MARKET & COMPETITIVE MONOGRAPH

The Wrong End *of the Package*

A display-driver packaging house in distress as the value of semiconductor back-end migrates to the advanced packaging it does not serve — recapitalizing to fund a pivot.

KOSDAQ 061970 · LB Semicon Co., Ltd.

The OSAT industry is booming on AI packaging — and a pure-play stuck in commodity display-driver bumping is selling below cost and writing down its own fab. The niche, not the cycle, is the problem.

FY2025 revenue	Operating margin	FY2025 net loss	Fab impairment
₩479.8bn	**−8.3%**	**−₩150.9bn**	**~₩122bn**

Prepared for a consulting firm conducting market and competitive analysis of the semiconductor back-end (OSAT) sector and the display-driver packaging niche, with LB Semicon as the lens. A market-research and business-analysis monograph, not an equity note: no price target, no valuation; company financials appear only as evidence of market dynamics.

Evidence base · DART Annual Report FY2025 (rcept 20260320000806) + 7-yr structured financials and capital-event filings; peer DART (Hana Micron 067310); OSAT / advanced-packaging market research (Mordor, Precedence, GM Insights, Bloomberg Intelligence, Yole); ChipMOS SEC filings. Figures cited inline. · Seoul · 2026-06-17

Contents

SIX SECTIONS · ~22 PAGES

The monograph is built around one market-research diagnosis — **a company on the wrong end of a value migration**. The semiconductor back-end (OSAT) industry is large and growing, but its value is rushing toward **advanced packaging** (2.5D/3D, fan-out) for AI and high-performance computing. LB Semicon is a pure-play in the opposite corner — **commodity DDI (display-driver IC) packaging** — where margins have gone negative, the fab has been written down, and a full recapitalization is under way. The report reads it as a position within an OSAT market whose growth it does not capture, and asks whether the recapitalization can fund a pivot before the commodity niche erodes it further.

HOW TO READ THIS DOCUMENT

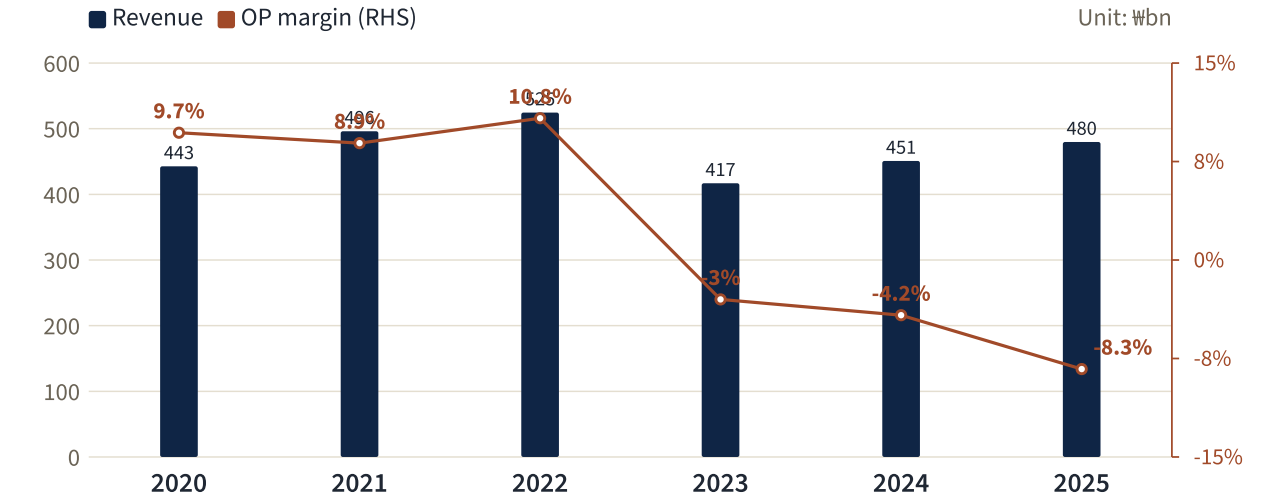
The number that frames LB Semicon is the **negative gross margin**: in FY2025 it sold display-driver packaging for less than it cost to make, and then wrote down ~₩122bn of its fab. That is not a cyclical dip — it is the market telling a commodity pure-play that its assets cannot earn their cost of capital in their current use. The thesis of this report is that the problem is **structural and about position** (the DDI niche), not merely cyclical — and that the company's future rests entirely on a recapitalization-funded pivot toward where OSAT value has gone.

Executive Summary

THE MARKET THESIS

LB Semicon (KOSDAQ 061970) is a Korean semiconductor back-end (OSAT) house focused almost entirely on one product: **DDI (Display Driver IC) packaging** — bumping, chip-on-film (COF) and test for the chips that drive display panels. That concentration is now the problem. The OSAT industry is large and growing — but its growth and profit have migrated to **advanced packaging** (2.5D/3D, fan-out) for AI and HPC, a market LB Semicon does not serve. Stranded in the commoditizing DDI niche, its profitability has collapsed.

Exhibit 1 · Revenue recovering, profitability collapsing: the operating margin crossed into the red and kept falling



Source: DART 20260320000806 + 7-yr structured financials. OP margin on right-hand −15% to +15% scale. Revenue recovered from the 2023 trough (₩417bn → ₩480bn) yet OP margin fell −3.0% → −4.2% → −8.3%; FY2025 gross margin was negative.

FY2025 was acute. Gross profit turned **negative** — the company sold DDI packaging below cost — and a **~₩122bn impairment** of its production assets drove a net loss of **−₩150.9bn**. That is a balance-sheet acknowledgement that the fab cannot earn its cost of capital in commodity DDI. In response, LB Semicon executed a full **recapitalization** — convertible bond, hybrid (perpetual) capital, treasury-share disposals and a rights issue. The whole market-level question, framed without any valuation view, is whether that capital funds a **pivot** — out of commodity DDI toward advanced/non-DDI packaging — before the niche erodes it further.

LB Semicon is a **sub-scale DDI-packaging pure-play stranded by a value migration** — distressed in a booming industry because of where it sits, not where the cycle is. Five findings follow.

Five findings a market team should anchor on

1 **OSAT is booming — but the value migrated.** The OSAT market is ~$46-73bn growing ~7-11%, but in 2024 **68% of packaged devices** went to advanced formats (flip-chip, fan-out), and 2.5D/3D could grow ~26%/yr on AI/HPC. The growth and profit are in advanced packaging — not commodity DDI
Mordor; Bloomberg Intelligence; Yole.

2 **LB Semicon is on the wrong end.** It is a pure-play in DDI display-driver packaging (bumping, COF, test) — the mature, panel-cycle-dependent, commoditizing slice. Even the scaled Taiwanese incumbents (ChipMOS, Chipbond) run ~6-7% gross margins here; a sub-scale Korean pure-play is squeezed hardest
01-market; ChipMOS SEC.

3 **The distress is structural, not just cyclical.** Revenue *recovered* from the 2023 trough (₩417bn → ₩480bn) yet operating margin fell deeper each year to −8.3%, with a **negative gross margin** in FY2025. Volume returned at a loss — a pricing/commoditization crisis, not a volume cycle DART.

4 **A ₩122bn impairment forced a recapitalization.** FY2025's ~₩122bn fab write-down drove a −₩151bn net loss; the company raised capital across a convertible bond, a perpetual hybrid, two treasury-share disposals and a rights issue — financing distress and a possible pivot, with a PEF holder in the register
DART capital-event filings.

5 **The diversification divide is the lesson.** Same country, same industry, same cycle: Hana Micron diversified into memory/SiP/advanced packaging and grew to ₩1.25tn at +8.5% margin; LB Semicon stayed in DDI and fell to −8.3%. Product mix, not the cycle, separated them DART: 067310 / 061970.

> **The read for the brief.** LB Semicon is a distressed, sub-scale DDI-packaging pure-play whose problem is structural position, not the cycle. The market question to price is binary: can the **recapitalization fund a credible pivot** — into non-DDI, advanced, or SiP packaging where OSAT value has gone — before commodity DDI and a recovering-but-thin panel cycle erode it further? Without a pivot, the recapitalization funds survival, not a return.

1 The Market

A VALUE THAT MIGRATED

The semiconductor back-end (OSAT) market is large, growing, and — for LB Semicon — deceptive. The headline numbers are healthy; the relevant ones are not, because the market's growth and profit have rushed to a corner LB Semicon does not occupy. The analytical key is to separate the OSAT *aggregate* from the *advanced-packaging* engine driving it.

OSAT — big and growing, but composition is everything

- **OSAT market: ~$46–73bn (2025), growing to ~$77–98bn by 2030–35** (~7–11% CAGR); packaging is ~76.8% of revenue. A healthy industry on the surface Mordor; Precedence; Research and Markets.
- **But composition is migrating fast.** In 2024, **68% of packaged devices** went to advanced formats (flip-chip, fan-out); AI/HPC/chiplet demand for system-level test and 2.5D/3D integration is where the growth concentrates. The OSAT aggregate hides a sharp internal shift from commodity to advanced Mordor.

Advanced packaging — where the growth and profit went

- **Advanced packaging: ~$46–52bn (2025) → ~$80–140bn (2030–34), ~10–12% CAGR;** fan-out ~58.6% share, and **2.5D/3D the fastest platform — potentially ~26%/yr**, outpacing the ~10% overall-semiconductor growth as AI spreads to consumer and automotive GM Insights; Bloomberg Intelligence; Yole.
- **This is the engine LB Semicon is not connected to.** Its capacity is in DDI bumping/COF/test, not 2.5D/3D interposers or fan-out for AI accelerators. The industry's growth is real — and, for this company, out of reach without a pivot.

DDI display-driver packaging — the commoditizing niche

LB Semicon's market is the packaging of **Display Driver ICs** — the chips that drive LCD/OLED panels — via gold/flip-chip **bumping**, **chip-on-film (COF)**, and **test**. It is a structurally different market from advanced packaging: demand tracks *display-panel volumes and the panel cycle*, not the AI/HPC supercycle. Three forces make it a hard place to earn a return:

- **Maturity & cyclicality.** DDI demand follows LCD/OLED panel volumes — a mature, cyclical, low-growth base, not a secular ramp.
- **Thin incumbent margins.** The Taiwanese specialists that dominate merchant DDI packaging — **ChipMOS** and **Chipbond** — run only ~6-7% gross margins even at scale. If the scaled incumbents earn thin, a sub-scale Korean pure-play earns less ChipMOS SEC 6-K.
- **China & panel migration.** The display-panel industry has migrated to China, where local OSAT capacity is rising and competing on price in commodity packaging — compressing margins further.

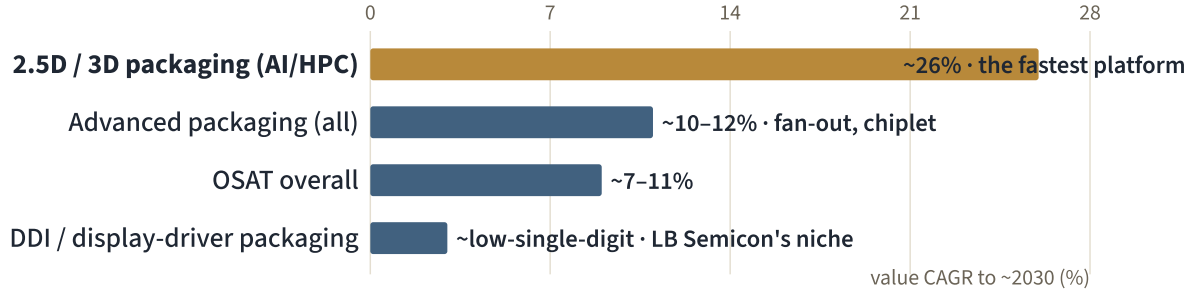
> **THE MARKET READ IN ONE LINE**
>
> LB Semicon sits in the one corner of a growing industry where the growth is not — a mature, cyclical, thin-margin commodity niche (DDI), against scaled thin-margin incumbents and rising Chinese capacity, while the OSAT value it would need migrates to advanced packaging it does not serve. The market is not the problem; its *position in the market* is.

2 The Value Migration

WHERE THE PROFIT WENT

The single fact that decides LB Semicon's fate is a migration: the value of semiconductor packaging is moving from commodity assembly (where it sits) to advanced packaging (where it is not). This is the structural lens — the OSAT equivalent of a technology S-curve — and the company is on the slow side of it.

Exhibit 2 · The migration: OSAT growth concentrates in advanced packaging, not the DDI niche



Source: GM Insights, Bloomberg Intelligence, Yole (advanced packaging, 2.5D/3D); Mordor / Precedence (OSAT overall); DDI/display packaging is a low-single-digit, panel-cycle-dependent niche. CAGRs to ~2030; ranges where houses differ.

The gradient is stark: 2.5D/3D advanced packaging may compound ~26%/yr and the advanced-packaging aggregate ~10-12%, while the OSAT overall grows ~7-11% and commodity DDI packaging only low-single-digit. The reason is AI: high-performance accelerators need chiplets, interposers and high-bandwidth-memory integration — work that lives in advanced packaging and commands premium pricing and system-level test. Display drivers need none of that. As a result, the OSAT winners (ASE, Amkor, and, in Korea, Hana Micron) are those that built advanced/memory/SiP capacity; the laggards are those left in commodity assembly.

Where LB Semicon sits — and the only way off it

LB Semicon's own filings reach for the right language — it describes OSAT as moving "from simple assembly to system integration," the advanced-packaging narrative. But aspiration is not capacity: its plant and revenue are anchored in DDI bumping, COF and test. The company is on the wrong side of the migration, and there are only three ways off it:

- **Pivot the capacity** — redeploy bumping/test lines toward **non-DDI** chips (logic, RF, sensor, automotive), **SiP**, or entry-level advanced packaging. The most credible path, and what the recapitalization must fund; but it requires capex into a market where ASE/Amkor/Hana Micron are already entrenched.
- **Ride a panel-cycle recovery** — a cyclical LCD/OLED upturn would lift utilization and pull the gross margin back above water, but it does not solve the structural ceiling; it only buys time.
- **Consolidate** — combine with a peer (the LB Group affiliate LB Lusem shares DDI exposure) or a financial sponsor restructuring (a PEF holder is already in the register) to gain scale or rationalize capacity.

> **THE STRUCTURAL READ**
>
> The value migration is the whole story. A growing OSAT industry is no help to a company in the one niche the growth bypassed. LB Semicon's recapitalization is necessary but not sufficient — it stabilizes the balance sheet, but a **return** requires moving the business toward where OSAT value went. The competitive section shows a Korean peer that did exactly that.

3 The Company Within the Market

RECOVERING REVENUE, COLLAPSING MARGIN

LB Semicon's financial record is the value migration lived as a P&L: revenue that recovered from the cyclical trough, and a margin that collapsed through it — culminating in a negative gross margin, a fab impairment, and a recapitalization.

Exhibit 3 · Seven-year consolidated record, FY2019–FY2025 (₩bn, CFS)

Metric (₩bn)	FY19	FY21	FY22	FY23	FY24	FY25
Revenue	390.4	496.2	524.6	416.9	450.9	479.8
Operating profit	50.4	44.2	56.8	−12.7	−18.8	−39.8
OP margin	**12.9%**	**8.9%**	**10.8%**	**−3.0%**	**−4.2%**	**−8.3%**
Net income	36.5	38.3	44.7	−16.6	−23.0	−150.9

Three features matter. First, the **margin path is the warning**: a healthy ~9-13% through 2022, then negative and *deepening* (−3.0% → −8.3%) even as revenue recovered — the signature of commoditization, not a volume cycle. Second, FY2025's **negative gross margin** (the company sold below cost) and the **~₩122bn fab impairment** (PP&E write-down ₩112.6bn plus intangibles/lease) produced the −₩150.9bn net loss — a balance-sheet admission that the assets cannot earn their keep in DDI. Third, the business is a **pure-play**: DDI Bump, Non-DDI Bump, DDI Test, Non-DDI Test — concentrated exactly where the squeeze is hardest.

The recapitalization — financing the write-down and a pivot

Faced with the loss and impairment, LB Semicon executed a **full multi-instrument recapitalization** across 2025-26 — to be read as financing distress and a possible pivot, not as a market signal.

Exhibit 4 · The distress-and-recapitalization sequence, FY2023–FY2026

Source: DART capital-event filings. A convertible bond and a hybrid (perpetual) capital security (Oct-2025), two treasury-share disposals (Dec-2025), and a rights issue (May-2026) — alongside the FY2025 fab impairment. A PEF holder (UAMCO–KB Credit) and the founding family appear in the 5%-holder register.

The instruments are telling. A **convertible bond** and a **perpetual hybrid** (which counts as equity credit) shore up the capital structure without forcing immediate dilution; **treasury-share disposals** raise cash from the buyback bloc; and a **rights issue** brings fresh equity. Together they are the toolkit of a company stabilizing a damaged balance sheet — and, potentially, funding the capacity pivot the market section identified as the only route to a return. The presence of a private-equity credit holder in the register, alongside the founding family (the LB Group), frames this as a sponsor-involved capital reset.

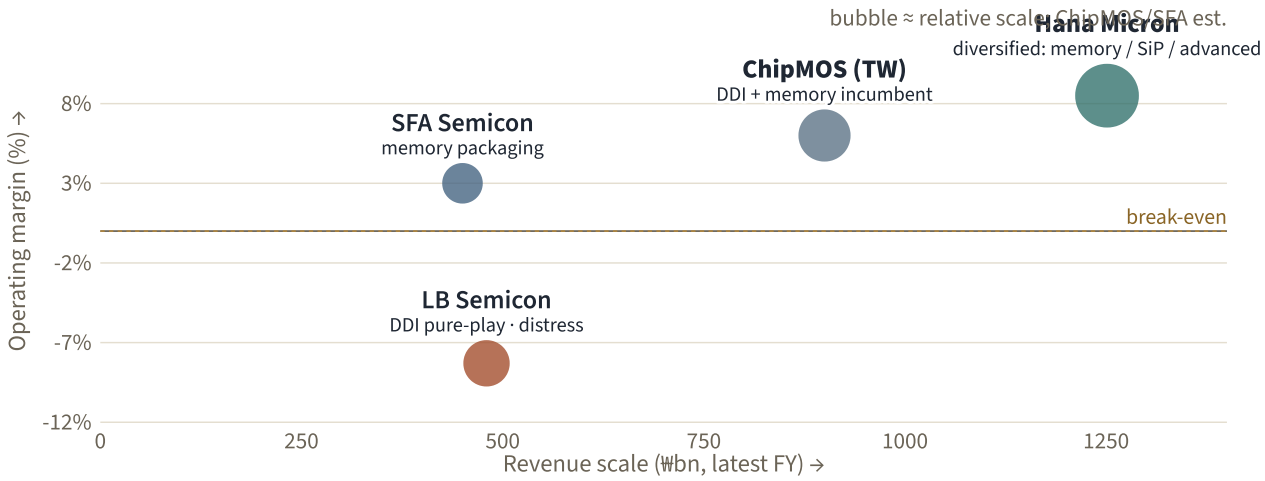
> **HOW TO READ THE CAPITAL EVENTS**
>
> This is the market-side trace of distress and restructuring — not, per this report's framing, an investment signal. The recapitalization answers the *solvency* question (the company can fund itself through the trough); it does not answer the *strategy* question (whether the capital buys a credible move out of commodity DDI). The latter is what a diligence reader must test.

4 Competitive Landscape & Position

THE DIVERSIFICATION DIVIDE

The cleanest evidence for this report's thesis sits next door. Korea has two listed OSAT houses of comparable heritage, and they have diverged completely — not because of the cycle, which they shared, but because of **product mix**. One diversified out of commodity packaging; the other did not.

Exhibit 5 · The divide: LB Semicon sits alone below break-even while diversified peers stay profitable



Source: DART (Hana Micron, LB Semicon); ChipMOS SEC; SFA Semicon est. x = latest-FY revenue (₩bn); y = operating margin; the dashed line is break-even. Hana Micron (memory/SiP/advanced) +8.5%; LB Semicon (DDI pure-play) −8.3%.

The map is the thesis. **Hana Micron** sits profitably above the line (₩1.25tn, +8.5%, rising) because it built memory-module, SiP and advanced-packaging capacity — riding the memory and AI-adjacent cycle. **LB Semicon** sits *alone below the break-even line* (₩480bn, −8.3%) because it stayed a DDI pure-play. ChipMOS and SFA Semicon, with memory exposure, hold thin-but-positive margins. The lesson generalizes across the OSAT sector: in a value migration, **where you are positioned (commodity DDI vs advanced/memory) matters more than the cycle** — and LB Semicon is positioned worst.

The field, by role

- **Hana Micron (067310)** — the Korean OSAT success case and the instructive contrast: scaled to ₩1.25tn (FY2024) at a positive, rising ~8.5% margin by diversifying into memory-module packaging, SiP and advanced/AI-adjacent packaging. The model LB Semicon must emulate — proof that a Korean OSAT can win by moving to where the value migrated.
- **SFA Semicon (036540)** — a memory-focused packaging/test OSAT (~₩450bn); cyclical with memory but not trapped in commodity DDI — thin-but-positive.
- **ChipMOS & Chipbond (Taiwan)** — the global DDI-packaging incumbents; even at scale they run only ~6-7% gross margins, confirming DDI as a low-margin commodity. The thin-margin ceiling LB Semicon competes under from below.
- **LB Lusem (376290)** — the LB Group affiliate in COF/DDI materials: *more* DDI/display exposure within the group, not a hedge — a consolidation candidate but also a concentration of the same risk.
- **ASE, Amkor, JCET (global top-3)** — the scaled leaders driving the advanced-packaging (fan-out, 2.5D/3D, AI) build-out — the structural force pulling OSAT value away from commodity DDI.

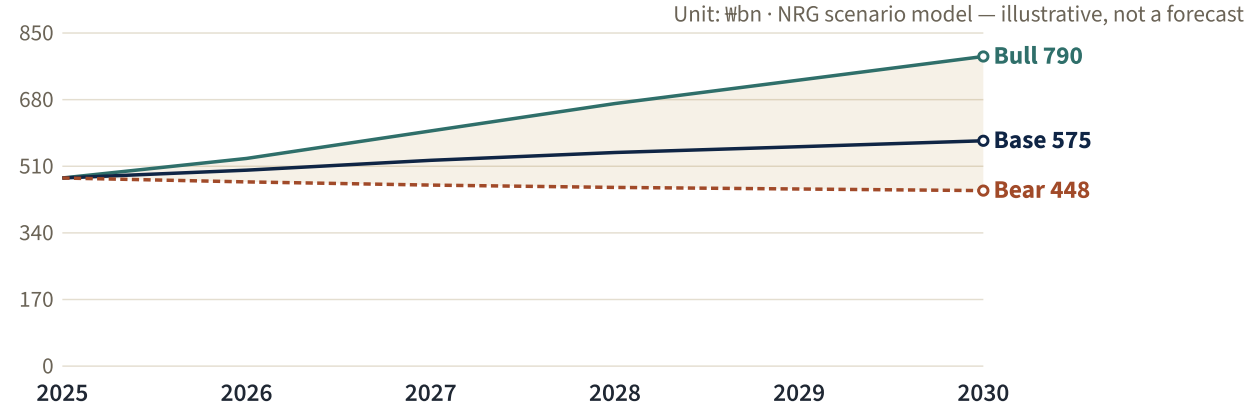
> **WHERE LB SEMICON SITS**
>
> LB Semicon occupies the **most exposed corner of the OSAT map**: sub-scale, DDI-display-driver pure-play, in a commoditizing niche, against thin-margin Taiwanese incumbents and rising Chinese capacity, while the industry's growth migrates to advanced packaging it does not serve. The Hana Micron contrast shows the exit exists — diversify out of DDI — but it requires capital and capability into a contested market. A reader is underwriting a turnaround-and-pivot, not a going concern in steady state.

5 Forward Outlook 2026–2030

THE PIVOT QUESTION

The forward view turns on two variables: the **panel-cycle recovery** (does utilization and DDI pricing improve) and, decisively, the **pivot** (does the recapitalization fund a credible move into non-DDI / advanced / SiP packaging). The scenarios below are **illustrative analytical constructs on a market basis — not forecasts of record, and explicitly not a valuation**.

Exhibit 6 · Revenue scenarios 2025–2030 (₩bn): the spread is the panel-cycle recovery × the pivot



NRG scenario model, illustrative. Base = slow panel-cycle recovery, margins crawl toward break-even, partial pivot; bull = cycle recovers and a non-DDI/advanced pivot lands; bear = DDI commodity persists, pivot stalls, recapitalization funds survival. Not a forecast; not a valuation.

The base case is a **slow stabilization**: a gradual panel-cycle recovery lifts revenue and utilization, margins crawl back toward break-even, and a partial pivot into non-DDI/SiP begins to show — but the structural DDI drag persists. The bull and bear diverge entirely on the pivot: whether the recapitalized balance sheet converts into advanced/non-DDI capacity that earns a real margin, or whether the capital merely funds survival in a commodity niche.

The three paths, with explicit assumptions

Bull

~₩790bn by 2030

Assumes the panel cycle recovers *and* the recapitalization funds a successful pivot: bumping/test capacity is redeployed into non-DDI (logic/RF/automotive/sensor), SiP, or entry advanced packaging that earns a real margin. Utilization and gross margin return above water; the company re-rates from distressed to growing.

Base

~₩575bn by 2030

Assumes a slow panel-cycle recovery lifts revenue modestly; margins crawl back toward break-even as a partial non-DDI pivot offsets DDI commoditization. The recapitalization stabilizes the balance sheet; the business survives and slowly improves, but does not escape the thin-margin niche. A stabilization, not a turnaround.

Bear

~₩450bn by 2030

Assumes DDI oversupply and Chinese competition keep gross margins negative, the pivot stalls (capital scarce, advanced packaging contested), and the panel cycle stays soft. The recapitalization funds survival, not growth; revenue drifts sideways at a loss and further restructuring follows.

The asymmetry is unusual for this batch: unlike the other four companies, LB Semicon's base case is **stabilization from distress, not growth from strength**. The recapitalization provides a solvency floor, but the upside is entirely conditional on a pivot into a market where larger, entrenched players already operate. The swing factors below decide whether the floor becomes a foundation.

6 Strategic Implications

HOW THE MARKET READS

For a consulting client mapping the OSAT sector, LB Semicon is the cleanest read on **how a value migration punishes a commodity pure-play — and what a pivot requires**. Five implications follow.

- **In OSAT, position beats the cycle.** The Korean pair proves it: same cycle, opposite outcomes (Hana Micron +8.5%, LB Semicon −8.3%), separated by product mix. Any OSAT thesis must be a thesis about exposure to advanced packaging vs commodity assembly.
- **Advanced packaging is the value, AI is the driver.** 2.5D/3D, fan-out and chiplet integration — pulled by AI/HPC — is where OSAT growth and margin concentrate (~10-26%/yr). Commodity DDI/display packaging is the structural laggard.
- **A negative gross margin is a structural signal.** Selling below cost and writing down the fab is the market telling a pure-play its assets cannot earn their cost of capital in their current use — a position problem, not a cost problem.
- **Recapitalization answers solvency, not strategy.** The CB/perpetual/rights-issue toolkit stabilizes the balance sheet; it does not, by itself, move the business to where the value went. The strategy question is separate and decisive.
- **LB Semicon is a turnaround-and-pivot, not a steady state.** Its base case is stabilization from distress; its upside is a recapitalization-funded pivot into non-DDI/advanced packaging; its risk is funding survival in a commodity niche. That is the shape of the situation to price.

> **The open questions a market study leaves — and primary research can close.** Three things filings and market reports cannot resolve: the real feasibility of LB Semicon's pivot (which non-DDI/advanced markets, with what customers and capex); the depth and timing of the panel-cycle recovery for DDI utilization; and the intentions of the PEF holder and the LB Group (consolidation with LB Lusem? a sponsor-led restructuring?). Each is decidable with the right primary voices — which is where Nathan Research works.

Working With Nathan Research

COMPLIANT EXPERT NETWORK

Market reports and filings establish the *shape* of this situation; they do not capture the operating detail that decides a strategy — the real feasibility of a packaging pivot, the customer pipeline for non-DDI work, the PEF holder's intentions, the panel-cycle read on the ground. That detail lives with the people who built, ran, sold and competed with these lines — and reaching them, compliantly, is what Nathan Research does.

Nathan Research Group operates **Korea's first dedicated expert-network service, established in 2013**. We were built for the global private-equity, hedge-fund or corporate-strategy team that has a thesis on a Korean or Asian asset and needs primary, on-the-ground diligence that public disclosure cannot supply. The Korean semiconductor back-end (OSAT), packaging and display complex is one of our deepest benches.

Who we put in the room

For an LB Semicon or OSAT / packaging engagement, we source, vet and convene primary experts across the value chain:

- **Former executives & engineers** — from LB Semicon and its peers (Hana Micron, SFA Semicon, LB Lusem)
- **Packaging & test specialists** — DDI bumping/COF, SiP, fan-out, 2.5D/3D advanced packaging
- **Chip & panel customers** — DDI fabless, display-panel and logic/memory sourcing contacts
- **Advanced-packaging & AI-supply-chain experts** — where the OSAT value and capex are flowing
- **Restructuring & PE specialists** — Korean recapitalization, sponsor dynamics, consolidation
- **Display-cycle & China-OSAT analysts** — panel-volume and competitive-capacity views

How an engagement works

1 · Scope

We translate your thesis into a precise expert profile and question set, mapped to the decisions you need to make.

2 · Source & vet

We identify, screen and compliance-clear each expert — confirming relevance, recency and the absence of conflicts before any call.

3 · Convene & synthesize

We arrange interviews on your timeline and, where useful, deliver written synthesis tied back to the questions in this brief.

Partner With Nathan Research

START THE CONVERSATION

If your team is evaluating **LB Semicon**, the **Korean OSAT / semiconductor-packaging sector**, or the broader **advanced-packaging and display supply chain**, we would welcome the conversation. Tell us the decision you are trying to make — we will tell you, candidly, whether and how our network can help you make it.

What to expect when you reach out: A direct reply from a partner, not an intake form — and a scoping conversation rather than a sales call. From there: a compliant, conflict-cleared expert panel assembled to your timeline, and, where useful, written synthesis that builds directly on the analysis in this monograph.

WEB	**www.nathanrg.com**	
EMAIL	**team@nathanrg.com**	General enquiries
	nathan@nathanrg.com	Nathan Choi · CEO
PHONE	**+82 10 3059 3630**	Nathan Choi · CEO
	+82 2 939 3630	Office · Seoul

A Appendix

SOURCES · METHODOLOGY · GLOSSARY

Evidence base & methodology

This monograph synthesizes primary and secondary sources, cross-checked on 2026-06-17. Figures are cited inline; company financials appear only as evidence of *market* dynamics, consistent with the market-research (not equity) scope.

Regulatory (DART, primary): LB Semicon Annual Report FY2025 (rcept **20260320000806**) + 7-yr structured consolidated financials (fnlttSinglAcntAll CFS, 2019–2025), incl. the FY2025 income statement (negative gross margin; ~₩122bn impairment) and capital-event filings (CB, perpetual, treasury disposals, rights issue). Peer: **Hana Micron** (067310), self-extracted.

Market: OSAT sizing — Mordor, Precedence, Research and Markets, Verified; advanced packaging — GM Insights, Bloomberg Intelligence, Yole, Fortune BI; DDI/incumbent margins — ChipMOS SEC 6-K filings.

Competitors: Hana Micron (DART, ₩1,251bn FY24 / +8.5%); ChipMOS (SEC); SFA Semicon (036540) and LB Lusem (376290) referenced from DART/FnGuide (figures to confirm). Global top-3 (ASE, Amkor, JCET) as the advanced-packaging context.

Data notes: (1) FY2025 net loss (−₩150.9bn) is dominated by a ~₩122bn asset impairment (PP&E ₩112.6bn + intangibles/lease), not operations alone. (2) The OP-margin line in Exhibit 1 crosses into negative territory by design. (3) ChipMOS/SFA Semicon points in Exhibit 5 are estimates for scale/margin. (4) Scenarios are illustrative market constructs, not company guidance. (5) The recapitalization is read as financing/restructuring, not an investment signal.

Glossary

OSAT — outsourced semiconductor assembly & test (the back-end). **DDI** — display driver IC (the chip that drives an LCD/OLED panel). **Bumping** — forming solder/gold bumps for flip-chip interconnect. **COF** — chip-on-film packaging (common for DDI). **Advanced packaging** — 2.5D/3D, fan-out, chiplet integration (for AI/HPC). **SiP** — system-in-package. **Gross margin** — revenue less cost of goods, before opex. **OPM** — operating margin. **CB** — convertible bond. **Perpetual / hybrid** — a capital security counted partly as equity. **PEF** — private-equity fund. **DART** — Korea's electronic disclosure system; **rcept_no** — a filing's receipt number. 후공정 (hugongjeong) — semiconductor back-end (OSAT). 범핑 (beomping) — bumping. 구동칩 (gudongchip) — driver IC. 전환사채 (jeonhwan-sachae) — convertible bond. 유상증자 (yusang-jeungja) — rights (paid-in) issue. 자기주식 (jagijusik) — treasury shares. 엘비루셈 (LB Lusem) — LB-Group COF/DDI affiliate. 사업보고서 (saeop bogoseo) — Annual Report (DART).

SCOPE & DISCLAIMER

This is a market-research and business-analysis document for sector and competitive analysis; it is **not** investment advice and contains no price target or valuation. Forward scenarios are illustrative constructs, not forecasts of record. Prepared by Nathan Research Group, Seoul, 2026-06-17.