



Isetan (Singapore) Limited

2024 AGM
26 April 2024

ADDRESS BY MANAGING DIRECTOR

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In this presentation, all \$ dollar amounts are in Singapore dollars unless otherwise specified.

1. Results for FY 2023
(Year Ended 31 December 2023)
2. Outlook & Updates
3. Vision-based strategy setting
 - 3.1 Core Retail Business
 - 3.2 Investment Properties
 - 3.3 Employee Engagement

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Results

Fiscal Year 2023

Results

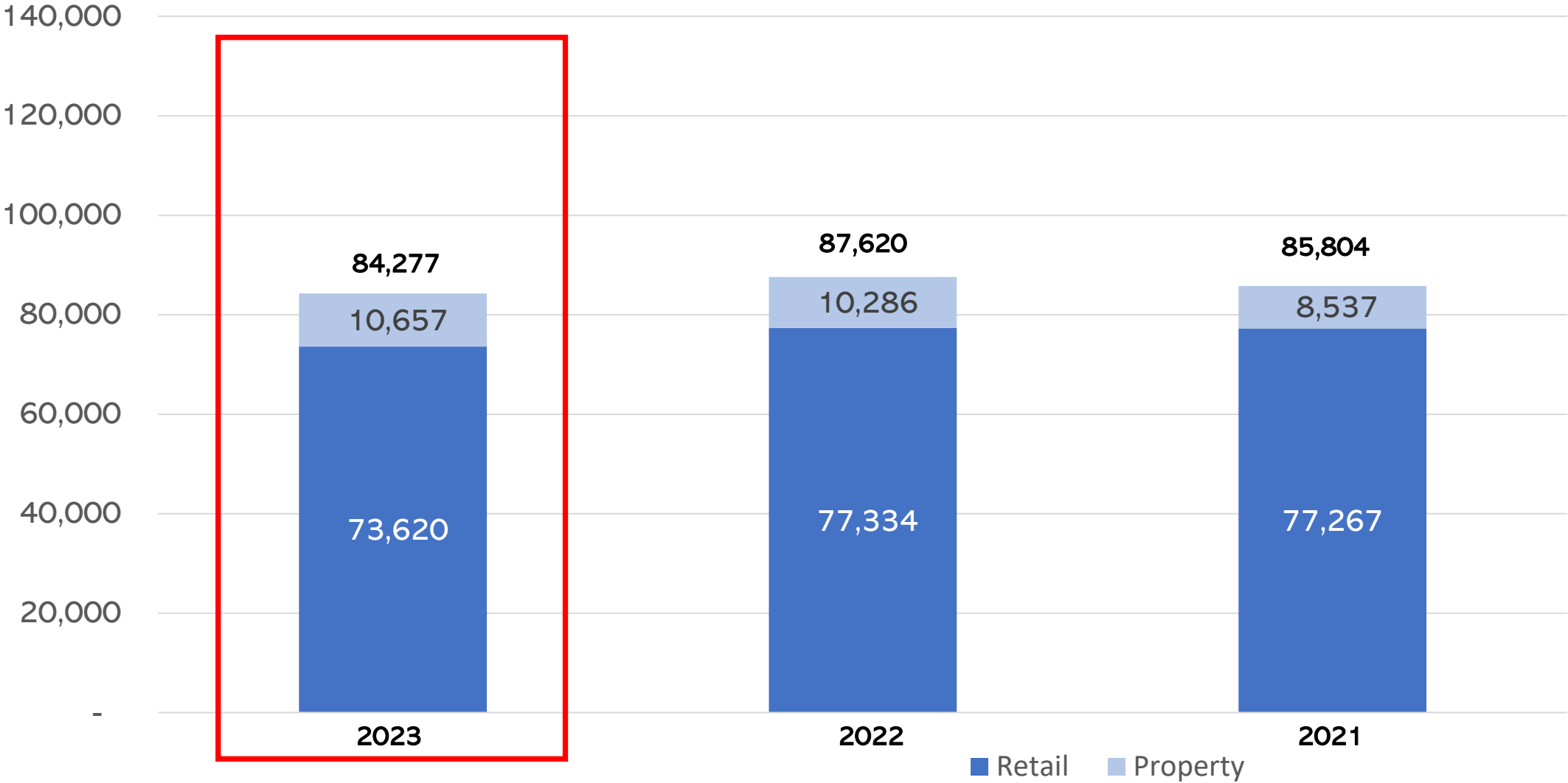
(In thousands)	FY 2023	FY 2022	YoY change %	YoY Differences
Revenue	84,277	87,620	(3.82)	(3,343)
Other income	6,303	4,393	43.48	1,910
Other (losses)/gains, net	(193)	61	(416.39)	(254)
Total expenses	(92,962)	(90,459)	2.77	2,503
Share of profit/(loss) of an associate	1,416	(266)	632.33	1,682
(Loss)/Profit before income tax	(1,159)	1,349	(185.92)	(2,508)
Income tax expense	-	-	-	-
Net (loss)/profit after tax	(1,159)	1,349	(185.92)	(2,508)
Net (loss)/profit attributable to : Equity holders of the Company	(1,159)	1,349	(185.92)	(2,508)
(Loss)/Earnings per share (in cents)	(2.81)	3.27	(185.93)	(6.08)

Major Variances

(In thousands)	FY 2023	Main Factor	Variance
Revenue	84,277	① Weaker retail sales due to highly competitive trading environment. ② Inflationary pressure which impacted the consumer discretionary spending. Offset by: ③ New tenants for Wisma Atria.	(3,343)
Other Income	6,303	① Increased in rental income from external events. ② Increased in interest income from financial assets, measured at amortised cost.	1,910
Expenses (w/o Impairments)	83,939	① Mainly due to lower employee compensation and depreciation expense.	(1,007)
Impairment of ROU and PPE*	9,023	① Continuing losses in the retail segment.	5,263
Impairment on investment in an associate	-	① Ceasing of the associate's business operations of its two stores on 31 December 2022 and voluntary liquidation from 1 January 2023. Full impairment provided last year.	(1,753)
Share of profit of an associate	1,416	① Associate is in net assets position upon liquidation as of 31 December 2023, hence recognised share of profit in FY2023.	1,682

* Impairment of ROU assets **-5.928m** (2022: **-2.795m**) and Impairment of PPE **-3.095m** (2022: **-0.965m**)

2021 ~ 2023 Segment Revenue



Major Variances in Retail segment

(In thousands)	FY 2023	Variance	Main Factors
Revenue			
Sales to External Customers	73,620	(3,714)	Weak-retail segment and customer demand due to inflationary pressures.
Other rental income	2,487	646	New tenants for Scotts and higher rental income from external events.
Income from modification of ROU leases	147	147	Income recognised from the lease modification of Right-of-Use ("ROU") assets in 2023.
Income from recognition of net investment in subleases	280	(30)	Balance new finance leases accounted for in 2023.
Government grant income	1	(65)	Amount consist of Jobs Growth Incentive (JGI). Decreased due to lower JGI received in 2023.
Retail Segment Results	(10,106)	(6,406)	Continuing losses in the retail segment due to the overall slowdown from the POST COVID-19 recovery and hence contributing to further impairment provisions.
Retail Segment before Impairment losses for ROU and PPE	(1,083)	(1,143)	Company recorded losses of \$1,083,000 as compared to profit generated of \$60,000 in 2022 mainly due to slowdown of the POST COVID-19 recovery and challenges faced in the retail industry.

Major variances in Property segment

(In thousand)	FY 2023	Variance	Main Factor
Segment Revenue			
Rental Income (Investment Properties)	10,657	371	Increase mainly due to higher rental income.
IP Segment Results	4,336	(489)	Decrease mainly due to higher operating expenses such as utilities.

Overall Segment Results for FY2023

(In thousands)	Retail	Property	Company
Segment Revenue			
Sales to External Customers	73,620	-	73,620
Rental Income – Investment property	-	10,657	10,657
Other rental income	2,487	-	2,487
Income from modification of ROU leases	147	-	147
Income from recognition of net investment in subleases	280	-	280
Government Grant Income	1	-	1
Segment Results	(10,106)	4,336	(5,770)
Other Income			3,388
Other losses			(193)
Share of profit of an associate			1,416
Net loss			(1,159)

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Outlook & Updates

Outlook & Updates - Retail

Post Covid-19, the Company will face headwinds such as:

- a) Sales leakage from outbound travel which impacts the traditional peak festive seasons
- b) Impact from strong Singapore currency
- c) Consumer disposable income impacted by inflationary-driven costs, and higher GST
- d) Higher operating cost environment
- e) Uncertain geopolitical conflict & tension

Outlook & Updates – Investment Properties

1. A few tenancies are up for renewal, and we target full occupancies for our Isetan Wisma Atria & Kallang Pudding investment properties
2. Exploring further leasing opportunities of existing properties

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Vision-based strategy setting

OUR VISION

Company that creates high quality and new lifestyles through unique sensibilities of Japan in Singapore

The first company that comes to mind when customers think of Japan.

- 1) To provide customers with unique and high-quality products and services that only Isetan can create.
- 2) To provide each employee with personalized growth opportunities.
- 3) Contribute to society through our business to enhance the value of the city and place.

- 3.1. Core Retail Business
- 3.2. Investment Properties
- 3.3. Employee Engagement

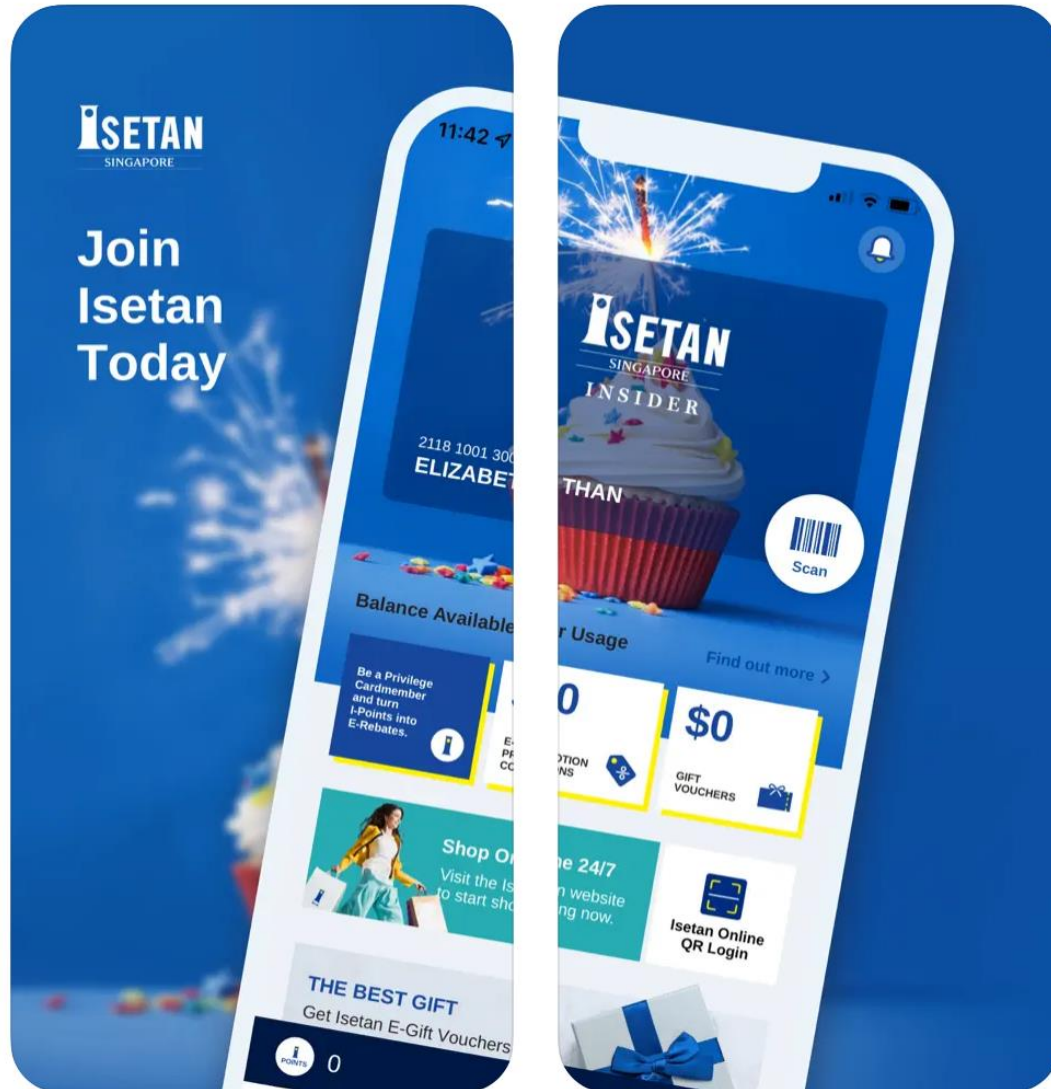
**3.1
CORE
RETAIL
BUSINESS**

To provide customers with Unique, High-Quality Products and Services that only **!SETAN** can create



Expanding human touch external sales events in suburban areas, especially for the food brands, which is a strong content of Scotts store. This will help to expand awareness among new customers.

To take the additional efforts to improve our customer management and eventually increase our customer loyalty



*Gradually re-introduce our I-online business later this year to create an additional touch point for our customers and complement our physical stores.

3.2 INVESTMENT PROPERTIES

To contribute to society through our business
to enhance the value of the city and place

Isetan Wisma Atria

- Target : to maintain 100% occupancy rate in 2024



Kallang Pudding Warehouse (partly classified as investment property)

- Target : to maintain 100% occupancy rate of its leasable space in 2024



Isetan Office Building (currently classified as PPE)

- Executed a lease agreement to lease out levels 2 to 4.



3.3 EMPLOYEE ENGAGEMENT

To provide each employee with
personalized growth opportunities

Snap Shots of 2023 Employee Engagement Survey

Key Goal Indicators

ENGAGEMENT
~Pride for the company

DEVELOPMENT
~Providing Growth Opportunities

TEAMWORK

Key Performance Indicator

Self Management

Business Improvements

**Supervisor
Support**

**Supervisor
Feed Back**

**Appropriate education
and information**

**Top Management
Communication**

LEADERSHIP
~Supervisor Communication

Thank You