

From the Desk of the Managing Director

Dear Valued Shareholders,

It is both a privilege and an honour to address you in my new capacity as Managing Director following my appointment on 1 March 2026. Having served as AEON's Deputy Managing Director since July 2022, I bring with me a deep appreciation of AEON's strategy, values and operational dynamics, which I intend to build upon as we take the Company forward.

With the steadfast support of the Board, AEON Leadership Council and the unwavering commitment of AEON People, I am confident that we will continue to strengthen our business and make meaningful progress in our journey towards sustainable, long-term success.



periods and steady footfall across our stores and malls, reflecting customers' continued confidence in AEON as a trusted and preferred shopping destination.

Rather than dwell on the challenges, we treated FY2025 as a year of valuable learning and opportunity: to strengthen our fundamentals, accelerate digitalisation, and deepen engagement with customers and business partners. This focus, anchored by our strategic priorities across retail and property management, positions AEON well for sustainable growth as the retail landscape continues to evolve.



→ **MR. TSUGUTOSHI SEKO**
Managing Director



RETAIL

Revenue
RM 3,501.1m
FY2024: RM3,524.6m



PROPERTY MANAGEMENT SERVICES

Revenue
RM 787.8m
FY2024: RM737.0m

From the Desk of the Managing Director

Q3

Despite a challenging retail landscape in FY2025, AEON delivered strong results. How did the company achieve this?



In FY2025, AEON navigated a cautious consumer landscape by staying close to our customers and responding to their evolving needs. With households prioritising essentials amid macroeconomic pressures, we adapted our offerings, promotions, and product mix to deliver greater value and convenience. We continued to roll out engaging campaigns such as "Time Out Day", "Everyday Fresh, Everyday Low Price", "Thursday is Better Than Friday" and more, to offer exclusive rewards and deals for our members. Complementing these initiatives, our malls also hosted exciting events, including thematic and special meet-and-greet events with celebrities, which helped drive footfall, benefiting both our stores and tenants.

The expansion of our Private Brands also strengthened customer loyalty through quality and competitive pricing. Today, our in-house brands including TOPVALU, HÓME CÓORDY, La Boheme, AEON Delicatessen and various Softline brands, account for 18% of total retail sales and are available across AEON stores nationwide. We continue to expand the range to better meet the diverse needs of Malaysian consumers and reinforce our long-term competitive positioning.

During the year, we introduced AEON STYLE Supermarket to strengthen our integrated supermarket proposition, bringing together essential groceries, ready-to-eat offerings, Private Brands and selected specialty concepts within a modern and convenient retail format.

This strategic positioning reflects our focus on meeting evolving consumer preferences for food, value, wellness and lifestyle needs, while expanding our presence in this segment.

We will continue to refine our supermarket formats and pursue targeted expansion under a multi-format retail approach, bringing AEON closer to customers through accessible locations and differentiated concepts. These efforts reinforce the supermarket business as a key growth pillar and support our ambition to remain as the preferred and relevant retail destination for Malaysian households.

We expanded our presence in the East Coast of Malaysia with the opening of AEON Kuantan Store in East Coast Mall, Pahang in January 2026. This marks our second store in the East Coast region and first in the state of Pahang to serve the surrounding community.

We also undertook strategic renovation and maintenance works across selected stores and malls in FY2025, resulting in refreshed, vibrant, and engaging environments that elevate the customer experience while strengthening the appeal and competitiveness of our retail and tenant spaces. These efforts remain a key strategic priority, enhancing the long-term value of our stores and malls while contributing towards higher footfall and stronger mall performance.

We also view customer engagement as a key priority for AEON. In FY2025, we

established AEON 360, a joint venture with AEON Credit Service (M) Berhad, to unify our rewards programme and customer data across the AEON group of companies in Malaysia, strengthening customer engagement and insights.

Designed as an integrated platform underpinning the AEON Living Zone ecosystem, AEON 360 enables a seamless and consistent loyalty experience, allowing members to earn, redeem, and enjoy privileges across multiple touchpoints spanning retail, mall, and financial services offerings within the AEON group of companies in Malaysia.

With a growing base of over 2.9 million AEON members, AEON 360 leverages data-driven insights to support AEON from curated assortments to personalised offers, and exclusive member privileges, encouraging repeat visits and deepening long-term customer relationships. Beyond loyalty, AEON 360 also supports AEON's broader digitalisation and omnichannel strategy, strengthening our ability to better understand customer needs and create meaningful, connected experiences across the AEON Living Zone ecosystem.

These initiatives have enabled AEON to turn challenges into momentum, strengthening our foundation, accelerating sustainable growth, and charting a clear path for long-term success amid a fast-changing retail environment.

From the Desk of the Managing Director



Q4

Can you elaborate on the impact of AEON's recent mall and store renovation projects on customer engagement and operational outcomes?



AEON's integrated retail and property management model remains a key differentiator, enabling us to enhance customer engagement while unlocking operational synergies across our portfolio. In FY2025, AEON undertook a series of staged renovation projects across selected malls and stores, including AEON Ipoh Station 18, AEON Bandaraya Melaka, AEON Shah Alam, and AEON Bukit Indah.

All planned refurbishment works were completed on schedule, allowing the upgraded stores and malls to reopen ahead of the year-end festive season, a critical period for capturing heightened consumer activity. These initiatives refreshed layouts, improved ambience, and introduced more contemporary design elements, aligning the physical retail environment with evolving shopper expectations for comfort, convenience, and experiential engagement. Following renovations, we observed longer dwell times and higher repeat visits, driving increased footfall and reinforcing AEON Malls as preferred destinations for shopping, dining and social interaction.

The improvements also delivered tangible benefits for our tenant partners. More attractive and modernised mall environments supported stronger tenant sales performance, attracted new tenant brands, and enabled a broader mix of food & beverage and entertainment offerings, the key drivers of customer engagement and visit frequency. Supported by consistent asset enhancement efforts over the years, and solid rental renewal rate of 93%, by net lettable area, mall occupancy is stable at 96%. Meanwhile, tenant sales increased by 8.3% and car visits rose by 5.0%, reflecting improved overall engagement and operational outcomes.

Collectively, these results underscore the strategic importance of continuous asset enhancement in an increasingly competitive retail landscape. By investing in experiential and future-ready retail spaces, AEON is strengthening customer affinity, supporting tenant success, and reinforcing the long-term relevance and resilience of its mall portfolio while continuing to evolve alongside changing consumer lifestyles and expectations.

From the Desk of the Managing Director

Q5

We have discussed the enhancements to AEON's malls and stores. How is AEON complementing these physical upgrades with technology and digital initiatives to further elevate the customer experience?



As customer expectations evolve, digital capabilities have become an increasingly important complement to our physical retail investments. In FY2025, AEON continued to advance its digital transformation agenda to enhance convenience, improve service quality, and create a more seamless shopping experience across both online and offline touchpoints.

The myAEON2go platform remains central to this strategy, serving as a bridge between our stores and customers' digital lifestyles. We also expanded the e-commerce platform's assortment to include a wider range of products from our Private Brands, AEON Wellness, and DAISO, offered at in-store prices with same-day delivery options. These enhancements, supported by targeted online promotions, drove higher platform sales and reinforced myAEON2go platform as a natural extension of our physical stores.

Within our stores, we continued to scale digital solutions to enhance convenience, improve operational efficiency, and promote a more seamless in-store shopping experience for our customers. The rollout of additional self-checkout (SCO) counters across AEON Stores, AEON MaxValu, AEON STYLE Supermarket, AEON Wellness, and DAISO outlets improved queue management and reduced waiting times, with utilisation rates increasing to 52% to date.



We also introduced targeted in-store digital innovations designed to elevate in-store experience. These include Malaysia's first smart avocado scanners to assist customers in assessing product quality and ripeness, the progressive rollout of smart trolleys to enhance shopping efficiency, electronic shelf labels to display real-time product information and pricing, AI-powered weighing machines that enhance accuracy and shorten wait times as well as licence plate recognition systems in AEON Malls car parks to streamline entry and exit. Collectively, these initiatives reduce friction across the customer journey while supporting more efficient store operations.

We take a purposeful, customer-centric approach to digital transformation, leveraging technology to complement our physical retail strengths, enhance convenience, and drive sustainable, long-term growth in an increasingly digital retail environment. We will continue to strengthen our digital ecosystem by enhancing myAEON2go platform, expanding AI-driven analytics, and deepening omnichannel integration across our retail network to deliver personalised experiences, improving operational scalability, and strengthening customer trust and loyalty.

From the Desk of the Managing Director

Q6

Shifting our focus to financials, can you walk us through the key drivers behind AEON's performance in FY2025, particularly in terms of revenue growth, profitability, and how the company managed its costs in a year that remained both competitive and fast-evolving?



Amid a competitive and rapidly evolving retail environment, AEON delivered resilient performance in FY2025, underpinned by consistent and well-executed strategies across both our Retail and Property Management Services segments. Revenue grew by 1% to RM4.3 billion, supported by stronger contributions from our Property Management Services portfolio, driven by focused investments in store and mall upgrades. These investments were undertaken to enhance asset quality, elevate customer experience, and position AEON for sustainable long-term growth. Profit after tax increased by 5% to RM133.8 million, supported by disciplined cost management.

The expansion of our Private Brand portfolio remained a key driver of margin resilience during the year. A broader and more relevant assortment strengthened our value proposition while providing greater flexibility in pricing and cost management. In parallel, our strategy of tailoring each store's assortment to the needs of its surrounding community allow us to serve customers with greater relevance and precision.

Marketing initiatives also played an important role in sustaining performance. We capitalised on major festive and peak shopping periods, while deploying targeted campaigns during off-peak season to maintain footfall and sales momentum. These efforts not only supported revenue



growth but also reinforced customer loyalty and brand visibility throughout the year.

Our Property Management Services business continued to deliver stable performance, supported by stable occupancy levels, strong rental renewals, and effective tenant mix optimisation. These outcomes reflect the impact of our ongoing asset rejuvenation strategy, particularly the revitalisation of older malls to enhance relevance, attract quality tenants, and sustain healthy visitor traffic.

Cost discipline remained a key management focus in FY2025. We exercised tight control over operating expenses, particularly in personnel and utility costs. The continued rollout of solar photovoltaic (PV) systems

helped mitigate electricity cost pressures, while the expansion of SCO enabled more efficient manpower deployment, reducing reliance on temporary labour while improving in-store efficiency and customer convenience.

From a balance sheet perspective, our Sukuk Wakalah programme continued to strengthen our financial position. By securing new borrowings at more favourable rates, we secured lower cost of funds and enhanced liquidity, providing a stronger foundation to support ongoing capital expenditure and future growth initiatives. During the year, the Company raised RM200 million in Islamic Medium Term Notes under the programme to fund capital expenditure investments.

From the Desk of the Managing Director

Q7

Beyond financial performance, sustainability continues to be an important focus for AEON. Can you share the key sustainability initiatives undertaken in FY2025 and how they align with your long-term commitments?



Sustainability remains central to AEON's long-term strategy. In FY2025, we advanced initiatives across our operations, supply chain, and communities, guided by the AEON Sustainability Charter and our 2050 net-zero ambition. During the year, the Company also began aligning its disclosures with IFRS S1 and IFRS S2, enhancing the robustness and transparency of our sustainability and climate-related reporting.

On the environmental front, we accelerated our transition towards cleaner energy and more resource-efficient operations. Solar PV installations now power 12 malls, reducing operational emissions and supporting Malaysia's broader decarbonisation efforts. Our electric vehicle (EV) charging network has expanded to 64 bays across 18 AEON Malls, enhancing customer convenience while promoting low-carbon mobility. At the same time, data-driven assessments of energy, water, and waste usage across our malls and stores continue to improve resource management and operational efficiency.

Responsible sourcing continues to be a key priority. The #AEONResponsible Suppliers Program, Malaysia's first retailer-led ESG supplier initiative, expanded supplier engagement in FY2025 through capacity-building workshops, sustainability-linked financing and digital ESG disclosure tools to enhance transparency, resilience and accountability across the supply chain.

Community initiatives also progressed with various community initiatives launched during the year including reforestation programme, social outreach and charity runs reflecting our commitment to environmental conservation and community well-being.

Looking ahead, sustainability will remain firmly embedded within AEON's strategic priorities. We will continue expanding renewable energy, deepening supplier ESG engagement, and enhancing operational efficiency, while sustaining community-focused initiatives. Coupled with robust governance practices, these efforts reinforce AEON's commitment to transparency, long-term value creation, and responsible growth.



Q8

How is AEON positioning itself for growth in FY2026 and beyond?



We are confident about the journey ahead and remain firmly committed to strengthening AEON's position as one of Malaysia's leading retailers and mall operators. With a nationwide footprint spanning 27 malls, 35 stores, and 123 specialty outlets, our growth strategy for FY2026 and beyond is anchored on three priorities: expanding our customer base, driving footfall across our malls and stores, and advancing our sustainability agenda. These priorities will be supported by continued investment in product innovation and technology to deliver a seamless and relevant shopping experience.

Growth will be driven by the expansion of innovative retail concepts, including future rollout of AEON STYLE Supermarket. This supports our strategy to strengthen food retail as a key growth pillar while bringing greater convenience, value, and choice closer to Malaysian homes. In parallel, we will continue enhancing our Private Brand offerings, upgrading existing malls and stores, and curating tenant mixes to enhance vibrancy and sustain long-term performance. We also aim to leverage data and digital tools to sharpen customer engagement and enhance operational efficiency across our network.

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Q9

As we conclude, what would you like to share with our stakeholders about AEON's journey ahead?



Our next phase of growth is also reinforced by several major development projects. AEON Mall KL Midtown, designed around lifestyle and experiential retail, is scheduled to open later this year to serve the growing urban community. In Seremban, the expansion of AEON Mall Seremban 2 will transform the mall into a premier retail destination with over 700,000 square feet of net lettable area upon completion. The enhanced mall is set to elevate the shopping experience, attract greater footfall, and reinforce its retail leadership position in Negeri Sembilan's retail landscape.

In Ipoh, the expansion of AEON Mall Kinta City, in partnership with KIP REIT, marks a significant step in strengthening our Northern presence. Scheduled for completion in 2027, the redevelopment will expand retail offerings and modernise facilities, ensuring the mall continues to meet evolving consumer expectations while remaining a key community hub and favourite destination for local shoppers.

As we scale, we remain focused on disciplined and sustainable growth. By leveraging technology, enhancing in-store and digital convenience, and optimising our operations, we are positioning AEON to remain resilient and relevant, while being well-placed to deliver long-term value in an evolving retail landscape.

On behalf of the Company, I would like to express our sincere appreciation to our Chairman, Board members, and the AEON Leadership Council for their steadfast guidance and strategic counsel, which continue to shape our direction and long-term growth. I would also like to sincerely thank my predecessor, Mr. Naoya Okada, for his outstanding leadership, dedication and significant contributions to AEON's growth and resilience. His stewardship has strengthened AEON's management structure and laid a solid foundation for the Company's future. As he returns to AEON Japan for a new assignment, we extend our heartfelt gratitude for his invaluable service and wish him every success in his next endeavour.

We are equally grateful to our customers, tenants, business partners, suppliers, regulators, and financiers for their continued trust and collaboration. Your support remains integral to the strength and resilience of the AEON ecosystem.

I would also like to extend special recognition to our AEON People. Your dedication, professionalism, and commitment are central to our ability to deliver meaningful shopping experiences and uphold the values that define our brand.

Finally, I would like to thank our shareholders for their continued confidence in AEON. Your trust underpins our pursuit of sustainable growth and long-term value creation. With the collective efforts of our AEON People and partners, we remain optimistic about the year ahead and look forward to continuing our journey of progress together.