ISETAN (SINGAPORE) LIMITED
(Company Registration No.: 197001177H)
(Incorporated in Singapore)
(the "**Company**")

MINUTES OF THE SCHEME MEETING OF THE COMPANY HELD ON WEDNESDAY, 7 AUGUST 2024 AT 10.00 A.M. AT FURAMA RIVERFRONT, SINGAPORE, VENUS 2, LEVEL 3, 405 HAVELOCK ROAD, SINGAPORE 169633[1]

PRESENT

Directors	:	Associate Professor Yeo Chuan Seng (Chairman of the Scheme Meeting) Mr. Toshifumi Hashizume Mr. Shioji Hiramatsu Mr. Richard Tan Chuan-Lye Ms. Carmen Wee Yik Cheng Ms. Lim Bee Choo
In Attendance	:	Mr. Lun Chee Leong (Company Secretary) Mr. Tan Kian Tiong (Independent Financial Adviser) Ms. Poh Kwee Eng (Valuer)
Shareholders/Proxies/Invitees	:	As per attendance list

1. WELCOME NOTE AND QUORUM

The Chairman of the Scheme Meeting, Associate Professor Victor Yeo Chuan Seng (the "**Chairman**"), extended a warm welcome to all present at the scheme meeting (the "**Scheme Meeting**").

The Company Secretary ascertained that a quorum was present for the Scheme Meeting, and the Chairman called the Scheme Meeting to order at 10.00 a.m.

The Chairman introduced himself as the Lead Independent Director of the Company, and informed the Target Shareholders that he had been appointed by way of court order to be the Chairman of the Scheme Meeting. The Chairman introduced the other Directors of the Company, noting that Mr. Toshifumi Hashizume ("**Mr. Hashizume**") was attending the Scheme Meeting by way of video teleconference, and the representatives from the professional firms present at the Scheme Meeting.

The Chairman clarified that Mr. Hashizume and Mr. Shioji Hiramatsu ("**Mr. Hiramatsu**") were present at the Scheme Meeting only in their respective capacities as Chairman and as the Managing Director of the Company. Mr. Hashizume and Mr. Hiramatsu did not participate in any discussions or decisions made by the Company in relation to the Scheme, and Mr. Hiramatsu had only provided

[1] Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the scheme document disseminated electronically to the Target Shareholders on 12 July 2024 (the "**Scheme Document**") in relation to the Acquisition.

factual input that was necessary for the purposes of preparing the Joint Announcement, the Implementation Agreement and the Scheme Document. Further to the confirmation of the SIC that Mr. Hashizume and Mr. Hiramatsu were exempted from the requirement to make a recommendation on the Scheme to the Target Shareholders, they have abstained from making such a recommendation.

The Chairman then informed the Target Shareholders that an audio recording of the Scheme Meeting would be made to assist in the preparation of the minutes.

The Chairman explained that the Scheme Meeting had been convened with leave of the High Court of the Republic of Singapore (the "**High Court**"). The reasons for and details of the Scheme were set out in the Scheme Document dated 12 July 2024 and despatched to Target Shareholders on the same day.

The Chairman explained that he would provide a briefing as to the polling procedures. After the briefing, he would first propose the resolution and ask for it to be seconded. After the resolution had been proposed and seconded, the Chairman would invite questions from the floor in respect of the resolution. The resolution would then be put to the Scheme Meeting and a poll would be taken.

2. BRIEFING ON THE POLLING PROCEDURES

The Chairman informed the Target Shareholders that in his capacity as Chairman, he had been appointed as a proxy by a number of Target Shareholders, and would vote in accordance with the specific instructions of these Target Shareholders. Where a Target Shareholder failed to specify instructions as to voting, or abstentions from voting, in respect of any resolution, the duly appointed proxy would be entitled to use his discretion, except that where the Chairman had been appointed as proxy, the proxy form would, in the absence of specific directions, has been treated as invalid. However, incomplete, improperly completed, or illegible proxy forms have been rejected.

The Chairman informed the Target Shareholders that the Board had appointed TS Tay Public Accounting Corporation as scrutineers (the "**Scrutineer**") and Trusted Services Pte Ltd as the polling agent (the "**Polling Agent**"), whose representatives were also physically present at the Scheme Meeting. The Scrutineer had supervised and verified the counting of all valid votes that were submitted via proxy forms earlier, and would also verify the electronic votes cast during the Scheme Meeting.

The Chairman informed the Target Shareholders that the agenda for this Scheme Meeting was as set out in the notice of the Scheme Meeting dated 12 July 2024 (the "**Notice of Scheme Meeting**") issued on 12 July 2024.

Lastly, the Chairman informed the Target Shareholders that all resolutions would be voted by way of poll, and that it was now possible for Target Shareholders to begin voting. Voting would be closed 5 minutes after the last question was addressed. The results would be announced immediately after the Polling Agent collated the results. A video containing instructions on how votes could be cast electronically was then broadcasted.

3. NOTICE OF SCHEME MEETING

As the relevant information relating to the proposed resolution was set out in the Scheme Document and the Notice of Scheme Meeting dated 12 July 2024, the Chairman suggested that the Notice of Scheme Meeting be taken as read. There were no objections from the Target Shareholders.

4. TO APPROVE THE SCHEME OF ARRANGEMENT

The Chairman informed the Target Shareholders that upon the Scheme becoming effective and binding in accordance with its terms, all the shares in the Company that were not already owned by the Offeror would be transferred to the Offeror. The Target Shareholders would be paid S$7.20 per share in cash and all Target Shareholders were entitled to vote at the Scheme Meeting.

The Offeror, Isetan Mitsukoshi Holdings and Isetan Foundation would abstain from voting on the Scheme and would also decline to accept appointment as proxy from any Target Shareholders to vote on the Scheme unless the Target Shareholders concerned have given specific instructions as to the manner in which his or her votes are to be cast at this Scheme Meeting.

Pursuant to Section 210 of the Companies Act 1967, in order for the proposed resolution to be passed and the Scheme to be approved, there are two requirements:

(a) a majority of Target Shareholders present (either in person or by proxy) at the Scheme Meeting voting for the Scheme; and

(b) such majority must represent not less than at least 75% in value of the Company's shares held by all Target Shareholders present (either in person or by proxy).

If the resolution is passed (i.e., the Scheme has been approved at the Scheme Meeting), the Company would apply to the High Court to seek the sanction of the High Court for the Scheme. Once the Scheme has been sanctioned by the High Court and a court order is granted (the "**Scheme Court Order**"), the Scheme will be effective and binding on all shareholders from the date of lodgement of the Scheme Court Order with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

The Entitled Target Shareholders as at the Record Date, including those who voted against the Scheme, will be paid S$7.20 per share in cash within 7 business days after the lodgement of the court order with ACRA.

If the Scheme was not approved at the Scheme Meeting or was not sanctioned by the High Court, then the Offeror could not acquire any of the Company's shares held by the Target Shareholders. This includes the shares of the Company held by Target Shareholders who voted in favour of the Scheme.

The Chairman stated that the directors who were independent for the purposes of recommending the Scheme of to the Target Shareholders were Mr. Richard Tan Chuan-Lye, Ms. Carmen Wee Yik Cheng, Ms. Lim Bee Choo and himself (the "**Recommending Directors**").

The Recommending Directors had appointed SAC Capital Private Limited as their independent financial adviser (the "**IFA**") to advise on the financial terms of the Scheme, and Lee & Lee as their legal adviser on the Scheme.

The IFA had reviewed the financial terms of this Scheme and given its opinion as set out in Appendix 1 to the Scheme Document. In conclusion, the opinion of the IFA was that on balance, the financial terms of the Scheme were fair and reasonable. Accordingly, the IFA advised the Recommending Directors to recommend that the Target Shareholders vote in favour of the Scheme.

The Recommending Directors had considered the advice of the IFA, and the terms of the Scheme of Arrangement and agreed with the recommendation of the IFA in respect of the Scheme. As such, the Recommending Directors unanimously recommended the Target Shareholders to vote for the Scheme.

The following resolution was duly proposed by the Chairman and seconded by a shareholder:

"That the Scheme of Arrangement dated 12 July 2024 proposed to be made pursuant to Section 210 of the Companies Act 1967, between (i) the Company; (ii) the Target Shareholders; and (iii) Isetan Mitsukoshi Ltd., a copy of which has been circulated with this Notice convening this Scheme Meeting, be and is hereby approved."

5. QUESTIONS FROM SHAREHOLDERS

Target Shareholders who had any substantial and relevant questions in relation to the Scheme Meeting were encouraged to submit their questions to the Company in advance by electronic mail or by post. No comments, queries and/or questions relating to the Scheme Meeting were received by the Company as of the cut-off date of 25th July 2024, 5:00 p.m.

After the resolution was duly proposed and seconded, the Chairman went on to open the floor to questions from Target Shareholders.

The following queries were raised:

(a) Shareholder A noted, with reference to page 1-38 of Appendix 1 of the Scheme Document, that the upper and lower bounds of the valuation range for the Shares were S$7.79 and S$7.04 respectively. He queried as to the methodology of valuation, noting that as the VWAP of the Shares (which was based on the market price of the Shares) was used to form the lower bound, the offer price of S$7.20 per Share would generally be higher than the said lower bound as the market, in reacting to the offer price, would price the Shares at a discount to the offer price. He also queried as to why the upper bound was based on the median P/RNAV ratio of the Fair Property Take-over Transactions, as the companies involved in these transactions were generally geared and had a different capital structure compared to the Company (which had no borrowings and where most of the assets held are cash and property). Using such precedent transactions to determine the upper bound would therefore impose a discount on the cash held by the Company.

The Chairman directed the question to Mr. Tan Kian Tiong ("**Mr. Tan**"), representative of the IFA. Mr. Tan introduced himself and explained the role of SAC Capital Private Limited

as the IFA. Mr. Tan referred to pages 1-37 and 1-38 of Appendix 1 of the Scheme Document, and explained that in deriving an estimated range of values for the Shares, the IFA had analysed the market prices of the Shares, and also the financial performance and financial position of the Company. The IFA had also derived a range of values for the Shares using the asset-based valuation methodology, as the assessed market value of the Properties represented approximately 84.6% of the assessed RNAV of the Company as at 31 December 2023. Mr. Tan highlighted the valuation parameters which the IFA had considered, and which were set out at page 1-38 of Appendix 1 of the Scheme Document.

For the upper bound of the valuation range for the Shares, the IFA had considered the RNAV per Share of the Company as at 31 December 2023 of S$10.25 and median P/RNAV ratio of the Fair Property Take-over Transactions of 0.76 times as a fair indication. In summary, the IFA had referred to the offers for companies listed on the SGX-ST which are engaged in property related business and/or have asset composition that are asset-heavy, for comparison. Such an approach would enable a “like-for-like” comparison.

For the lower bound of the valuation range for the Shares, the IFA had considered the NAV per Share of the Company as at 31 December 2023 of S$2.58 as the base value. However, the NAV is the hypothetical value of the Company after it disposes of all its assets and pays off all its liabilities. Adopting such an approach alone would result in a wide valuation range, such that any price offered for the Shares would likely fall into the valuation range. Therefore, the IFA had also considered the earnings approach based on comparable companies. However, using the price-earnings ratio implied by these comparable companies would not be meaningful, as the Company is currently loss-making. The IFA had also considered the EV/EBITDA ratios of the comparable companies, but found that the implied valuation based on such ratios would have yielded a lower valuation result than the Company’s NAV. Ultimately, the IFA adopted the approach of using the VWAP of S$7.04 (based on the period between the Joint Announcement Date and the Latest Practicable Date) as the lower bound, as the trading liquidity of the Shares had increased from the day of the release of the Joint Announcement up till the Latest Practicable Date. This meant that shareholders could realize the value of their shares during this period.

Shareholder A noted that nevertheless, concerning the methodology used to determine the upper bound, the companies involved in the Fair Property Take-over Transactions were generally geared and had a different capital structure compared to the Company (which had no gearing). Therefore, a premium should be applied to increase the upper bound rather than taking the median P/RNAV ratio of the Fair Property Take-over Transactions at face value.

Mr. Tan referred to page 1-27 of Appendix 1 of the Scheme Document, and highlighted the limitations of using the Fair Property Take-over Transactions for comparison. It would be ideal to find as a comparator a company with a similar capital structure to that of the Company, but the data available did not allow for such a comparator. Ultimately, the approach of the IFA was to find out the premium that was offered above the RNAV of the companies involved in the Fair Property Take-over Transactions. Such RNAV values would usually only be disclosed during a take-over transaction, and not as part of routine trading of shares.

Shareholder A commented that nevertheless, in a typical take-over transaction, the market would usually price in the offer price such that the market price of the shares would be lower than that of the offer price. The approach taken to determine the lower bound would thus mean that the offer price would usually be higher than the lower bound, and hence would generally be treated as being fair and reasonable.

Mr. Tan explained that after considering all valuation parameters as set out in Appendix 1 of the Scheme Document, the IFA had ultimately adopted the VWAP as a valuation parameter after eliminating the NAV valuation parameter and earnings matrix valuation parameter and because there was increased liquidity of the Shares between the Joint Announcement Date and the Latest Practicable Date. The VWAP represented the value at which shareholders realized their shares, and was a valid data point which the IFA had considered. Nevertheless, it was true that for most take-over transactions, the market price traded at a value lower than the offer price when it was announced, although there were some transactions for which the market price traded at a value higher than the offer price.

Shareholder A thanked Mr. Tan for his explanation.

(b) Shareholder B noted that the upper and lower bounds of the valuation range for the Shares were S$7.79 and S$7.04 respectively, and asked as to why the offer price of S$7.20 lay towards the lower end of such a valuation range rather than in the middle of the valuation range.

The Chairman explained that the valuation performed by the IFA was meant to assess whether the offer price was, on balance, fair and reasonable, and that the IFA had no control over what the offer price would be.

As there were no further questions, the Chairman closed the floor.

6. RESULTS OF THE POLL

The video containing instructions on how votes could be cast electronically was broadcasted again.

The Chairman informed the Target Shareholders to cast their votes for the resolution tabled during the Scheme Meeting if they had not done so, as voting would be stopped 5 minutes after the last question was answered. However, if there were any technical difficulties, the time for Target Shareholders to cast their votes would be extended.

The Chairman highlighted that after Target Shareholders had submitted their votes, their mobile devices should show that they have “Voted ‘For’ Successfully” or “Voted ‘Against’ Successfully”. As such, the Chairman requested for the Target Shareholders to check that their votes had been submitted successfully. The Chairman also informed the Target Shareholders to raise their hands if they encountered any difficulties voting or checking their votes, and appropriate assistance would be provided. Voting was then closed 5 minutes after the last question was answered.

The result of the poll was as follows:

Resolution		Total number for and against the resolution	For the Scheme		Against the Scheme	
			Number	As a percentage of total number for and against the resolution (%)[1]	Number	As a percentage of total number for and against the resolution (%)[1]
To approve the Scheme	Target Shareholders present and voting (either in person or by proxy)	158	140	88.61	18	11.39
	Target Shares represented by votes (either in person or by proxy)	10,194,491	9,316,083	91.38	878,408	8.62

Note:
(1) Rounded to the nearest two (2) decimal places.

Based on the results of the poll, the Chairman declared the resolution carried.

It was **RESOLVED THAT** the Scheme of Arrangement dated 12 July 2024 proposed to be made pursuant to Section 210 of the Companies Act 1967, between (i) the Company; (ii) the Target Shareholders; and (iii) Isetan Mitsukoshi Ltd., a copy of which has been circulated with the Notice of Scheme Meeting, be and is hereby approved.

7. CONCLUSION OF MEETING

The Chairman concluded the business for the Scheme Meeting and declared the Scheme Meeting concluded at 10.52 a.m.

The Chairman thanked all Target Shareholders for their many years of support and for attending the Scheme Meeting, and stated that he looked forward to their continued support as the Company continues moving forward.

Shareholder C thanked the Board for their efforts in bringing across the Scheme, and expressed his best wishes for the Company moving forward.

CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS HELD BY

Associate Professor Victor Yeo Chuan Seng
Chairman of the Scheme Meeting

Dated: 7 August 2024