



Welcome Lights for global K-Pop Fans at Lotte Department Store Main Store



1Q FY26 Earnings Results (May, 2026)



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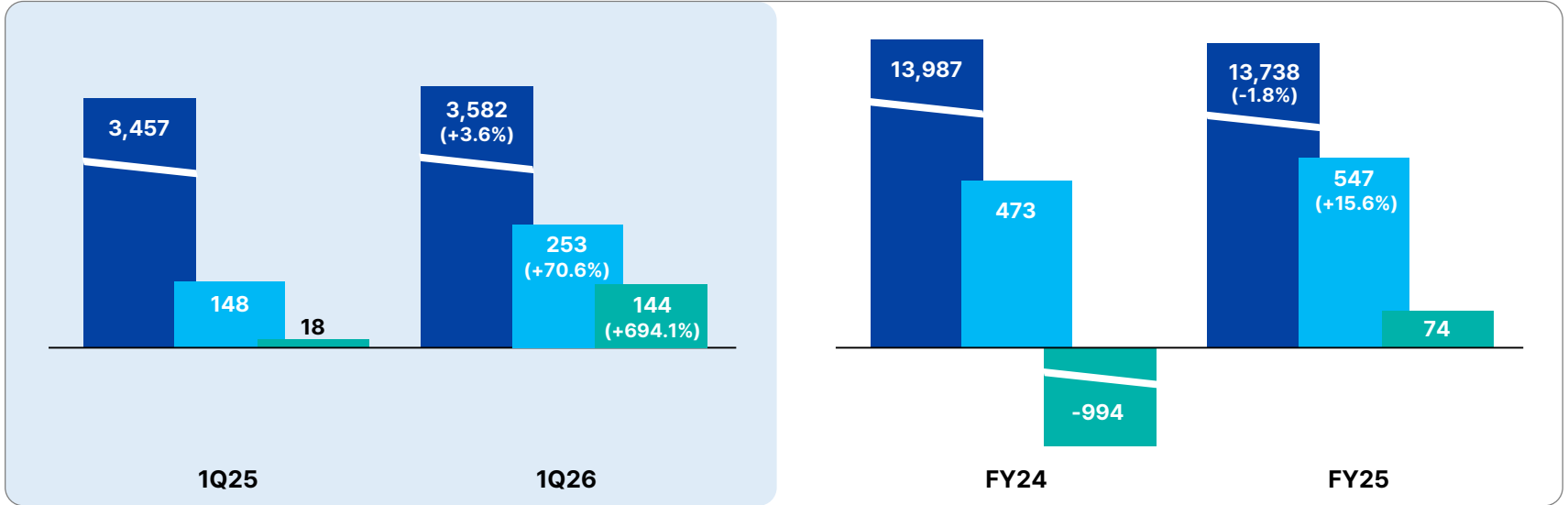
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1Q FY26 Results (Unit : KRW Billion, YoY)

■ Revenue ■ Operating Profit ■ Net Profit



Financial Summary

Revenue	Revenue increased driven by strong sales from Department Store mainly from core branches and foreign tourists along with balanced growth across major segments including Cultureworks
Operating Profit	Operating profit increased by solid performance from Department Store led by strong sales in high-margin fashion, and improved earnings in Vietnam, Cultureworks, and HomeShopping
Net Profit	Net Profit increased driven by higher operating profit and improved equity method profit



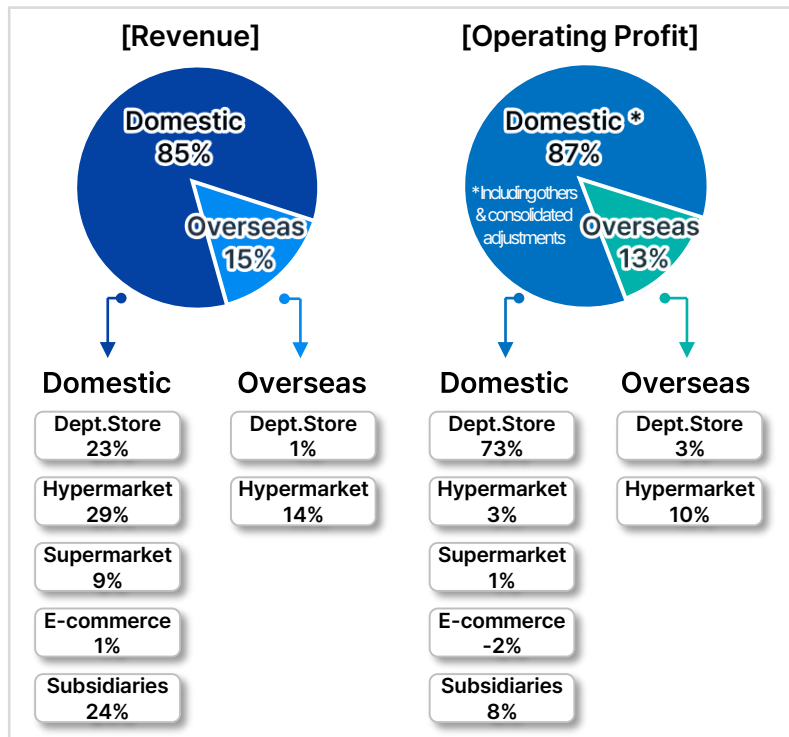
Consolidated Financial Data

Income Statement

[Unit: KRW Billion, %]

	1Q25	1Q26	YoY	FY24	FY25	YoY
Revenue	3,457	3,582	3.6	13,987	13,738	-1.8
Gross Sales	4,891	5,156	5.4	19,823	19,582	-1.2
Gross Profit	1,617	1,725	6.7	6,735	6,663	-1.1
SG&A	1,469	1,472	0.2	6,262	6,116	-2.3
Operating Profit	148	253	70.6	473	547	15.6
EBITDA	396	508	28.4	1,554	1,546	-0.5
Profit Before Income Tax	45	180	304.0	-1,021	83	-
Net Profit	18	144	694.1	-994	74	-

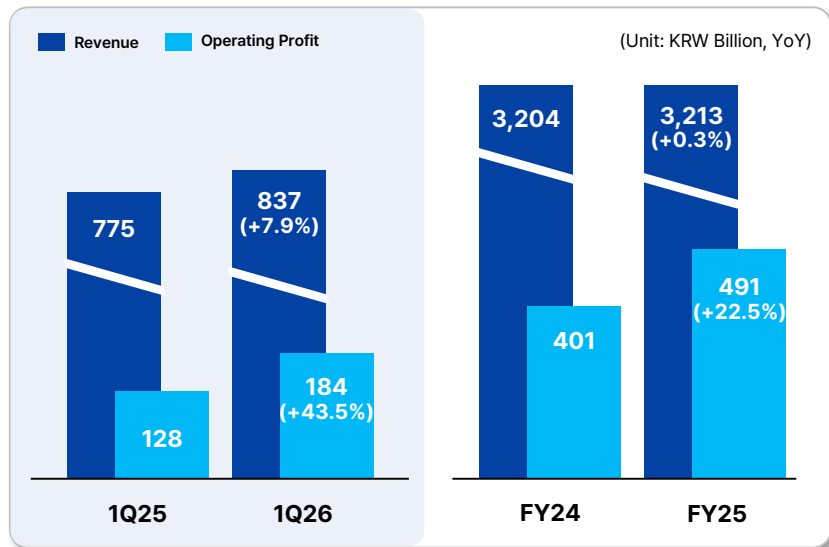
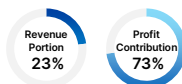
Revenue & OP Breakdown (1Q26)



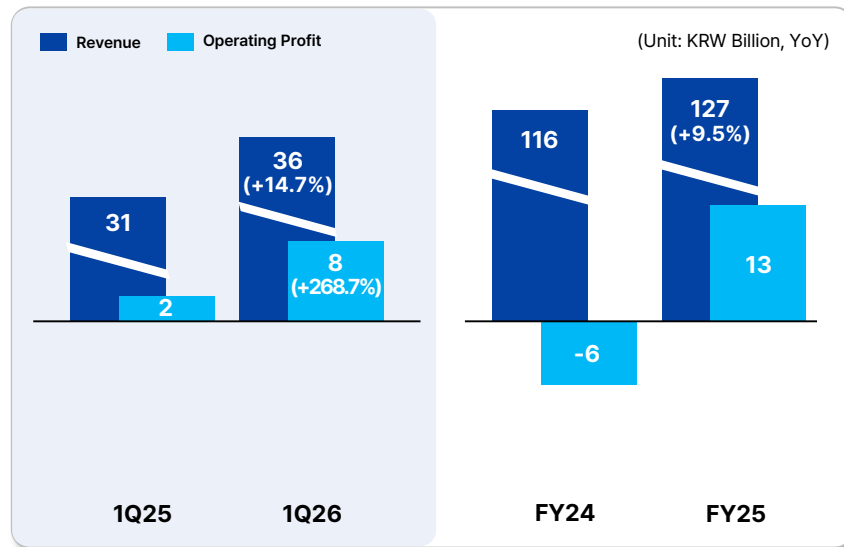
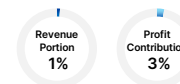


Department Store

Domestic



Overseas



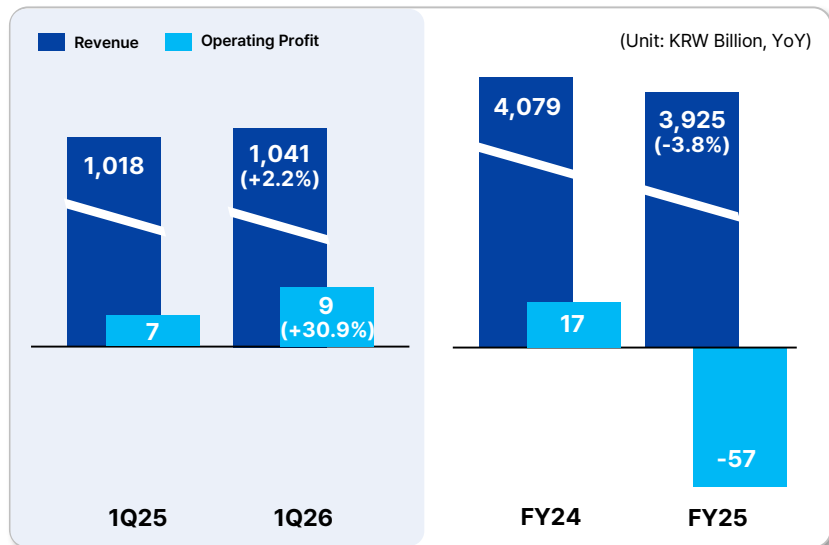
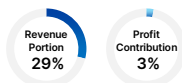
- **SSSG(Same Store Sales Growth) : +13%**
- **Increased SSSG driven by strong performance at large-format stores (+19%) & robust foreign inbound customers(+92%)**
- *1Q26 foreign customer sales at Myeongdong Store: YoY +103%, sales proportion 23%(+9%p YoY)
- **Operating Profit increase through steady growth across all product categories including high-margin fashion items**

- **SSSG : +25%** * Overseas sales is calculated under managerial gross sales and local currency
- **Sales increased across all stores, sustaining stable growth momentum (Vietnam +28%, Indonesia +7%)**
- **Record-high quarterly operating profit at Lotte Mall Westlake Hanoi** * 1Q26 4.9bn (+4.6bn YoY)



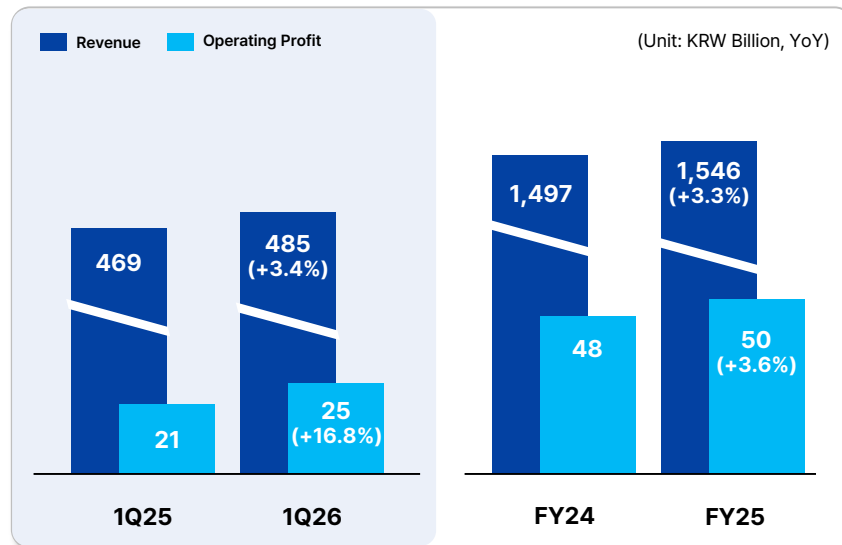
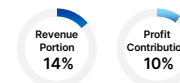
Hypermarket

Domestic



- SSSG : +1%
- Net sales increased through efficient promotion execution and a less competitive environment
- Operating profit increased due to revenue recovery and a lower SG&A ratio

Overseas

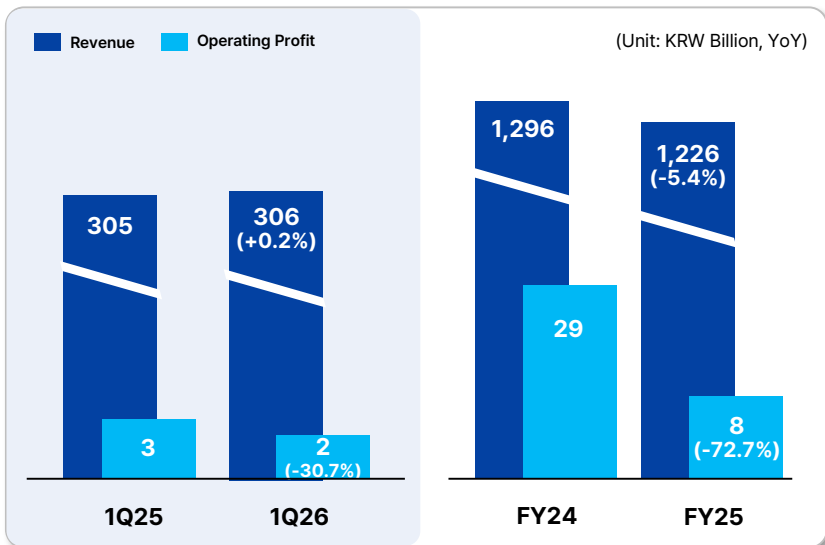
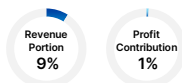


- * Overseas SSSG is calculated under managerial gross sales and local currency
- SSSG: +6% (Vietnam +18%, Indonesia +2%)
- Vietnam : Operating profit increased driven by strong sales across all categories, including food and non-food
- Indonesia : Operating profit declined due to weak consumer sentiment and intensified wholesale competition



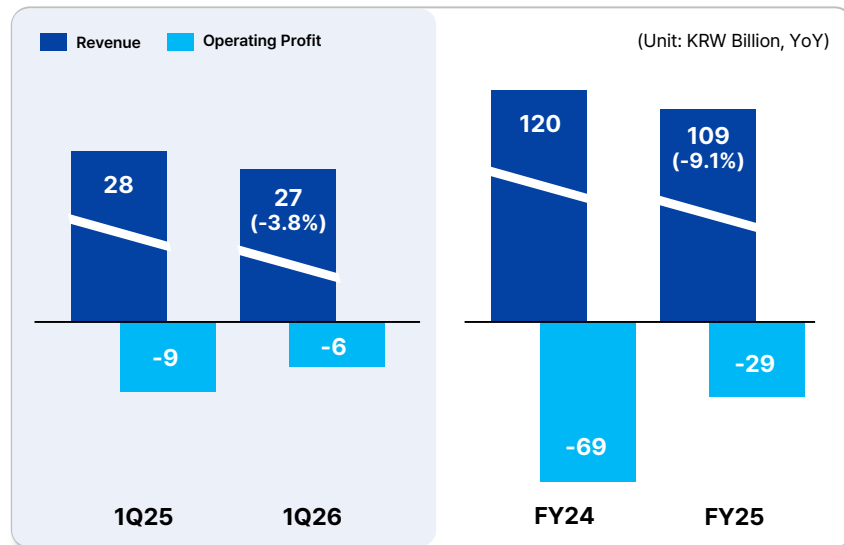
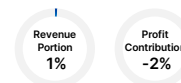
Supermarket & E-Commerce

Supermarket



- SSSG : -0.1%
- Net sales increased via store rebalancing and disciplined promotion operations
- Operating profit declined due to a temporary increase in SG&A expenses from new store openings

E-Commerce

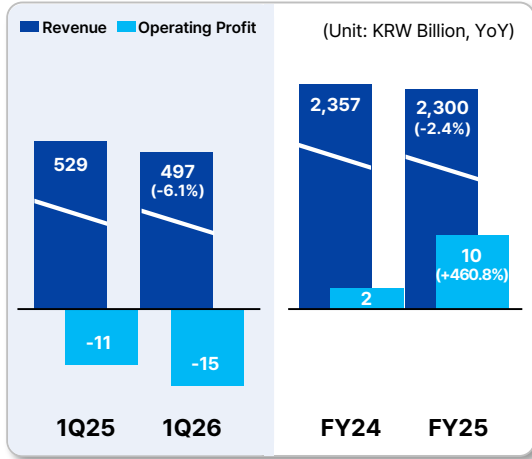
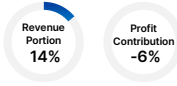


- Revenue : Lotte ON +3.0bn, Business portfolio adjustment impact -4.1bn
- Operating loss narrowed, driven by GP margin improvement from improved profitability of the 3p business and increased advertising revenue, and SG&A optimization efforts



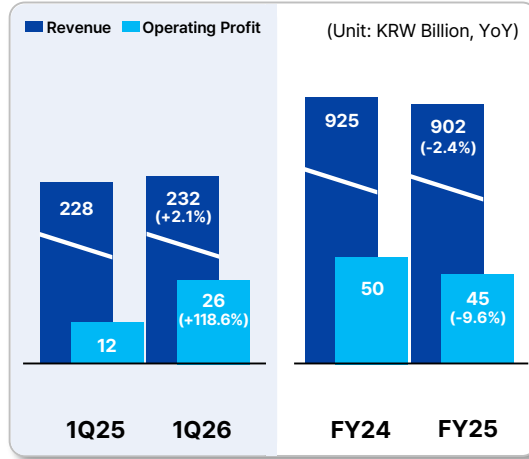
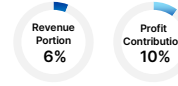
Subsidiaries – Hi-mart | Home Shopping | Cultureworks

Hi-mart [Electronics]



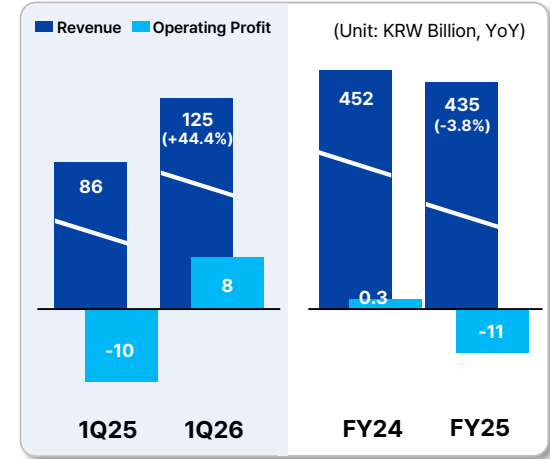
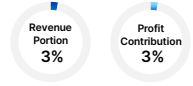
- Sales declined primarily in major appliances due to the prolonged home appliance market downturn and decrease in new housing move-ins
- Operating loss stretched due to the fixed cost burden from lower sales, despite SG&A reduction efforts(-6.7%)

Home Shopping



- Transaction Volume -1% (LiveTV -6%, e-commerce -1%, T-commerce +13%)
- Operating profit increased, driven by GP margin improvement(+4.6%p) via product portfolio realignment focusing on high-margin items (e.g., health supplements and beauty, etc.,)

Cultureworks [Cinema]



- Domestic cinema attendance(+49.2%) and revenue increased significantly, driven by a domestic film(The King's Warden) setting the all-time No.2 box office record
- Operating loss turned into profit led by strong performance in domestic theater biz



Non-Operating Profit

Non-Operating Profit [Unit: KRW Billion]						
	1Q25	1Q26	YoY	FY24	FY25	YoY
Operating Profit	148	253	105	473	547	74
Non-Operating Profit	-104	-73	31	-1,494	-464	1,031
Net Interest Income & Expense	-117	-115	2	-477	-465	11
Gains on Foreign Currency & Derivative Asset	0.7	0.6	-0.1	11	-7	-17
Equity Method Gain & Loss	6	37	31	143	164	22
Other Non-Operating Profit	7	5	-2	-1,171	-156	1,015
Profit Before Tax	45	180	136	-1,021	83	1,105
Net Profit	18	144	126	-994	74	1,068

Non-Operating Profit Details [Unit: KRW]

• Equity Method Gain & Loss

- 1Q26 FRL Korea 29 bn(+26 bn), Lotte Card 2.7 bn(+1.7 bn), Stonebridge Ventures 2.1 bn(+1.9 bn), MUJI 1.3 bn(+1.5 bn), etc.,

• Other Non-Operating Profit

- 1Q26 Dividend Income 5.8 bn(-0.4 bn)
Loss on asset disposal -1.4 bn(-1.8 bn)
(Disposal of fixtures and equipment due to the store closure), etc.,



Appendix

01

Ownership Structure

02

**Balance Sheet &
Financial Stability Index**

03

**Financial Summary
Breakdown by Segments**

04

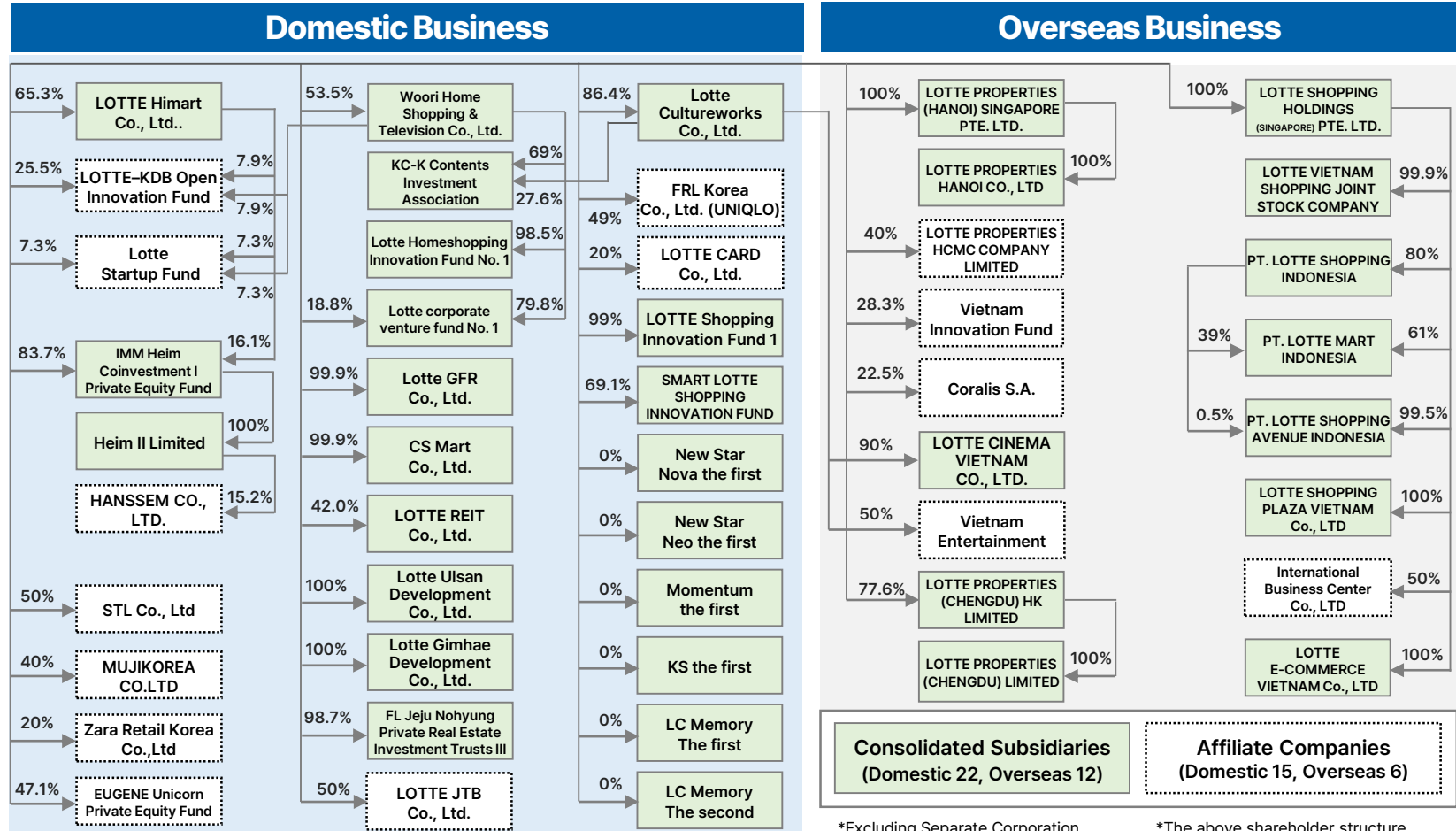
**Store Network
(Dept. Store, Grocery Business)**

05

Dividends



Ownership Structure



*Excluding Separate Corporation, Lotte shopping

*The above shareholder structure excludes some Lotte affiliates

Balance Sheet & Financial Stability Index

Balance Sheet

[Unit :KRW Billion]

	1Q25	2Q25	3Q25	4Q25	1Q26
Total Assets	38,721	38,166	38,249	37,910	38,537
Cash & Cash Equivalent	2,344	2,337	2,224	2,063	2,241
Inventories	1,584	1,530	1,511	1,458	1,470
Land & Buildings	22,408	22,245	22,214	22,136	22,302
Lease Asset	3,057	2,991	2,911	2,830	2,786
Liabilities	21,720	21,525	21,464	21,044	21,486
Borrowings & Bonds	10,419	10,567	10,324	9,834	10,369
Lease Liability	4,225	4,163	4,055	3,968	3,851
Equity	17,000	16,641	16,785	16,866	17,051
Share Capital	141	141	141	141	141

Financial Stability Index

[Unit :KRW Billion]

	FY21	FY22	FY23	FY24	FY25
*Net Debt to EBITDA(multiple)	7.6	7.0	6.7	7.1	7.0
Net Debt	11,564	12,003	11,649	12,200	11,739
Total Debt	15,899	15,142	14,258	14,766	13,802
Lease Liability	5,946	5,381	4,846	4,345	3,968
Saving Deposit	4,335	3,139	2,609	2,566	2,063
* EBITDA	1,530	1,722	1,759	1,723	1,704
Liability to Equity	183%	187%	183%	129%	125%
Debt to Asset	47.6%	47.8%	46.5%	37.9%	36.4%
Interest Coverage Ratio of OP(multiple)	0.4	0.8	0.9	0.8	0.9

* Same standard as Korea Investors Service (Credit rating company)

Revenue Breakdown by Segments

(Unit : KRW Billion, %)

	1Q25	(Portion)	1Q26	(Portion)	YoY	YoY	FY24	(Portion)	FY25	(Portion)	YoY	YoY
Revenue	3,457	(100.0)	3,582	(100.0)	125	3.6	13,987	(100.0)	13,738	(100.0)	-248	-1.8
Dept. Store	806	(23.3)	872	(24.4)	66	8.2	3,319	(23.7)	3,339	(24.3)	20	0.6
Domestic	775	(22.4)	837	(23.4)	61	7.9	3,204	(22.9)	3,213	(23.4)	9	0.3
Overseas	31	(0.9)	36	(1.0)	5	14.7	116	(0.8)	127	(0.9)	11	9.5
China	0	-	0	-	-	-	8	(0.1)	0	-	-8	-
Indonesia	5	(0.2)	5	(0.1)	0	-1.7	21	(0.2)	21	(0.2)	0	-0.0
Vietnam	26	(0.7)	30	(0.8)	5	18.2	87	(0.6)	105	(0.8)	19	21.4
Hypermarket	1,487	(43.0)	1,526	(42.6)	38	2.6	5,576	(39.9)	5,471	(39.8)	-105	-1.9
Domestic	1,018	(29.5)	1,041	(29.1)	22	2.2	4,079	(29.2)	3,925	(28.6)	-154	-3.8
Overseas	469	(13.6)	485	(13.5)	16	3.4	1,497	(10.7)	1,546	(11.3)	49	3.3
Indonesia	352	(10.2)	351	(9.8)	-2	-0.5	1,101	(7.9)	1,120	(8.1)	19	1.7
Vietnam	117	(3.4)	134	(3.7)	18	15.3	396	(2.8)	427	(3.1)	30	7.6
Supermarket	305	(8.8)	306	(8.5)	1	0.2	1,296	(9.3)	1,226	(8.9)	-70	-5.4
E-Commerce	28	(0.8)	27	(0.8)	-1	-3.8	120	(0.9)	109	(0.8)	-11	-9.1
Hi-Mart	529	(15.3)	497	(13.9)	-32	-6.1	2,357	(16.8)	2,300	(16.7)	-57	-2.4
HomeShopping	228	(6.6)	232	(6.5)	5	2.1	925	(6.6)	902	(6.6)	-23	-2.4
Cultureworks	86	(2.5)	125	(3.5)	38	44.4	452	(3.2)	435	(3.2)	-17	-3.8
Others & Consolidated Adjustment	-13	-	-3	-	10	-	-58	-	-44	-	14	-

Operating Profit Breakdown by Segments

(Unit : KRW Billion, %)

	1Q25	Margin	1Q26	Margin	YoY	YoY	FY24	Margin	FY25	Margin	YoY	YoY
Operating Profit	148	4.3	253	7.1	105	70.6	473	3.4	547	4.0	74	15.6
Dept. Store	130	16.1	191	21.9	61	47.1	395	11.9	504	15.1	109	27.7
Domestic	128	16.5	184	21.9	56	43.5	401	12.5	491	15.3	90	22.5
Overseas	2	6.7	8	21.5	6	268.7	-6	-	13	10.2	19	-
China	0	-	0	-	-	-	2	26.5	0	-	-2	-
Indonesia	1	14.2	1	23.9	1	65.0	2	9.1	3	13.5	1	48.6
Vietnam	1	5.1	6	21.1	5	388.2	-10	-	10	9.6	20	-
Hypermarket	28	1.9	34	2.2	6	20.2	65	1.2	-7	-	-72	-
Domestic	7	0.7	9	0.8	2	30.9	17	0.4	-57	-	-74	-
Overseas	21	4.6	25	5.2	4	16.8	48	3.2	50	3.2	2	3.6
Indonesia	9	2.5	8	2.3	-1	-8.7	15	1.4	9	0.8	-6	-40.6
Vietnam	13	10.8	17	12.6	4	34.8	33	8.2	41	9.5	8	24.3
Supermarket	3	1.0	2	0.7	-1	-30.7	29	2.3	8	0.7	-21	-72.7
E-Commerce	-9	-	-6	-	3	-	-69	-	-29	-	39	-
Hi-Mart	-11	-	-15	-	-4	-	2	0.1	10	0.4	8	460.8
HomeShopping	12	5.3	26	11.4	14	118.6	50	5.4	45	5.0	-5	-9.6
Cultureworks	-10	-	8	6.3	18	-	0	0.1	-11	-	-11	-
Others & Consolidated Adjustment	5	-	12	-	7	145.5	1	-	27	-	26	3,287.1



EBITDA Breakdown by Segments

(Unit : KRW Billion, %)

	1Q25	Margin	1Q26	Margin	YoY	YoY	FY24	Margin	FY25	Margin	YoY	YoY
EBITDA	396	11.5	508	14.2	112	28.4	1,554	11.1	1,546	11.3	-7	-0.5
Dept. Store	285	35.3	350	40.2	65	22.9	1,073	32.3	1,130	33.8	58	5.4
Domestic	270	34.8	332	39.7	62	23.1	1,026	32.0	1,071	33.3	44	4.3
Overseas	15	48.3	18	50.2	3	19.2	46	39.9	59	46.9	13	28.7
China	0	-	0	-	-	-	3	41.6	0	-	-3	-
Indonesia	3	50.2	3	47.0	0	-7.9	11	51.0	10	49.0	0	-3.9
Vietnam	12	47.9	15	50.8	3	25.2	32	37.1	49	46.6	17	52.4
Hypermarket	81	5.4	90	5.9	9	11.5	290	5.2	205	3.7	-85	-29.4
Domestic	49	4.8	55	5.2	6	11.3	204	5.0	116	3.0	-87	-42.9
Overseas	31	6.7	35	7.3	4	11.9	87	5.8	89	5.7	2	2.4
Indonesia	14	3.9	13	3.8	-1	-5.0	35	3.2	29	2.6	-6	-18.4
Vietnam	18	15.1	22	16.4	4	25.2	52	13.0	60	14.1	9	16.6
Supermarket	14	4.5	14	4.6	0	2.1	74	5.7	52	4.2	-22	-30.2
E-Commerce	-8	-	-5	-	3	-	-63	-	-28	-	36	-
Hi-Mart	17	3.2	13	2.6	-4	-21.6	118	5.0	122	5.3	4	3.6
HomeShopping	17	7.5	31	13.1	13	78.1	71	7.7	64	7.1	-7	-9.7
Cultureworks	7	8.1	23	18.8	16	235.2	69	15.2	59	13.5	-10	-14.6
Others & Consolidated Adjustment	-16	-	-7	-	9	-	-77	-	-58	-	20	-

Gross Sales Breakdown by segments

(Unit : KRW Billion, %)

	1Q25	(Portion)	1Q26	(Portion)	YoY	YoY	FY24	(Portion)	FY25	(Portion)	YoY	YoY
Gross Sales	4,891	(100.0)	5,156	(100.0)	265	5.4	19,823	(100.0)	19,582	(100.0)	-242	-1.2
Dept. Store	2,069	(42.3)	2,277	(44.2)	208	10.1	8,453	(42.6)	8,463	(43.2)	10	0.1
Domestic	2,038	(41.7)	2,241	(43.5)	203	10.0	8,337	(42.1)	8,336	(42.6)	-1	-0.0
Overseas	31	(0.6)	36	(0.7)	5	14.7	116	(0.6)	127	(0.6)	11	9.5
China	0	-	0	-	-	-	8	(0.0)	0	-	-8	-
Indonesia	5	(0.1)	5	(0.1)	0	-1.7	21	(0.1)	21	(0.1)	0	-0.0
Vietnam	26	(0.5)	30	(0.6)	5	18.2	87	(0.4)	105	(0.5)	19	21.4
Hypermarket	1,621	(33.1)	1,661	(32.2)	40	2.5	6,160	(31.1)	6,045	(30.9)	-115	-1.9
Domestic	1,152	(23.6)	1,176	(22.8)	24	2.1	4,663	(23.5)	4,499	(23.0)	-164	-3.5
Overseas	469	(9.6)	485	(9.4)	16	3.4	1,497	(7.6)	1,546	(7.9)	49	3.3
Indonesia	352	(7.2)	351	(6.8)	-2	-0.5	1,101	(5.6)	1,120	(5.7)	19	1.7
Vietnam	117	(2.4)	134	(2.6)	18	15.3	396	(2.0)	427	(2.2)	30	7.6
Supermarket	317	(6.5)	317	(6.2)	0	0.1	1,344	(6.8)	1,274	(6.5)	-70	-5.2
E-Commerce	28	(0.6)	27	(0.5)	-1	-3.8	120	(0.6)	109	(0.6)	-11	-9.1
Hi-Mart	553	(11.3)	517	(10.0)	-36	-6.5	2,415	(12.2)	2,386	(12.2)	-29	-1.2
HomeShopping	230	(4.7)	235	(4.6)	5	2.3	939	(4.7)	915	(4.7)	-23	-2.5
Cultureworks	86	(1.8)	125	(2.4)	38	44.4	452	(2.3)	435	(2.2)	-17	-3.8
Others & Consolidated Adjustment	-13	-	-3	-	10	-	-58	-	-44	-	14	-

Store Network (Dept. Store & Grocery Business)

Department Store [Unit : Number of Stores]					
	1Q25	2Q25	3Q25	4Q25	1Q26
Domestic	59	59	59	58	57
* Dept. Store	31	31	31	31	30
Outlet	22	22	22	17	17
** Shopping Mall	6	6	6	10	10
Overseas	4	4	4	4	4
*** Vietnam	3	3	3	3	3
Indonesia	1	1	1	1	1

- * 4 outlets converted to shopping malls(As of end of 4Q25) & 1 Outlet closed
- * 1 Dept. Store closed
- * Including 2 Consignment stores (Dept. Store Yeongdeungpo & Daegu)
- ** Including 1 Consignment store (Lotte World Mall (Lotte Asset Development))
- *** Including 1 equity method store (Ho Chi Minh store, Vietnam)

Grocery Business [Unit : Number of Stores]					
	1Q25	2Q25	3Q25	4Q25	1Q26
Domestic	460	455	452	450	443
Hypermarket	111	112	112	112	112
* Supermarket	349	343	340	338	331
Overseas	63	63	63	63	63
** Vietnam	15	15	15	15	15
Indonesia	48	48	48	48	48

- * 192 directly operated stores & 139 franchise stores
- ** 36 Wholesale stores, 12 retail stores



Dividends

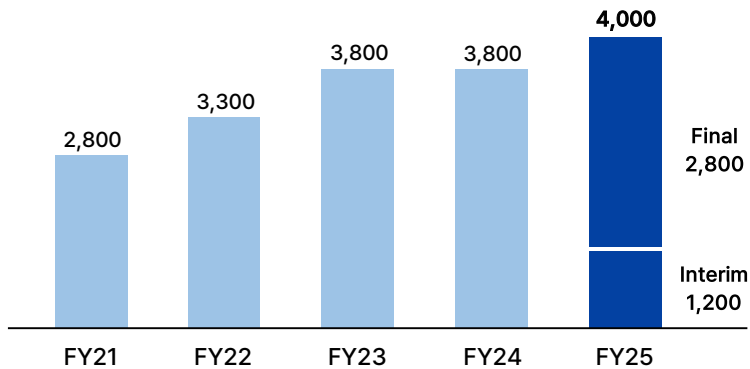
Dividend Trend and DPS

Dividend Trend

FY25 Annual DPS : 4,000 KRW(+200 KRW YoY)
 Eligible for dividend income separate taxation

Dividend Per Share

(Unit : KRW)



Dividend Details (past 5 years)

	FY21	FY22	FY23	FY24	FY25	
					Interim	Final
Dividend Per Share (KRW)	2,800	3,300	3,800	3,800	1,200	2,800
Stock Price (Recording date, KRW)	89,020	89,340	79,475	*53,675	*79,050	*86,440
* Declaration date						
Dividend Yield (%)	3.1%	3.7%	4.8%	7.1%	1.5%	3.2%
Total Amount (KRW in Billion)	79.2	93.3	107.4	107.4	33.9	79.2