

SHINSEGAE

Shinsegae Inc.

194, Shinbanpo-ro, Seocho-gu

Seoul, Korea

06545

tel. 82.2.727.1921~2 fax. 82.2.727.1719

shinsegae.com

Dear Shareholders,

We are grateful for your interest in our company and we would like to invite you to the 68th AGM. The AGM will be held on **March 20st, 2025** at the Korea Post tower Building located in Seoul. The matters to be voted at the Annual Shareholders' Meeting can be found in the attached Notice of Annual Shareholders' Meeting.

- The dividend per share this year is **4,500 KRW**.
- Candidates for Outside Board of Directors: **SE BOONG KWAG**, served as a member of the Fair Trade Commission, has worked hard to enhance consumer rights. Based on extensive expertise, candidate will represent the opinions of customers and shareholders in company's key policy decisions and contribute to strengthen our competitiveness through professional and reasonable advice.s
- Candidate for External Board of Directors and Audit Committee Member : **Han Youn KIM**, member of National Tax Service, has abundant experience and expertise in financial and accounting, who can play outstanding role in providing professional, objective and useful advice from various perspective in determining the company's key management policies.
- Candidate for External Board of Directors and Audit Committee Member : **HEE SEON JIN**, served as the Head of the Seoul Metropolitan Government's Urban Regeneration Headquarters and the Second Vice Mayor for Administrative Affairs, brings extensive experience and expertise in administrative affairs, making well-suited to advise on key policies.
- The Limit of Directors' Remuneration remains the same as the previous year (**7Billion KRW**).
The total remuneration of FY2024 amounted to 3.7Billion KRW.

If you have any further questions, please do not hesitate to contact us at any time.

We believe it is important that your shares are represented at the Annual Shareholders' Meeting.

The estimated deadline for voting is **March 19th**, therefore, we urge you to exercise your votes.

Thank you again for the participation as our shareholder.

Sincerely,

Dae-ho Kim

Vice President of Financing

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NOTICE OF ANNUAL SHAREHOLDERS' MEETING

Date: Thursday, March 20st, 2025

Time: 9:20 am

Place: 10F Korea Post tower Building Auditorium
70, Sogong-ro, Jung-gu, Seoul, Korea

Agenda: - Matters to be reported -

1. Auditor's Report
2. Business Report
3. Report of Internal Accounting Control System
4. Report of Transaction with the Largest Shareholder & Affiliates

- Matters to be voted -

1. Approval of Financial Statements for the 68th Fiscal Year
-including Statements of Appropriation of Retained Earnings
& Consolidated Financial Statements
2. Election of Directors
 - Election of Outside Board of Director KWAG SE BOONG
 - Election of Outside Board of Director JIN HEE SEON
3. Election of Audit Committee and Directors
 - Election of Audit Committee KIM HAN YOUN
4. Election of Audit Committee
 - Election of Audit Committee JIN HEE SEON
5. Limit of Directors' Remuneration

Details of Agenda

No. 1 : Approval of Non-Consolidated and Consolidated Financial Statements for the 68th Fiscal Year

1. Non-Consolidated Financial Statements

Statements of Financial Position

(KRW in Billions)	<u>2024</u>	<u>2023</u>
Current Assets	664	617
Non-current assets	8,163	7,990
<u>Total assets</u>	<u>8,827</u>	<u>8,607</u>
Current Liabilities	2,828	2,599
Non-current liabilities	1,940	1,971
<u>Total liabilities</u>	<u>4,767</u>	<u>4,569</u>
Capital Stock	49	49
Retained earnings	3,618	3,570
Other components of equity	264	186
<u>Total equity</u>	<u>4,060</u>	<u>4,038</u>

Statement of Income

(KRW in Billions)	<u>2024</u>	<u>2023</u>
<u>Sales</u>	<u>1,990</u>	<u>1,912</u>
Cost of sales	336	336
<u>Gross profit</u>	<u>1,654</u>	<u>1,576</u>
Selling, general and administrative expenses	1,411	1,299
<u>Operating profit</u>	<u>243</u>	<u>277</u>
Profit before income tax	117	262
Income tax expense	33	53
<u>Net Income</u>	<u>84</u>	<u>210</u>

Statement of Comprehensive Income

(KRW in Billions)	<u>2024</u>	<u>2023</u>
Profit for the period	84	210
Other comprehensive income(loss)	80	(10)
Total comprehensive income for the period	164	199

Statement of Appropriations of Retained Earnings

(KRW in Millions)	<u>2024</u>	<u>2023</u>
<u>Retained earnings before appropriations:</u>	<u>86,416</u>	<u>196,679</u>
Unappropriated Retained earnings from the previous year	-	-
Net Income	84,065	209,573
Retained earnings of the remeasurement on the defined benefit pension	23,513	(12,894)
 <u>Appropriations:</u>	 <u>86,416</u>	 <u>196,679</u>
Legal reserve of retained earnings	-	-
Reserve for business expansion	46,962	158,933
Other capital adjustment	-	-
Cash dividends Per Share : <u>4,500 KRW</u>	39,454	37,746

Statement of Changes in Equity

(KRW in Billions)	<u>Total</u>
<u>Balance as of Jan 1st, 2023</u>	<u>3,959</u>
Total Comprehensive Income	199
Annual Dividends	(37)
Acquisition of treasury stock	(84)
Issuance of Perpetual Bond etc	(-)
<u>Balance as of Dec 31, 2023</u>	<u>4,038</u>
 <u>Balance as of Jan 1, 2024</u>	 <u>4,038</u>
Total Comprehensive Income	164
Annual Dividends	(38)
Acquisition of treasury stock	(105)
Issuance of Perpetual Bond etc	(-)
<u>Balance as of Dec 31, 2024</u>	<u>4,059</u>

Statement of Cash Flows

(KRW in Billions)	<u>2025</u>	<u>2023</u>
Cash flows from operating activities		
Net cash generated from operating activities	432	414
Cash flows from investing activities		
Net cash used in investing activities	(324)	(582)
Cash flows from financing activities		
Net cash generated from financing activities	(62)	(44)
Net increase in cash and cash equivalents	45	(212)
Cash and cash equivalents(Beginning of the period)	98	310
Cash and cash equivalents(End of the period)	144	98

2. Consolidated Financial Statements

Statements of Financial Position

(KRW in Billions)	<u>2024</u>	<u>2023</u>
Current Assets	2,342	2,674
Non-current assets	12,729	12,078
<u>Total assets</u>	<u>15,071</u>	<u>14,752</u>
Current Liabilities	4,947	4,944
Non-current liabilities	3,750	3,468
<u>Total liabilities</u>	<u>8,697</u>	<u>8,412</u>
Capital Stock	49	49
Retained earnings	3,718	3,655
Other components of equity	267	189
Non-Controlling Interest	2,313	2,131
<u>Total equity</u>	<u>6,375</u>	<u>6,340</u>

Statement of Income

(KRW in Billions)	<u>2024</u>	<u>2023</u>
<u>Sales</u>	<u>6,570</u>	<u>6,357</u>
Cost of sales	2,518	2,502
<u>Gross profit</u>	<u>4,053</u>	<u>3,855</u>
Selling, general and administrative expenses	3,576	3,215
<u>Operating profit</u>	<u>477</u>	<u>640</u>
Profit before income tax	195	453
Income tax expense	80	141
<u>Net Profit</u>	<u>187</u>	<u>312</u>

Statement of Comprehensive Income

(KRW in Billions)	<u>2024</u>	<u>2023</u>
Profit for the period	187	312
Other comprehensive income(loss)	69	(23)
Total comprehensive income for the period	255	289
Comprehensive income attribute to :		
Owners of parents	180	205
Non-controlling interests	76	84

Statement of Changes in Equity

(KRW in Billions)	<u>Total</u>
<u>Balance as of Jan 1st, 2023</u>	<u>6,251</u>
Total Comprehensive Income	289
Annual Dividends	(79)
Acquisition of treasury stock	(84)
Acquisition of subsidiary's shares	-
Change in consolidation scope	(1)
Others (Issuance of perpetual bonds etc.)	(1)
<u>Balance as of Dec 31, 2023</u>	<u>6,340</u>
 <u>Balance as of Jan 1, 2024</u>	 <u>6,340</u>
Total Comprehensive Income	255
Annual Dividends	(82)
Acquisition of treasury stock	(105)
Acquisition of subsidiary's shares	(29)
Paid-in capital reduction of subsidiaries	(7)
Change in consolidation scope	(1)
Others (Issuance of perpetual bonds etc.)	-
<u>Balance as of Dec 31, 2024</u>	<u>6,375</u>

Statement of Cash Flows

(KRW in Billions)	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Net cash generated from operating activities	777	791
Cash flows from investing activities		
Net cash used investing activities	(982)	(912)
Cash flows from financing activities		
Net cash generated from financing activities	(18)	(15)
Net increase in cash and cash equivalents	(222)	(136)
Cash and cash equivalents(Beginning of the period)	802	938
Cash and cash equivalents(End of the period)	582	802

No. 2 : Election of Directors

The following candidate is nominated for Inside Board of Director.

Name: Kwak, Se Boong

Date of Birth: March 3rd, 1961

Term: 2 years

Professional Background: Advisor at Kim & Chang (Present)
Commissioners at Korea Fair Trade Commission (2017)
Director general for Competition Policy Bureau at KFTC (2015)

Academic Qualification: Major in Political Science & International Studies at Yonsei University

Nationality: Republic of Korea

Relationship with the largest shareholder: None

Transactions with the company: None

Name: Jin,Hee Seon

Date of Birth: February 17th, 1964

Term: 2 years

Professional Background: Advisor at Bae & Kim & Lee LLC (Present)
Distinguished Professor, Department of Urban Engineering, Yonsei University (Present)
Second Vice Mayor for Administrative Affairs, Seoul Metropolitan Government (2018)
Head of Urban Regeneration HQ, Seoul Metropolitan Government (2015)

Academic Qualification: Major in Architectural Engineering, Yonsei University

Nationality: Republic of Korea

Relationship with the largest shareholder: None

Transactions with the company in the past three years None

No. 3 : Election of member of Directors as an Audit Committee Member

The following candidates are nominated for Audit Committee Member.

Name:	Kim, Han Youn
Date of Birth:	October 7 th , 1961
Term:	2 years
Professional Background:	Internal auditor at HDC Hyundai EP (Present) Advisor at We Know Tax (Present) Commissioner at National Tax Service Busan Regional Office (2017) Director general at National Tax Service Seoul Regional Office (2015)
Academic Qualification:	Major in Graduate School of Policy Studies in Korea University
Nationality:	Republic of Korea
Relationship with the largest shareholder:	None
Transactions with the company:	None

No. 4 : Election of member of Audit Committee Member

The following candidate is nominated for Audit Committee Member.

Name:	Jin, Hee Seon
Date of Birth:	February 17 th , 1964
Term:	2 years
Professional Background:	Advisor at Bae & Kim & Lee LLC (Present) Distinguished Professor, Department of Urban Engineering, Yonsei University (Present) Second Vice Mayor for Administrative Affairs, Seoul Metropolitan Government (2018) Head of Urban Regeneration HQ, Seoul Metropolitan Government (2015)
Academic Qualification:	Major in Architectural Engineering, Yonsei University
Nationality:	Republic of Korea
Relationship with the largest shareholder:	None
Transactions with the company in the past three years	None

No. 5 : Limit of Directors' Remuneration

	<u>2025</u>	<u>2024</u>
The total remuneration	-	3.7
Remuneration Limit (KRW bn)	7	7
Number of Directors	7	7

Shinsegae Inc.

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