

ISETAN (SINGAPORE) LIMITED

(Company Registration No.: 197001177H)

(Incorporated in Singapore)

(the "Company")

MINUTES OF THE 49th ANNUAL GENERAL MEETING HELD ON FRIDAY, 19 JUNE 2020 AT 10.00 A.M. VIA ELECTRONIC MEANS

ATTENDANCE

PRESENT VIA ELECTRONIC MEANS

BOARD OF DIRECTORS	:	Mr. Toyohiko Tanaka Mr. Toshifumi Hashizume Mr. Koji Oyama Associate Professor Victor Yeo Chuan Seng Ms. Lim Bee Choo Mr. Richard Tan Chuan-Lye	Chairman of the Board Managing Director Managing Director (Designate) Lead Independent Director Independent Director Independent Director
INDEPENDENT AUDITOR	:	Ms. Chua Lay See	PricewaterhouseCoopers LLP
COMPANY SECRETARY	:	Mr. Lun Chee Leong	Lee & Lee
SHARE REGISTRAR	:	Ms. Corin Fok	M&C Services Private Limited
SCRUTINEER	:	Mr. Alex Lim	Ardent Business Advisory Pte. Ltd.
BY INVITATION	:	Mr. Ei Kanefuji Mr. Gerard Goh Mr. Loh Kah Leong Mr. Tong Shu Lee Mr. Gerard Cheng Mr. Yew Kai Ping Ms. Sandra Ng Mr. James Che Mr. Aaron Foo Ms. Loh Hui Ling Ms. Florence Lim Mr. Jeremy Chan Mr. Sakabe Tomohisa	Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited Isetan (Singapore) Limited PricewaterhouseCoopers LLP PricewaterhouseCoopers LLP Lee & Lee Translator

SHAREHOLDERS PRESENT VIA LIVE WEBCAST OR AUDIO BROADCAST ARE SET OUT IN ATTENDANCE RECORDS MAINTAINED BY THE COMPANY.

MINUTES

Welcome

1. The chairman of the board of Directors of the Company (the “**Board**”), Mr. Toyohiko Tanaka (“**Mr. Tanaka**”), extended a warm welcome to all shareholders of the Company (“**Shareholders**”) who had joined the 49th Annual General Meeting of the Company (the “**Meeting**”) by audio-visual webcast and audio only means.

Quorum

2. It was noted that the Company Secretary had confirmed that a quorum was present for the Meeting.

Introduction

3. Mr. Tanaka informed the Meeting that the Board had proposed Associate Professor Victor Yeo Chuan Seng to be the chairman of the Meeting (the “**Chairman**”). The Chairman took the Chair and called the Meeting to order. The Chairman then introduced the other Directors, Company Secretary and Independent Auditor who were present by video conference.
4. The Chairman informed the shareholders that:
 - (a) an audio recording of the Meeting would be made to assist in the preparation of the minutes;
 - (b) with regard to the sequence of the Meeting, Mr. Tanaka, the chairman of the Board, and Mr. Toshifumi Hashizume (“**Mr. Hashizume**”), the Managing Director, would each make an address to Shareholders in turn;
 - (c) the Company had published on SGXNet the responses to the substantial and relevant questions related to the resolutions submitted in advance by Shareholders, and as such, these questions will not be addressed at the AGM;
 - (d) in line with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, all Shareholders must have duly appointed the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wished to exercise his/her/its voting rights at the Meeting, and as such, the Chairman had been appointed as proxy by a number of Shareholders and will vote in accordance with the specific instructions of those Shareholders;
 - (e) the Board had appointed Ardent Business Advisory Pte. Ltd. as scrutineers.
5. The Notice convening the Meeting dated 28 May 2020 and released on SGXNet and the Company’s corporate website on the same date was taken as read.

Address by Mr. Tanaka, Chairman of the Board

6. The Chairman invited Mr. Tanaka to address the shareholders.

7. Mr. Tanaka informed the Shareholders that Mr. Sakabe Tomohisa will be assisting to present his address in English.
8. Mr. Tanaka's address was accompanied by a slide presentation, which has been uploaded on SGXNet since 19 June 2020.
9. Mr. Tanaka's address reported that:
 - (a) Sales of goods and consignment income suffered a combined decrease of 10.3% in financial year ("FY") 2019 as compared to FY2018. One of the main reasons was due to the major renovation works at the Isetan Scotts Flagship store, as the second phase has been delayed by the work stoppage caused by the public health measures commonly referred to as the "circuit breaker measures" (the "**Circuit Breaker Measures**") implemented in Singapore from 7 April 2020 to 1 June 2020 (the "**Circuit Breaker Period**"). The store has not had a major makeover since its opening in 1993 and has been falling behind with the appearance of new malls and competitors carrying out major renovations at their stores. Therefore, the rejuvenation of Isetan Scotts is pivotal in the Company's strategy to turn around the store and the Company's retailing business. The Company has also implemented several initiatives in the past years. The Managing Director will elaborate further in his address. Some of these initiatives have been timely because the Company was able to leverage on them to mitigate the impact of the COVID-19 situation on its business. The Managing Director will also elaborate on this subject matter during his address. Therefore, the Company's belief is that retailing is here to stay. But the business must evolve to adapt to the new environment and leverage on the new opportunities that are presented.
 - (b) The Company's property segment provides diversification in terms of revenue and profit generation. For FY2019, the Isetan Wisma Atria and Kallang Pudding investment properties have together registered a profit of \$5.03 million. The Company's immediate challenge for Isetan Wisma Atria is to find a replacement tenant for level 4 as the previous tenant could not sustain its business and the Company had to re-possess the premises. The Company must also work closely with its tenants in both properties in order to overcome the challenges presented by the COVID-19 pandemic. The Company is also well aware of Shareholders' concerns regarding the remaining lease tenure of Isetan Wisma Atria. The Company is constantly reviewing the use of this strategic asset, while bearing in mind the upcoming opening of the Thomson East-Coast Line's Orchard Station and developments in the retail leasing sector. For the warehouse at Kallang Pudding, the Company will continue to explore options to optimize the use of the building, including the property at Havelock Road.
 - (c) The Singapore government is forecasting the 2020 GDP growth rate to contract between -7.0% and -4.0%. In the months ahead, the Company expects the evolving COVID-19 pandemic to have a wide-ranging impact on consumer consumption patterns, global supply chains, survivability of businesses, jobs, amongst other things. The strategic initiatives that the Company has implemented will help to strengthen the Company's competitive edge. Therefore, the Company is better poised to tackle the challenges lying ahead. As there is much uncertainty as to the duration and degree of impact of the COVID-19 pandemic, the Company will continue to monitor the situation closely and plan ahead for the changing landscape of the business environment, and impact to our business segments.

- (d) The Company will soldier on to meet the challenges of this COVID-19 pandemic and look forward to the continued support of all the Company's stakeholders.

10. Mr. Tanaka handed the conduct of the Meeting back to the Chairman at the end of his address.

Address by Mr. Hashizume, Managing Director

11. The Chairman invited Mr. Hashizume to address the shareholders.

12. Mr. Hashizume's address was accompanied by a slide presentation, which has been uploaded onto SGXNet on 19 June 2020 (the "MD's Slides").

13. Mr. Hashizume highlighted the following matters:

- (a) **Results for FY2019:** Under the Income Statement of the Company for 2019, the Revenue of the Company was \$111.885 million, an 8.4% decrease versus the previous year. Other Income was \$10.449 million, a 26.9% increase over the previous year. Total expenses were \$148.643 million, a 3.9% increase over the previous year. The net loss after tax was \$26.532 million, a 95.3% increase over the previous year.

In respect of Slide 6 of the MD's Slides, the chart therein shows the trend of Revenue from the Retail and Property segments of the Company from 2017 to 2019. Mr. Hashizume emphasized that due to the adoption of Singapore Financial Reporting Standards (International) 15 ("SFRS(I)15") on Revenue from Contracts with Customers from FY2018, the Gross Profit of Consignment Sales is recognized as revenue. The figure for FY2017 has also been adjusted in the chart to take into account the adoption of SFRS(I)15. The decrease in revenue for 2019 was mainly due to the renovation of the Isetan Scotts Flagship Store which commenced in June 2019. It is also reflective of the continuing challenges in the retail industry.

In respect of Slide 7 of the MD's Slides, the chart therein shows the net profit or loss from FY2017 to FY2019 and the effect of the impairment of right-of-use assets, property, plant and equipment and provision for onerous contracts in the relevant years. Without the impact of the impairments and provision for onerous contracts, the retail segment would have registered improvements of \$2,415,000 in FY2018 and \$821,000 in FY2019 as compared to the previous year. The slight improvement in FY2019 was mainly due to the recognition of net investment in subleases. The income from recognition of net investment in subleases is due to the leases at Isetan Scotts being taken in as Finance lease.

- (b) **COVID-19 Impact and Updates:** Since the Circuit Breaker Measures came into effect on 7 April 2020, all four (4) of the Company's stores (except the supermarket at Isetan Scotts (the "Supermarket")) had been temporarily closed until 18 June 2020. Likewise, the Company's Investment Property at Isetan Wisma had also been closed until 18 June 2020 except for tenants providing essential services, and rental rebate support is being given to the tenants. As a result, the Company expects a significant decline in revenue and other income for the first half of 2020. So far, the Company has followed strictly the Government's measures to safeguard the Company's staff and customers. As the Company anticipates safe distancing measures will still be in place during phase 2 of the reopening of the economy and possibly also during phase 3, the Company expects sales revenue over the coming months to be

negatively impacted. The Company's renovation works for Isetan Scotts, which had stopped due to the Circuit Breaker Measures, has just been given the approval to resume [sic] [Afternote: Mr. Hashizume intended to say that the renovation works for Isetan Scotts is pending approval for resumption.]

The Supermarket at Isetan Scotts has remained open during the Circuit Breaker Period and contributed positively to the retail segment. The Company's online store has also seen a surge in demand, and in response, the Company has made adjustments in terms of logistics and manpower to cope with this. The Company anticipates online sales to remain strong through the year and will continue to enhance the merchandise content from the department store. Despite the severe financial impact of the COVID-19 pandemic, the Company has continued to see to the needs and concerns of its stakeholders.

The Company expects to register a loss for the first half of 2020 despite the extensive support measures provided by the Government. The Company also anticipates that with some level of safe distancing still in place after the Circuit Breaker Period, the Company's sales revenue from events and promotions will be impacted for the rest of the year. However, with the Company's strong financial position, the Company does not foresee any difficulties meeting its near-term obligations presently.

- (c) **Medium Term Management Plan:** At last year's AGM, Mr. Hashizume explained that the Company should improve efficiency to reduce the retail losses. As a result, the Company decided to close the loss-making Isetan Jurong East store. Another initiative was to strengthen the Company's online business; to that end the Company started its own mobile application in June of 2019. This application helps the Company's E-commerce and makes it easier and more convenient for customers to shop. The Company also embarked on the digitalization of its operations like issuing E-vouchers and accepting payments by Grab pay.

Regarding the Isetan Scotts renovation, the Company has added more Food and Beverage tenants which will help to attract a younger consumer demographic. The focus of the Company's store revamp has been to (i) emphasize categories of merchandise which allow face-to-face interaction and (ii) provide consultation to its customers. On level 1 of Isetan Scotts, which is currently 60% renovated, the Company houses a selection of cosmetic brands, fine jewellery and optical shops where its sales personnel can provide value-added services by explaining and demonstrating the finer points of the merchandise to its customers. Likewise, for level 2 of Isetan Scotts, which is 70% renovated, the expanded ladies shoes department will enable the Company's customers to try on shoes from a wide array of designs and brands, and where its sales personnel are on hand to explain the attributes of the merchandise. The Company has also revamped and expanded the Food and Beverage section which can provide "Instagramable" moments for its younger customers. On level 3 of Isetan Scotts, which is currently fully renovated, the company has emphasised athleisure wear and golf merchandise. Similar to other levels, the Company has brought in a very popular sushi shop called SUSHIRO, it has attracted young couples and new family-type customers to the Isetan Scotts store. During the Company's renovation of the Isetan Scotts store, the Company's landlord at Shaw House has also taken the opportunity to upgrade the surrounding areas of the store.

Regarding the Company's investment properties and other properties, in relation to Isetan Wisma Atria, its valuation has been stable as at end of 2019. With the upcoming Thomson-

East Coast Line's Orchard Station slated for completion in 2021, there may be possibilities for improvements in valuation and leasing opportunities. Being a strategic asset to the Company, the Company is reviewing how the property can contribute towards the Company's long-term strategy. In relation to the Isetan Warehouse at Kallang Pudding, the valuation has also increased slightly as at end of 2019. The Company is constantly exploring ways to optimize the usage of the building. In relation to the Isetan Office Building, as at the end of 2019, its valuation has also seen an increase. The Company is waiting for the nearby Thomson East Coast Line's Havelock Station to be completed in order to assess its impact on the surrounding environment, before deciding on the possible future use of the property.

Regarding digitalization, I-Online & Digital Marketing strategies, the objectives of the Company's digitalization strategies are (a) omnichannel experience, (b) work efficiency and (c) sustainability. In the previous year, the Company's action plan involved the Isetan Scotts renovation, embracing digital marketing, and accepting mobile payments (Grab payment with digital strategies). Moving forward, the Company should be able to improve its operations in many ways. The Company is working towards an engaging experience for its customers, namely "Experiencing", "Trying" and "Communicating" with customers at its physical stores. Customers can choose to shop at the Company's online store, physical store or experience the exciting Isetan Japan online shop soon. In respect of Slide 34 of the MD's Slides, the chart therein shows the increase of online sales from January to April 2020. The Blue bar represents this year's online sales while the orange bar is for last year's sales. After the Circuit Breaker Measures started, there has been a five-fold increase. The online sales have continued to perform very well into May this year. The box on the right shows the ratio of online sales from the Supermarket and department store. More than 80% contribution was from the Supermarket. During the Circuit Breaker Period, the Company continued to gather valuable feedback from our customers. For example, in response to customers' feedback, the Company started to make available certain cosmetics brands and the popular "Johan Bread" in its online store. With the shifting trend towards online shopping, the Company fine-tuned its online merchandise and promotions to help customers cope with the new normal. For example, with more families dining at home and to celebrate special occasions, the Company has made available more kitchenware and Mother's Day gift recommendations online. The Company is happy to report that the response from customers has been very positive.

- (d) Moving forward, the Company is confident to meet the many challenges ahead and hope to have Shareholders' continued support.
14. Mr. Hashizume handed over the conduct of the Meeting back to the Chairman at the end of his address.
 15. The Chairman proceeded with the business of the Meeting.

Ordinary Resolution 1 – Adoption of Directors' Statement and Accounts

16. The Directors' Statement and Accounts for FY2019 together with the Auditor's Report thereon were taken as read.
17. The following Ordinary Resolution 1 was duly proposed by the Chairman: -

"To receive and adopt the Directors' Statement and Accounts for the financial year ended 31 December 2019 together with Auditor's Report thereon."

18. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 1 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 1 was 80,000, representing 0.32% of the total votes cast.
19. The Chairman declared Ordinary Resolution 1 carried by a majority vote.

Ordinary Resolution 2 – Re-Election of Mr. Victor Yeo Chuan Seng as Director

20. As this item related to the re-election of the Chairman, the Chairman handed over the conduct of the Meeting on this item to Mr. Tanaka.
21. The following Ordinary Resolution 2 was duly proposed by Mr. Tanaka: -

“To re-elect Mr. Victor Yeo Chuan Seng as a Director who will be retiring under Regulation 96 of the Company’s Constitution, and who, being eligible, has offered himself for re-election.”
22. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 2 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 2 was 80,000, representing 0.32% of the total votes cast.
23. Mr. Tanaka declared Ordinary Resolution 2 carried by a majority vote.
24. Mr. Tanaka handed over the conduct of the Meeting back to the Chairman,

Ordinary Resolution 3 – Re-Election of Ms. Lim Bee Choo as Director

25. The following Ordinary Resolution 3 was duly proposed by the Chairman: -

“To re-elect Ms. Lim Bee Choo as a Director who will be retiring under Regulation 96 of the Company’s Constitution, and who, being eligible, has offered herself for re-election.”
26. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 3 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 3 was 80,000, representing 0.32% of the total votes cast.
27. The Chairman declared Ordinary Resolution 3 carried by a majority vote.

Ordinary Resolution 4 – Re-Election of Mr. Toyohiko Tanaka as Director

28. The following Ordinary Resolution 4 was duly proposed by the Chairman: -

“To re-elect Mr. Toyohiko Tanaka as a Director who will be retiring under Regulation 103 of the Company’s Constitution, and who, being eligible, has offered himself for re-election.”

29. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 4 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 4 was 80,000, representing 0.32% of the total votes cast.
30. The Chairman declared Ordinary Resolution 4 carried by a majority vote.

Ordinary Resolution 5 – Re-Election of Mr. Koji Oyama as Director

31. The following Ordinary Resolution 5 was duly proposed by the Chairman: -
- “To re-elect Mr. Koji Oyama as a Director who will be retiring under Regulation 103 of the Company’s Constitution, and who, being eligible, has offered himself for re-election.”
32. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 5 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 5 was 80,000, representing 0.32% of the total votes cast.
33. The Chairman declared Ordinary Resolution 5 carried by a majority vote.

Ordinary Resolution 6 – Declaration of Final Dividend

34. The following Ordinary Resolution 6 was duly proposed by the Chairman: -
- “To declare a final dividend of 5.0 cents per ordinary share, tax exempt (1-tier), in respect of the financial year ended 31 December 2019.”
35. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 6 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 6 was 80,000, representing 0.32% of the total votes cast.
36. The Chairman declared Ordinary Resolution 6 carried by a majority vote.

Ordinary Resolution 7 – Approval of Directors' Fees for the Financial Year Ending 31 December 2020

37. The following Ordinary Resolution 7 was duly proposed by the Chairman: -
- “To approve the payment of Directors’ fees of up to S\$165,000/- for the financial year ending 31 December 2020 (payable quarterly in arrears) (for the financial year ended 31 December 2019: S\$227,000).”
38. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 7 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 7 was 80,000, representing 0.32% of the total votes cast.
39. The Chairman declared Ordinary Resolution 7 carried by a majority vote.

Ordinary Resolution 8 - Re-Appointment of Auditors

40. The following Ordinary Resolution 8 was duly proposed by the Chairman: -

“To re-appoint PricewaterhouseCoopers LLP, the existing auditors of the Company, as Auditors to hold office until the conclusion of the next general meeting of the Company and to authorise the Directors to fix their remuneration.”

41. The total number of votes cast was 25,278,000. The number of votes cast “FOR” Resolution 8 was 25,198,000, representing 99.68% of the total votes cast. The number of votes cast “AGAINST” Resolution 8 was 80,000, representing 0.32% of the total votes cast.

42. The Chairman declared Ordinary Resolution 8 carried by a majority vote.

Any Other Business

43. The Chairman noted that the Board had not received notice of other business that may be transacted at the Meeting.

44. The Chairman thanked all Shareholders for their attendance and support.

There being no other matters, the Meeting then ended at 10:36 a.m.



VICTOR YEO CHUAN SENG
Chairman of the Meeting