

株式会社  
良品計画

# 33rd Term Business Results Briefing

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# 1. FY 2011 : Results

# FY 2011 : Results

Consolidated → up 5.0% Ordinary profit up 13.4%

- Net sales of overseas companies YOY sales of LFL stores up 113.3%  
(local currency base) **※Overseas sales including MUJI Taiwan accounted for using the equity method**

Non-consolidated → up 3.2% Ordinary profit up 3.5%

- Directly managed stores YOY Sales of LFL stores up 98.3%

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- YOY Consolidated sales for the overseas group of LFL stores  
(local currency base)
    - Europe 1<sup>st</sup> half term 113.9% 2<sup>nd</sup> half term 112.9%
    - Asia 1<sup>st</sup> half term 104.3% 2<sup>nd</sup> half term 101.7%
    - U.S.A. 1<sup>st</sup> half term 117.2% 2<sup>nd</sup> half term 118.3%
    - 1<sup>st</sup> half term 132.5% 2<sup>nd</sup> half term 127.8%
  - YOY non-consolidated sales for the directly managed LFL stores 1<sup>st</sup> half term 96.8% 2<sup>nd</sup> half term 99.7%

# FY 2011 : Results [Consolidated]

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■ Increased sales for 9 consecutive periods and achievement of 2-digit profits. [Unit : Million Yen]

	Result	Share	YOY
Net Sales	<b>177,532</b>	<b>100.0%</b>	<b>105.0%</b>
G.P. and operating revenue	<b>81,596</b>	<b>46.0%</b>	<b>105.6%</b>
S.G.A	<b>66,158</b>	<b>37.3%</b>	<b>104.4%</b>
Operating Profit	<b>15,438</b>	<b>8.7%</b>	<b>111.1%</b>
Ordinary Profit	<b>16,135</b>	<b>9.1%</b>	<b>113.4%</b>
Net Income	<b>8,850</b>	<b>5.0%</b>	<b>112.6%</b>

◆ Net sales of overseas sales companies up 6.09 billion yen (+25.0%). Operating profit up 680 million yen (+39.0%).

◆ Net sales of Ryohin Keikaku Co., Ltd. up 4.67 billion yen (+3.2%). Operating profit up 1.63 billion yen (+13.5%).

•Overseas sales including MUJI Taiwan accounted for using the equity method

# FY 2011 : Results [Non-Consolidated]

■ Achievement of record sales and an increase in operating profit for the first time in four quarters

[Unit : Million Yen]	Result	Share	YOY
Net Sales	<b>149,385</b>	<b>100.0%</b>	<b>103.2%</b>
G.P. and operating revenue	<b>67,104</b>	<b>44.9%</b>	<b>104.4%</b>
S.G.A	<b>54,307</b>	<b>36.4%</b>	<b>103.2%</b>
Operating Profit	<b>12,797</b>	<b>8.6%</b>	<b>110.0%</b>
Ordinary Profit	<b>13,719</b>	<b>9.2%</b>	<b>113.5%</b>
Net Income	<b>7,314</b>	<b>4.9%</b>	<b>119.2%</b>

Category	1st quarter	2nd quarter	3rd quarter	4th quarter
Apparel	92.8%	102.6%	99.4%	112.5%
Household goods	90.8%	103.7%	96.4%	96.6%
Food	99.1%	97.6%	97.6%	97.4%
Net Sales of Directly Managed Stores : YOY Ratio	92.1%	102.6%	97.6%	101.8%

# FY 2011 : The situation of S.G.A

## [Non-Consolidated]

### ■ Transportation and delivery costs lower than the previous year

[Unit : Million Yen]	Result	Share	YOY
Net Sales	<b>149,385</b>	<b>100.0%</b>	<b>103.2%</b>
Advertising Expenses	<b>3,632</b>	<b>2.4%</b>	<b>81.9%</b>
Logistics Expenses	<b>6,448</b>	<b>4.3%</b>	<b>98.3%</b>
Personnel Expenses	<b>16,700</b>	<b>11.2%</b>	<b>106.9%</b>
Rent Expenses	<b>15,196</b>	<b>10.2%</b>	<b>105.1%</b>
Depreciation Expenses	<b>2,486</b>	<b>1.7%</b>	<b>98.4%</b>
Others Expenses	<b>9,843</b>	<b>6.6%</b>	<b>109.2%</b>
S.G.A	<b>54,307</b>	<b>36.4%</b>	<b>103.2%</b>

◆ Advertisement and Promotional Expenditures

— Shift to internet marketing, decreased scale of television CM.

◆ Transportation and delivery costs

— Promotion of operational efficiency and reduction of ratio to sales by -0.2% compared to the previous term.

◆ Personnel Expenses

— Personnel expenses to sales ratio for stores decreased.  
Strengthening of global human resources support.

# FY2011 : The results of B/S

[Non-Consolidated]

## ■ Inventories Up 14% Over End of FY2011

[Unit : Million Yen]	Feb 28,2011		Feb 29,2012		
	Result	Share	Result	Share	Change%
Cash on hand and in banks	7,074	8%	8,754	9%	124%
Inventories	14,004	16%	15,995	17%	114%
Fixed Assets	21,975	25%	22,491	24%	102%
Long-Term Liabilities	45,677	51%	45,512	49%	100%
Total Assets	88,731	100%	92,755	100.0%	105%
Total Liabilities	13,772	16%	13,912	15%	101%
Net Assets	74,959	84%	78,842	85%	105%

### ◆ Inventories increased by 2 billion yen

Major components of increase → **New stores 600 million yen**

→ Transitional period to prevent seasonal opportunity loss, stock of basic seasonal goods + 800 million yen

→ Spring and summer delivery of goods ahead of the usual time + 200 million yen



# FY2011 : The results of Overseas Business

Net Sales 30,499 million Yen YOY +25.0%

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Ordinary Profit 2,437 million Yen YOY +39.0%

## Sales by Region YOY

※Converted from local currencies for comparison  
※YOY ratio of directly managed LFL stores

Europe Total	YOY 102.6%	(※ 102.8%)
Asia Total	YOY 142.8%	(※ 117.8%)
USA Total	YOY 129.8%	(※ 129.8%)
Overseas Total	130.3%	(※ 113.3%)

\*Overseas Sales include MUJI Taiwan accounted for using the equity method

# FY2011 The results of China Business

## ■ Unification of Business development in China into MUJI Products (Shanghai) Commercial Co., Ltd.

Net Sales      6,356 million Yen      YOY +81.7%

Operating Profit      548 million Yen      YOY +58.5%

### Unification of Business development in China into MUJI Products (Shanghai) Commercial Co., Ltd.

MUJI Products (Beijing) Commercial Co., Ltd. in January 2011 and MUJI Products (Shenzhen) Commercial Co., Ltd. In April 2012

→The business of both companies transferred to

MUJI Products (Shanghai) Commercial Co., Ltd.

### ◆FY2012 Plan

Net Sales      10,314 million Yen (YOY +62.3%)  
Operating Profit      869 million Yen (YOY +58.5%)

# FY2011 : The results for store opening

## ■ Domestic 13 stores, overseas 29 stores net increase

		FY2010	FY2011		The number At End
		The number At End	1 <sup>st</sup> Half Net Increase	2 <sup>nd</sup> Half Net Increase	
	Directly Managed	238	13	5	256
	<b>LS</b>	64	▲2	▲2	60
	SEIYU	57	▲1	0	56
	Japan Total	359	10	3	372
	Europe	53	0	1	54
	Asia	77	7	21	105
	<b>USA</b>	4	0	0	4
	Overseas Total	134	7	22	163

In Asia: The number of shops exceeds 100 stores. In China: 12 stores were opened in FY 2011.



## **2.** Results of FY2011 Management Plan

# Building infrastructure to support the growth of overseas operations

## Progress in FY 2011

### 1. Strengthening of product competitiveness

#### ◆ Fully activate the basis of the business and develop products that are right for MUJI

• Development of cross-promotion of themes in clothing, household goods and food MUJI to GO (July), 100 Summer Points (June), As always (September), 100 Winter Points (October)

#### ◆ Strengthening of “Kodawaritaine”

• Component of sales ratio First half 2011 31% → Second half 2011 33%  
Planned 23,600 million→Actual 25,217 million 106.8% difference compared to the plan

#### ◆ Expansion of strategic products (First half 2011 36%→second half 2011 47%)

• Planned 35,517 million→Actual 35,400 million 99.7% compared to the plan

	Apparel	Household Goods	Food	Total
% to Plan	108%	94%	97%	99.7%
Share	57%	41%	44%	47%

### 2.Challenge of rising raw material and labor costs

#### ◆ Acceleration of structural reforms to promote ASEAN procurement

- Share of supplies from China 2011 Actual 60%
- Share of supplies from ASEAN 2011 Actual 7%  
(Plan not achieved due to floods in Thailand)

#### ◆ Expansion of direct sales ratio and concentrating production to factories in long-term operation

- Apparel department - shifted to 116 factories (2010, 229 factories→2013, 86 factories planned)
- MGS direct trading level 2011, actual results 11.9 billion yen, YOY increase of 141%

## Efforts to be made in FY 2012

### 1. Strengthening of Product Marketability

#### ◆ Strengthening event campaigns in clothing, household goods and food

As Always (March) Hemp, hemp, hemp (April) 100 Summer Points (May) MUJI to GO (July)

#### ◆ Strengthening of “Kodawaritaine”

Strengthening demand in large renovated stores  
Share of sales :2011 1<sup>st</sup> half 31%→2012 1<sup>st</sup> half 36.7%

#### ◆ Continual expansion of strategic products (2011 1<sup>st</sup> half 36%→2012 1<sup>st</sup> half 47%)

	Apparel	Household Goods	Food	Total
Plan	14,666	18,870	2,875	36,411
Share	52%	44%	44%	47%

### 2. Promoting procurement structure reform

#### ◆ Continual Strengthening of the shift in production areas for clothing and household goods

- Share of supplies from China 2012, planned 55%
- Share of supplies from ASEAN 2012, planned 15%

#### ◆ Expansion of direct sales ratio and concentrating production to factories in long-term operation

- Apparel department~shifted to 99 factories
- MGS direct trading level 2012, planned YOY increase of 105%

# Building infrastructure to support the growth of overseas operations

## Progress in FY 2011

### 1. Establishment of overseas operations following the model of business in China

[2010 building infrastructure, 2011 start of operations]

#### ◆ Strengthening of local sales presence

- Strengthening of product lineup = Standardization of operations and promotion by offering the same product lineup as in Japan, particularly strategic products
- The strategy of simultaneous worldwide appeal of the ultrasonic aromatherapy diffuser

#### ◆ Strengthening of local personnel recruitment and training

- Continue local recruitment of new graduates and start training in the stores in Japan (October)
- ※One issue is the lack of local staff to hold store-opening negotiations

#### ◆ Strengthening of inventory management

- Expansion of items for automatic replenishment ordering in China
- Inventory control in China remains an issue

### 2. Making preparations for a system to develop in South Asia

#### ◆ Corporate subsidiary in Singapore (Nov.)

- Market research in South Asia, Oceania, the Middle East
- Selection of partners → decide partners in Arab countries

### 3. Global distribution centers

	Shanghai Center (October)	South China Center (January)
<b>Items</b>	<b>300 items</b>	<b>500 items</b>
Products handled	Fabrics, furniture	House hold, H%B, stationary

## Efforts to be made in FY 2012

### 1. Aim to achieve 100 stores in China in 2013

[In FY 2012, opening of 25 stores in China is planned]

#### ◆ Strengthening of local sales presence

- Local recruitment of an executive in charge of store development
- Strengthen the recruitment of local sales staff and promote the development of local VMD

#### ◆ Full operation of human resource training program

- Education by Ryohin Keikaku Co. Ltd. with the full operation of OJT locally in China

#### ◆ Strengthening of inventory management

- Japanese product supply mechanism adapted to the local plan
- Start efforts for inventory management with a plan for the production factory
- Launch of the development of a system for overseas orders and inventory management

### 2. Transferring the Chinese business model to Singapore

#### ◆ Opening of new stores in South Asia and the Middle East

- Stores opening in Malaysia (April), Kuwait (September)

#### ◆ Introduce overseas MD system to Singapore

#### ◆ Make preparations for the establishment of a South Asia distribution center

- Products manufactured in China supplied by the Shanghai center and the South China Center

#### ◆ South Asia research and partner selection

- India and Australia



## **3. FY2012 Management Plan**

# FY2012 : Plan Premise [non-Consolidated]

■ Sales of directly managed stores: YOY ratio	101.5%
■ Internet sales store: YOY ratio	111.0%
■ Increase in the number of directly managed stores	15 stores
■ Gross profit margin: YOY comparison	+0.9%
■ Ratio of S.G.A .to sales: YOY comparison	-0.1%



# FY2012 : Plan Premise [Consolidated]

## Overseas

- Europe : 7 stores net increase
- Asia : 35 stores net increase
- USA : 1 stores net increase



**Total net increase**

**43 stores**

**The number of FY2012 end  
206 stores**

	Revenue from operations YOY		Operating Profit YOY
	LFL	Total	
Europe	102%	107%	98%
Asia	110%	124%	133%
USA	108%	104%	109%
Overseas Total	107%	118%	121%

※Exchange rate used is as at the end of December 2011

※The classification for overseas business (Europe, Asia, USA) uses segment indication standards

# FY2012 : Plan of P/L [Consolidated]

## ■ Plan to increase profit by 2 digits for 2 consecutive terms

[Unit : Million Yen]

	Result	Share	YOY
Net Sales	<b>190,509</b>	<b>100.0%</b>	<b>107.3%</b>
G.P. and operating revenue	<b>89,159</b>	<b>46.8%</b>	<b>109.3%</b>
S.G.A	<b>71,119</b>	<b>37.3%</b>	<b>107.5%</b>
Operating Profit	<b>18,039</b>	<b>9.5%</b>	<b>116.8%</b>
Ordinary Profit	<b>18,100</b>	<b>9.5%</b>	<b>112.2%</b>
Net Income	<b>10,690</b>	<b>5.6%</b>	<b>120.8%</b>

◆ Business in China — by including the opening of 25 new stores, a network of 63 stores will be built up by the year-end.

(30-33 stores to be opened this current term according to the store opening development system plan )

# FY2012 : Plan of P/L [ Non-Consolidated ]

## ■ Plan to increase profit by 2 digits for 2 consecutive terms

[Unit : Million Yen]

	Result	Share	YOY
Net Sales	<b>157,200</b>	<b>100.0%</b>	<b>105.2%</b>
G.P. and operating revenue	<b>72,010</b>	<b>45.8%</b>	<b>107.3%</b>
S.G.A	<b>56,920</b>	<b>36.2%</b>	<b>104.8%</b>
Operating Profit	<b>15,090</b>	<b>9.6%</b>	<b>117.9%</b>
Ordinary Profit	<b>15,600</b>	<b>9.9%</b>	<b>113.7%</b>
Net Income	<b>9,000</b>	<b>5.7%</b>	<b>123.0%</b>

◆ Advertisizing and promotional expenses

— Ratio to sales 2.1%. Continue strengthening of internet marketing

◆ Logistics expenses

— Ratio to sales 4.1%. YOY comparison -0.2%

※ Preparations currently being made for the new Kanto distribution center scheduled to be operational at the end of 2014

# FY2012 : Plan of investment

## [non-Consolidated]

### ■ Increase in investment in internet and overseas business

[Unit : Million Yen]	FY2011 Actual	FY2012 Plan	Change
New Stores	1,190	800	-390
Like for Like Stores	1,307	600	-707
IT System	658	950	+292
Logistics	58	1,000	+942
Overseas	611	1,750	+1,139
Others	251	300	+49
Inventory Total	4,077	5,400	+1,327

- ◆ System investments — investment in internet business and in improving efficiency of stores
- ◆ Overseas investments — New and increased investment in overseas sales outlets
- ◆ Logistics investment — Investment groundwork for the new distribution center in Kanto  
(FY 2012 – land) (FY 2013 – buildings) (FY 2014 – operations)

# FY2012 : Management Plan

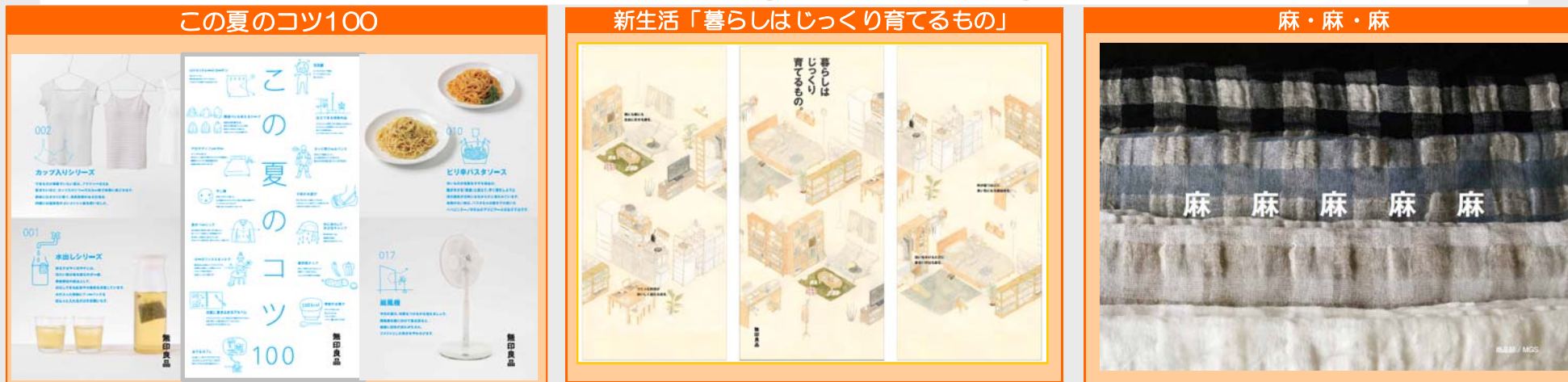
■ Globally expand the foundations of the organization to establish the company as a specialty store offering an aesthetic lifestyle of “pleasant life at a reasonable price”

- 1. Focus on cross-promotion of themes in clothing, household goods and food to achieve growth in LFL stores through strengthening their identity and profitability**
- 2. Review of sales reform and marketing activities to achieve growth in LFL stores**
- 3. Improvement of infrastructure and operations to enable the attainment of 40 billion yen in overseas business**

# FY2012 : Management Plan

1. Aim to achieve growth in LFL stores through strengthening their identity and profitability by cross-promotion of themes in clothing, household goods and food

## Cross-promotion in clothing, household goods and food



Strengthening the development of “beloved goods” = Appeal of strategic products

Curry series

Soft towels

Skin care

Ladies lingerie

Angular socks



# FY2012 : Management Plan

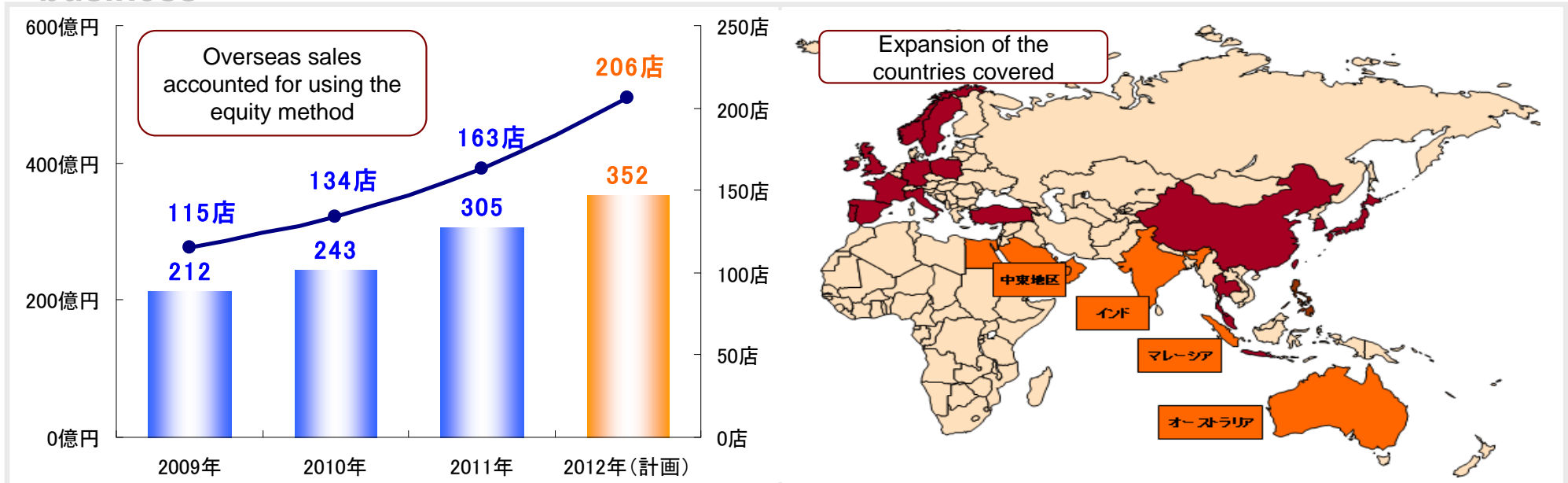
## 2. Aim for growth in LFL stores through sales reform and marketing.



- Aim for 50% share of sales ratio and achieve the sales plan for strategic products
- Conduct highly cost-effective promotional advertising through a progressive approach to utilizing the internet
  - Improve the stores' contribution to profit through the reform of store sales operations and scrap and build in LFL stores
- Improve the accuracy of numerical control and improve the profit rate and stock productivity

# FY2012 : Management Plan

## 3. Improve infrastructure and operations to attain 40 billion yen in overseas business

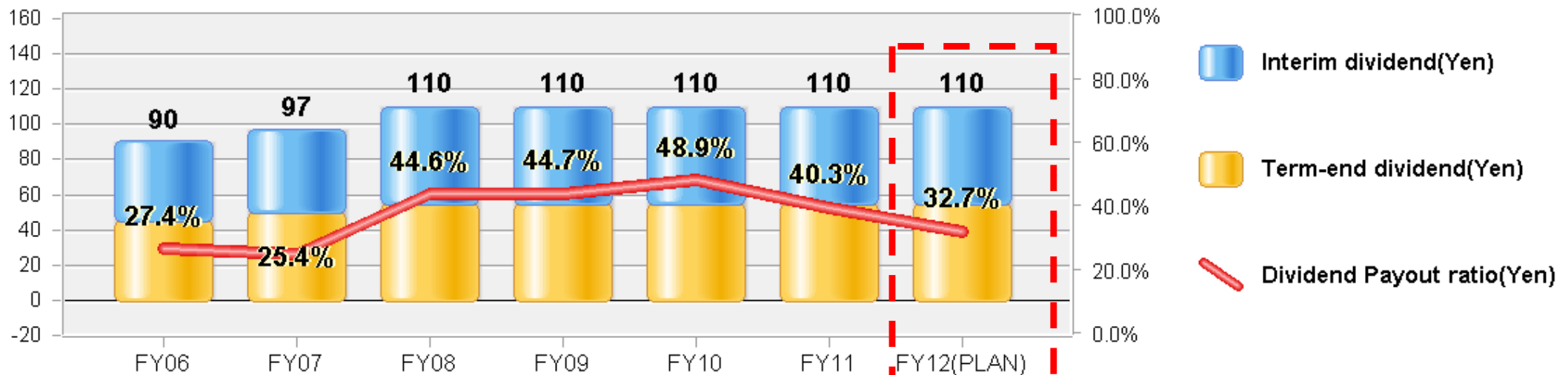


- Attain a system of 100 stores in China, complete the building of an infrastructure and start full-scale operations
- Begin the transfer of logistics and product distribution in China to subsidiaries in South Asia
- Begin a review of logistics and systems infrastructure in Europe and the United States
- Strengthening of overseas support by all departments (Logistics, Distribution, Exchange, Labeling, Quality, Specifications etc.)



# Items Regarding Return to Shareholders

## ■ Dividends & Payout Trends (FY '06-'12 [Forecast])



	FY06	FY07	FY08	FY09	FY10	FY11	FY12 (PLAN)
Interim dividend(Yen)	45	47	55	55	55	55	55
Term-end dividend(Yen)	45	50	55	55	55	55	55
Dividend Payout ratio(Yen)	27.4%	25.4%	44.6%	44.7%	48.9%	40.3%	32.7%

1. We are aiming for a comprehensive return to our shareholders built on a higher ROE (over 15%).
2. Dividend is based on a 30 percent non-consolidated dividend payout ratio.

※ 33.3% dividend payout ratio on a consolidated basis in 2011