464,060,000	103,114	464,060,000	103,114
	LLP POSUK Titanium	SMBC	USD	13,500,000	16,209	13,500,000	16,209

	Nickel Mining Company SAS	SMBC	EUR	46,000,000	62,109	46,000,000	62,109
POSCO International Co., Ltd.	GLOBAL KOMSCO Daewoo LLC	Hana Bank	USD	8,225,000	9,876	7,875,000	9,456
POSCO Engineering & Construction Co., Ltd.	New Songdo International City LLC.	Others	KRW	386,000	386,000	386,000	386,000
	Pohang E&E Co., Ltd.	Heungkuk Life	KRW	71,930	71,930	62,008	62,008
	UiTrans LRT Co.Ltd.	KB Financial Group Inc.	KRW	125,845	125,845	107,307	107,307
	Incheon Gimpo Expressway Co., Ltd.	KB Financial Group Inc.	KRW	311,468	311,468	289,379	289,379
	RPSD Co., Ltd.	Plan Up Shinsa 1st Co., Ltd.	KRW	45,000	45,000	37,000	37,000
	Metropolitan Suburb Highway Co., Ltd.	Woori Bank, etc.	KRW	275,989	275,989	14,486	14,486
	Pureun Tongyeong Environment Co., Ltd.	Korea Development Bank, etc.	KRW	22,714	22,714	15,542	15,542
	Clean Gimpo Co., Ltd.	Korea Development Bank, etc.	KRW	44,740	44,740	31,946	31,946
	Clean Iksan Co., Ltd.	Samsung Fire & Marine Insurance, etc.	KRW	44,054	44,054	30,668	30,668
	Nextrain Co., Ltd.	KB Financial Group Inc.	KRW	634,752	634,752	-	-
	Chuncheon Energy Co., Ltd.	KB Financial Group Inc.	KRW	149,200	149,200	145,300	145,300
POSCO ICT Co., Ltd.	UiTrans LRT Co.Ltd.	KB Financial Group Inc.	KRW	76,000	76,000	76,000	76,000
	Hyochun Co., Ltd.	Kyobo Securities	KRW	39,575	39,575	39,575	39,575
	Incheon Gimpo Expressway Co., Ltd.	Korea Development Bank	KRW	100,000	100,000	100,000	100,000
	Shinan Combined Wind Power Co., Ltd.	NH Investment & Securities, etc.	KRW	17,860	17,860	17,860	17,860
	Seobu Inland Expressway Co., Ltd.	KB Financial Group Inc.	KRW	964,100	964,100	964,100	964,100
	Metropolitan Suburb Highway Co., Ltd.	Woori Bank	KRW	193,700	193,700	193,700	193,700
POSCO Chemical Co., Ltd.	KRAKATAU POS-CHEM DONG-SUH CHEMICAL	Hana Bank	USD	1,140,000	1,369	506,667	608
POSCO(Suzhou) Automotive Processing Center Co., Ltd.	POS-InfraAuto (Suzhou) Co., Ltd	Export-Import Bank of Korea, etc.	USD	769,500	924	769,500	924
[Other company]							
POSCO International Co., Ltd.	Sherritt International Corporation , etc.	Export-Import Bank of Korea	USD	21,818,182	26,197	3,019,552	3,626
POSCO Engineering & Construction Co., Ltd.	Eco-City Co., Ltd., etc.	KB Financial Group Inc.	KRW	3,984,798	3,984,798	2,135,462	2,135,462
POSCO ICT Co., Ltd.	BTL business, etc.	Hana Bank, etc.	KRW	1,179,464	1,179,464	1,179,464	1,179,464
POSCO AUSTRALIA PTY LTD	Department of Trade and Investment (NSW Government), etc.	Woori Bank, etc.	AUD	11,637,255	9,602	11,637,255	9,602
PT. Bio Inti Agrindo	KSU Mandob	Bank Muamalat	IDR	80,000,000,000	6,744	80,000,000,000	6,744
Total			USD	3,369,159,948	4,045,352	2,659,030,636	3,192,702
			KRW	8,747,189	8,747,189	5,900,797	5,900,797
			IDR	80,000,000,000	6,744	80,000,000,000	6,744
			INR	221,000,000	3,514	192,852,525	3,066
			THB	5,501,000,000	213,879	5,501,000,000	213,879
			EUR	46,000,000	62,109	46,000,000	62,109

	AUD	11,637,255	9,602	11,637,255	9,602
	BRL	464,060,000	103,114	464,060,000	103,114

(2) Main commitments

As of the end of the current semi-annual period, the Group's main commitments are as follows:

Company	Details
POSCO Co., Ltd.	The Company has long-term purchase contracts for major raw materials such as iron ore, coal and nickel. The Company's long-term purchase contract is more than 3 years, and nickel is more than 1 year. Each quarter, the purchase price is adjusted according to changes in the market price. As of the end of the current semi-annual period, the remaining amount available for purchase under a long-term purchase contract is 81 million tons of iron ore and 12 million tons of coal.
	The Company has concluded a long-term purchase contract with Indonesia's Tangguh LNG consortium for LNG, a major fuel for operation and power generation. The purchase contract period is 20 years from August 2005, and the purchase volume is 550,000 tons per year. The purchase price is adjusted according to the changes in the base oil price (JCC in Japan) every month, and when the base oil price rises above a certain level, a ceiling price is applied.
	The Company has long-term charter parties for the transportation of raw materials. As of the end of the current semi-annual period, there are 39 vessels under charter party, and the average remaining period of charter party is about 9 years.
	As of the end of the current semi-annual period, the Company has entered into a long-term foreign currency loan $\text{\$}$ be paid if successful agreement with credit line of USD 4.12 million with the Korea Energy Agency in connection with the exploration of the West Fergana-Chinabad mine and gas field. The above borrowings will be deducted from all or part of the principal and interest of loan in the event of a failure in the mine exploration, and if successful, a certain amount of the business proceeds will be paid a special charge. As of the end of the current semi-annual period, the balance of the Company's borrowings is USD 1.02 million.
	The Company has provided a funding replenishment agreement as the largest shareholder at the request of creditors such as Norddeutsche Landesbank to smoothly finance the construction of power plants of POSCO Energy, a subsidiary of the Company.
POSCO Engineering & Construction Co., Ltd.	The Company is providing a funding replenishment agreement with credit line of KRW 9.8 billion to Busan E&E, a subsidiary of the Company, at the request of creditors such as the Korea Development Bank.
	As of the end of the current semi-annual period, foreign currency guarantees are using USD 783 million out of the total credit line of USD 2,481 million through Woori Bank.
POSCO ICT Co., Ltd.	The balance of loans related to major completion guarantee agreements as of the end of the current semi-annual period is KRW 2,320 billion for two projects including Yeouido Park One Development. If the completion guarantee is not completed, there arises obligation such as taking over the debt and leasing guarantee.
	As of the end of the current semi-annual period, in relation to project contract execution, guarantees of KRW 89,473 million, KRW 2,882 million and KRW 305 million are provided by Korea Software Financial Cooperative, Seoul Guarantee Insurance Co., Ltd. and Engineering Guarantee Insurance, respectively.
	The Company is responsible for the completion guarantees of 10 projects, including new construction of Doosan Group's Bundang Center, and the balance of loans related to the Completion Guarantee Agreement is KRW 737.2 billion as of the end of current semi-annual period. If the completion guarantee is not completed, the Company are obligated to compensate for the principal and interest of the lender.

(3) Litigation case in progress

1) NSC Investment and arbitration application by TGC

In relation to the Incheon Song-do International City Development Project in March 2019, NSC Investment and TGC (hereinafter referred to as "Applicant"), former joint venture partners of POSCO Engineering & Construction Co., Ltd., has filed a request for arbitration with the Singapore International Chamber of Commerce (hereinafter referred to as "ICC") for the violation of joint venture agreement of POSCO Engineering & Construction Co., Ltd. In addition, in March 2019, the applicant filed a lawsuit in the Southern New York District Court in the United States confirming that all claims in the above

arbitration application shall be resolved by ICC arbitration. As of the end of the current semi-annual period, the Group has determined that the claim of the applicant is not legally valid, and has not recognized any provisions as it has determined that there is no present obligation arising from the above arbitration cases.

2) Other litigation

As of the end of the current semi-annual period, there are 325 cases of lawsuits pending for the Group's suspicion, including a lawsuit to confirm the status of workers (Litigation value: KRW 891.5 billion). For 94 litigations, the Group reasonably estimated the possibility and amount of resource outflow due to the litigation, and recorded KRW 46.8 billion as Provision for contingent losses. The Group did not recognize provisions as it judged that there was no present obligation arising from the litigation other than 94 lawsuits that included provision for contingent losses.

(4) Other contingency

As of the end of the current semi-annual period, other major contingencies of the Group are as follows:

Company	Details
POSCO Co., Ltd.	In relation to long-term foreign currency loans, 3 blank checks are provided as pledged checks to the Korea Energy Agency.
POSCO International Co., Ltd.	As of the end of the current semi-annual period, 33 blank notes and 17 blank checks have been provided to the Korea Energy Agency in connection with the contract performance guarantee.
POSCO Engineering & Construction Co., Ltd.	As of the end of the current semi-annual period, 29 blank checks and 4 blank notes are provided as collateral for various contracts, guarantees, and loans. As of the end of the current semi-annual period, the Company provides a joint guarantee of KRW 8,530,827 million for the guarantees issued to the Company's business partners by the Korea Housing & Urban Guarantee Corporation.
POSCO ICT Co., Ltd.	As of the end of the current semi-annual period, 6 blank checks from Hana Bank Co., Ltd. are provided to secure the performance of the Company's obligations.

36. Cash flow from operating activities

Changes in assets and liabilities arising from operating activities during the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
Reduction (increase) of trade receivables	524,843	(310,248)
Reduction (increase) of other receivables	22,494	(197,582)
Reduction (increase) of inventories	1,260,868	(64,238)
Reduction (increase) of other current assets	(91,857)	82,503
Reduction (increase) of other non-current assets	(71,387)	(64,191)
Increase (reduction) of trade payables	(299,704)	(116,517)
Increase (reduction) of other payables	(75,977)	(50,573)
Increase (reduction) of other current liabilities	168,919	292,868
Increase (reduction) of provisions	(137,663)	(81,657)
Payment of severance pay	(146,492)	(87,522)
Reduction (increase) of plan assets	48,328	45,377
Increase (reduction) of other non-current liabilities	3,130	(1,948)
Total	1,205,502	(553,728)

37. Operating department

The Group's operating department is classified based on the market and customer characteristics. The Group divides the operating department into 4 sectors (steel, trade, construction and others) according to the level of reports provided to management for management's decision making. The steel sector is the manufacturing and sales of steel products, the trade sector is not only supply and purchase transactions between domestic and foreign companies, but also the import and export of

various types of steel and raw materials that are purchased from or supplied to the Company and the construction sector consists of subsidiaries that design, manufacture, and construct domestic and international steel mills and their facilities, commercial and residential facilities. Other sector includes businesses such as power generation, network, system integration and logistics. The classification and measurement criteria of the reporting sectors are the same as those of the annual consolidated financial statements in 2019.

Assets, liabilities, and profits and losses by operating sector are generally measured on the basis of separate financial statements prepared in accordance with the K-IFRS of the consolidated companies constituting each operating sector.

(1) The detail of semi-annual gains and losses by operating segment of the Group during the current semi-annual period and the previous semi-annual period is as follows:

1) Semi-annual period of 53rd (current) period

(Unit: million KRW)

Classification	Steel sector	Trade sector	Construction sector	Other Sector	Total
External sales	13,479,418	10,016,621	3,395,502	1,375,826	28,267,367
Internal sales	7,383,579	6,437,084	527,600	1,316,242	15,664,505
Internal sales between sectors	5,199,890	2,949,668	489,800	1,234,354	9,873,712
Total sales	20,862,997	16,453,705	3,923,102	2,692,068	43,931,872
Sector profit	137,727	150,120	239,257	184,814	711,918

2) Semi-annual period of 52nd (previous) period

(Unit: million KRW)

Classification	Steel sector	Trade sector	Construction sector	Other Sector	Total
External sales	16,254,629	11,202,364	3,250,562	1,628,018	32,335,573
Internal sales	8,810,998	8,118,637	271,167	1,313,099	18,513,901
Internal sales between sectors	6,083,008	4,353,673	238,116	1,248,146	11,922,943
Total sales	25,065,627	19,321,001	3,521,729	2,941,117	50,849,474
Sector profit	1,154,554	162,877	33,084	167,428	1,517,943

(2) The adjustment details of semi-annual gains and losses during the current semi-annual period and the previous semi-annual period are as follows:

(Unit: million KRW)

Classification	Semi-annual of 53rd (current) period	Semi-annual of 52nd (previous) period
Total semi-annual net income	711,918	1,517,943
Depreciation adjusted at fair value	(38,676)	(40,729)
Internal transaction removal	(133,716)	(17,351)
Income tax expense	255,023	657,559
Income before tax expenses	794,549	2,117,422

38. Events after the reporting period

In accordance with the resolution of the board of directors on August 7, 2020, the Company decided a quarterly cash dividend of KRW 500 per common share (total dividend: KRW 39.9 billion).