

Letter from the Chairman

SEIZING OPPORTUNITIES IN A DYNAMIC MARKET



Dear Valued Shareholders,

On behalf of the Board of Directors, I am honoured to present the Integrated Annual Report 2025 of AEON CO. (M) BHD. This year marks another meaningful chapter in our journey, one that reinforces AEON's enduring purpose of enriching lives and shaping Malaysia's evolving retail landscape through innovation and community connection.

Guided by a clear purpose to enrich everyday lives of Malaysians, AEON strives to deliver experiences that bring joy and happiness to our customers. This spirit is embodied by our AEON People, whose dedication and passion continue to strengthen the trust and emotional connection Malaysians have with the AEON brand.

Throughout FY2025, we continued to execute our strategic priorities with focus and discipline, strengthening our retail and property management businesses, enhancing customer engagement, and deepening our sustainability agenda while seizing new opportunities to create long-term value for our shareholders and stakeholders.



DATUK ISKANDAR SARUDIN

Non-Independent Non-Executive Chairman

Revenue
RM

4,288.9m

FY2024: RM4,261.5m

Net Profit
RM

133.8m

FY2024: RM128.0m

Net Assets
RM

2,003.1m

FY2024: RM1,937.3m

Proposed Dividend
Per Share

4.5 sen

FY2024: 4.5 sen

Letter from the Chairman

ESG CONSIDERATIONS ARE EMBEDDED ACROSS OUR BUSINESS, WITH A FOCUS ON CLIMATE ACTION, EMPLOYEE WELL-BEING, AND OPERATIONAL EFFICIENCY

SEIZING OPPORTUNITIES IN A DYNAMIC MARKET

The retail environment in FY2025 continued to be shaped by both global and domestic uncertainties. Persisting cost pressures, evolving consumer preferences, and higher operating expenses tested the sector’s adaptability. At the domestic level, policy developments including adjustments to taxation, social assistance and fuel subsidies have the potential to influence consumer sentiment and spending behaviour. Despite these challenges, Malaysia’s retail sector has remained resilient, underpinned by a stable labour market, recovery in tourism activity, and gradually improving consumer sentiment.

Within this dynamic environment, AEON has remained agile by leveraging the AEON Living Zone ecosystem, an integrated model of AEON group of companies in Malaysia, partners, and technology to deliver a seamless and engaging shopping experience that meets the everyday needs of our customers and communities. In FY2025, we strengthened the AEON Living Zone ecosystem with the establishment of our newly minted joint venture company with AEON Credit Service (M) Berhad - AEON 360 Sdn Bhd (AEON 360) which represents AEON group of companies in Malaysia’s strategy to move beyond traditional retail and finance silos toward a digital-first, customer-centric ecosystem where loyalty, payments,

personalisation, and engagement are more integrated and data-driven. Guided by our enduring “Customer First” philosophy, we continuously enhance our product offerings, service quality, and digital platforms to strengthen customer connections and convenience.

At the same time, we remain committed to our environmental and social responsibilities. ESG considerations are embedded across our business, with a focus on climate action, employee well-being, and operational efficiency, ensuring that our growth aligns with sustainable practices and responsible stewardship.

DELIVERING VALUE AND REWARDING LOYAL SHAREHOLDERS

Our network of 35 AEON Stores and 27 AEON Malls, encompassing a combined net lettable area of approximately 13.0 million square feet, along with our growing portfolio of specialty outlets, continues to be a vibrant destination for customers and tenants alike. The appeal of our malls and retail outlets lies in a thoughtfully curated mix of offerings, strong tenant partnerships, and continuous innovation in both store formats and digital experiences.



Letter from the Chairman

THE BOARD IS PLEASED TO PROPOSE A FINAL DIVIDEND OF 4.5 SEN PER SHARE, AMOUNTING TO RM63.2 MILLION AND REPRESENTING A PAYOUT RATIO OF 47%

Over the past year, we continued to invest in mall and store refurbishments as well as digital initiatives including the rollout of additional self-checkout counters, smart trolleys, licence plate recognition, and enhancements to myAEON2go platform, making shopping more seamless and engaging, particularly for younger, tech-savvy customers. These efforts have strengthened brand loyalty while enriching the overall customer experience.

Coupled with well-executed strategic priorities, these initiatives contributed to another year of solid performance. AEON achieved a net profit of RM133.8 million, and the Board is pleased to propose a final dividend of 4.5 sen per share, amounting to RM63.2 million and representing a payout ratio of 47%, subject to shareholders' approval at the upcoming AGM.

Looking ahead, we remain focused on delivering exceptional experiences, driving operational excellence, and investing strategically to capture new opportunities, ensuring AEON continues to grow sustainably while creating long-term value for our shareholders and the communities we serve.

EMBEDDING SUSTAINABILITY AT THE CORE

Sustainability remains central to AEON's purpose and long-term strategy, guiding how we operate, manage risks and create value

for our stakeholders. In FY2025, we strengthened sustainability governance, advanced climate action, deepened social impact, and enhanced ESG transparency to ensure our efforts deliver measurable and meaningful outcomes.

Guided by the AEON Sustainability Charter, we aligned our sustainability and climate roadmap with Malaysia's National Energy Transition Roadmap and the nation's net-zero greenhouse gas emissions target by 2050. In parallel, AEON reaffirmed its own commitment to achieving net-zero emissions by 2050, underpinned by initiatives to build a resilient and sustainable value chain that supports long-term growth.

To embed sustainability into decision-making and accountability, we aligned our disclosures with global standards, including the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, and incorporated ESG-related KPIs into the company scorecard. This linkage ensures sustainability outcomes are measured, governed and rewarded alongside financial performance.

During the year, we reviewed our material sustainability topics, incorporating stakeholder feedback to ensure continued relevance and impact. Our ESG strategy is anchored on four pillars, namely Sustainable Economics, Environmentally Focused, Empowering People, and Efficiency & Integrity, with customers at the centre.



This integrated approach enables us to create shared value for employees, partners and communities, consistent with AEON's founding principle of "Peace, People and Community".

We continued to invest in renewable energy across our malls, expanded EV charger installations to support low-carbon mobility, and strengthened environmental stewardship through the ongoing expansion of our reforestation programme in Malaysia. In support of inclusive growth, AEON contributed RM1.3 million towards community-focused initiatives in FY2025.

These sustained efforts have begun to receive meaningful external recognition. In 2025, AEON received the Gold Award at the The Edge Malaysia ESG Awards for Most Improved ESG Performance for three years, and the Overall Excellence Award at the Minority Shareholders Watch Group's National Corporate Governance & Sustainability Awards

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2025. AEON was also recognised under the ESG Select List 2025 by the UN Global Compact Malaysia & Brunei (UNGCMYB) as a 4-Star Lister under the categories of Purposeful Partnership, Future-Fit and Responsible Workforce, The North Star ESG Target Setting and ESG Trailblazer.

In addition, AEON was included for the fourth consecutive year in both the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, achieving a rating of 4.2 in 2025 and placing us above the global industry average for broadline retailers. We also maintained the highest 4-star rating under Bursa Malaysia's FTSE4Good standards, reaffirming our commitment to strong governance and sustainable value creation.

LOOKING AHEAD

As we look to FY2026 and beyond, AEON will continue to pursue sustainable, customer-centric growth. Our focus will be on enhancing the AEON Living Zone ecosystem, deepening collaboration with tenants, suppliers, and AEON group companies in Malaysia, and driving innovation that elevates the overall customer experience.

At the same time, we remain committed to embedding sustainability across all aspects of our business, balancing profitability with purpose to deliver a positive, lasting impact on both society and the environment.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my heartfelt appreciation to all our stakeholders for their continued trust and support in AEON.

To our valued shareholders and loyal customers, thank you for your unwavering support and continued patronage. To our AEON People, your dedication, passion, and resilience remain the foundation of our success. I also wish to express my sincere gratitude to my fellow Board members for their guidance, insights, and steadfast commitment to the highest standards of governance.

I would like to extend our sincere appreciation to Mr. Hiroaki Egawa for his dedicated service and valuable contributions during his tenure on the Board, and we wish him every success in his future endeavours.

We are pleased to welcome Mr. Tsugutoshi Seko as Managing Director and look forward to working closely with him as he leads the Company in advancing AEON's strategic priorities.

I would also like to record my appreciation to Mr. Naoya Okada for his leadership and contributions during his tenure as Managing Director. As Mr. Okada assumes his new role as Non-Independent Non-Executive Director on the Board, we look forward to continuing our close collaboration and benefiting from his experience and insights.

Together, we will continue to build on AEON's strong foundation, drive sustainable growth and create shared value for all stakeholders.

Datuk Iskandar Sarudin
Chairman