株式会社
良品計画

# 36th Term
# Business Results Briefing

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President and
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# 1. FY 2014 : Sales Results

# FY2014 : Sales Results

## Consolidated

| | | |
|---|---|---|
| Sales | YOY | +18.0% |
| Operation Profit | YOY | +14.0% |
| FY2014 Sales at Existing Overseas Stores | YOY | +6.8% (based on local currencies) |

## Non-Consolidated

| | | |
|---|---|---|
| Sales | YOY | +14.7% |
| Operation Profit | YOY | +6.2% |
| FY2014 Sales at Existing Non-Consolidated Stores | YOY | +2.7% |

**[ Overseas Operations ]**

・Asia showing signs of significant growth, including MUJI Taiwan (newly consolidating this period), MUJI Shanghai (multiple openings), and others. Two-digit revenue growth for second consecutive period.

・Overseas business gross profit percentage improvement enough to cover ongoing tax-inclusive labeling in response to consumption tax increase, decline in domestic gross profit percentage; two-digit profit growth for four consecutive periods.

**[ Non-Consolidated ]**

・Minimized revenue declines due to consumption tax increase; recorded 2.7% increase in comp store YoY sales for the fiscal year.

# FY2014 :Results (Consolidated)

- **Record profits; the Company reported 12 consecutive periods of increasing revenues; four consecutive periods of increasing profits**

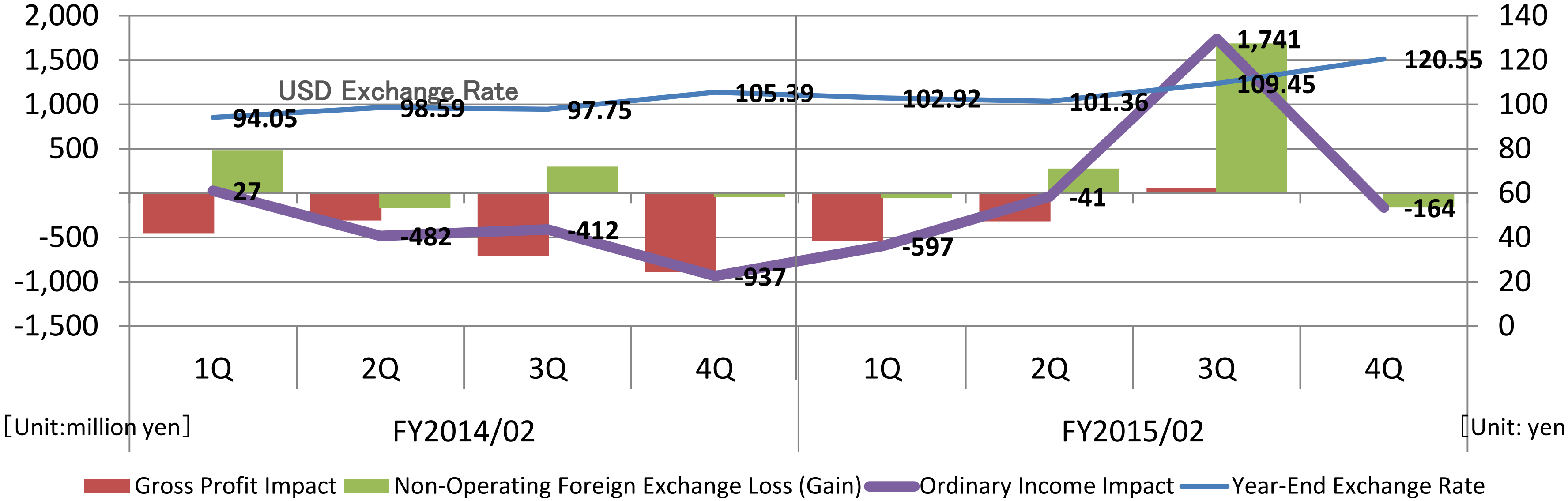
| 【Unit:million yen】 | Result | Share | YOY | Plan ratio |
|---|---|---|---|---|
| Net Sales | 259,655 | 100.0% | 118.0% | 103.0% |
| G.P.and Operating revenue | 122,831 | 47.3% | 120.8% | 102.7% |
| S.G.A | 98,984 | 38.1% | 122.6% | 105.2% |
| Operating Profit | 23,846 | 9.2% | 114.0% | 93.5% |
| Ordinary Profit | 26,602 | 10.2% | 115.4% | 103.9% |
| Net Income | 16,623 | 6.4% | 97.2% | 107.9% |

・Asia and other overseas businesses reporting improved gross profit percentage leading to 47.3% operating profit ratio (1.1 point year-over-year improvement).

・Operating profit underperformed initial plan; however, ordinary profit outperformed plan, mainly due to foreign exchange gains when settling overseas accounts receivable.

# Impact of Exchange Rate Fluctuations

■ [Non-Consolidated] Structure of gross profit, operating profit, ordinary profit changes




## [Foreign Exchange Factors]

- **Rapid yen devaluation led to higher domestic purchase costs and downward gross profit pressure.**
- **Meanwhile, we recorded higher gross profit for wholesale to overseas locations, and non-operating foreign exchange gains related to accounts receivable reversals.**
- **Private label seasonal products can be price-adjusted at new product launches.**
- **On a consolidated basis, impact is minimal due to reduction effect of procurement costs.**

# FY2014 :S.G.A Status (consolidated)

■ **SGA ratio up 1.4 points YOY**

| [Unit:Million Yen] | Result | | Share | |
|---|---|---|---|---|
| | Result | YOY | Syare | Change |
| **Net Sales** | 259,655 | 118.0% | 100.0% | - |
| Advertising Expenses | 4,276 | 131.1% | 1.6% | 0.2% |
| Logistics Expenses | 10,731 | 123.9% | 4.1% | 0.2% |
| Personal Expenses | 32,325 | 123.1% | 12.4% | 0.5% |
| Rent Expenses | 26,990 | 119.4% | 10.4% | 0.1% |
| Depreciation Expenses | 4,887 | 116.9% | 1.9% | 0.0% |
| Other Expenses | 19,773 | 125.2% | 7.6% | 0.4% |
| **S.G.A** | 98,984 | 122.6% | 38.1% | 1.4% |

- Year-over-year personnel expense to net sales ratio +0.4 points overseas, +0.5 points domestically
- Advertising and promotion expense up 31.1% domestically (MUJI passport app points redemption as expenses); ratio to net sales up 0.2 points
- Delivery costs up 23.9% year-over-year (recorded expense of delivery costs and temporary new logistics center operations due to increased purchases of large-scale products in advance of consumption tax increases); ratio to net sales up 0.2 points.

*Figure represents real net sales, which is non-consolidated net sales less overseas wholesales.

# Balance Sheet Highlights (Consolidated)

■ **Total Assets +33% vs. PY End**

| ［Unit : Million Yen］ | Feb.28,2014 | | Feb.28,2015 | | |
|---|---|---|---|---|---|
| | Result | Share | Result | Share | Change% |
| Cash on hand and in bank | 25,206 | 18% | 33,044 | 18% | +31% |
| Inventories | 36,849 | 26% | 52,082 | 28% | +41% |
| Other Current Assets | 15,234 | 11% | 21,189 | 11% | +39% |
| Fixed Asset | 62,938 | 45% | 80,630 | 43% | +28% |
| Total Asset | 140,229 | 100% | 186,947 | 100% | +33% |
| Liabilities | 29,214 | 21% | 58,276 | 31% | +99% |
| Net Asset | 111,015 | 79% | 128,670 | 69% | +16% |

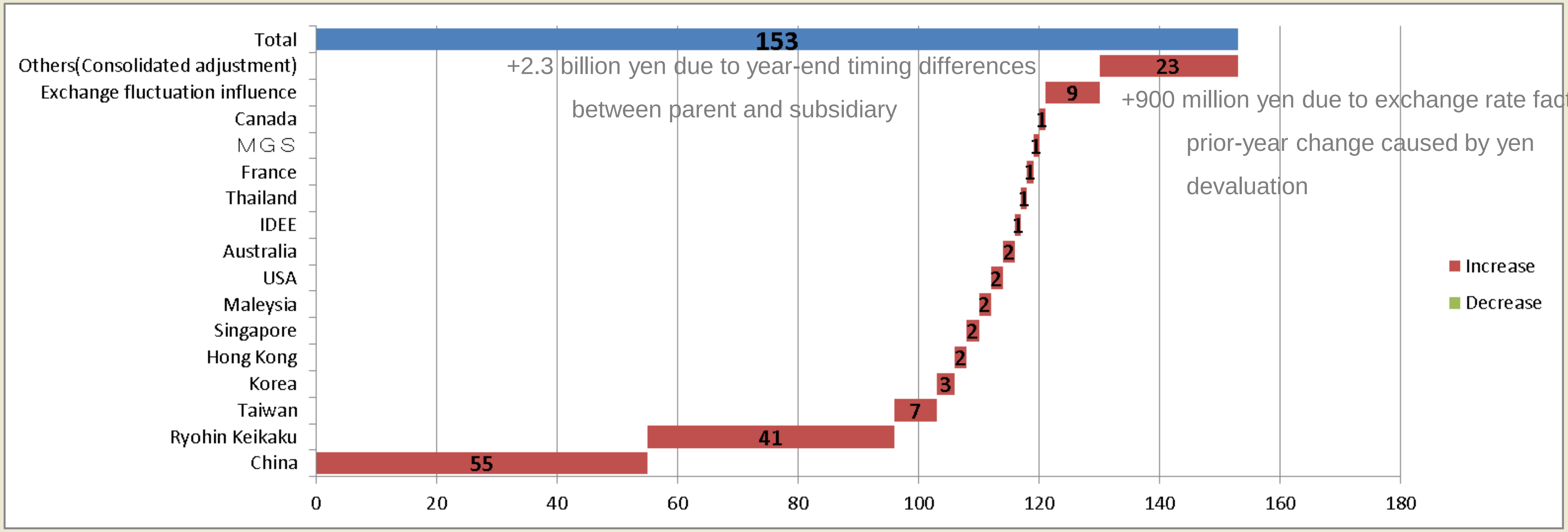
- **Inventory up 41% year-over-year due to increased Strategic Product inventories**
- **Fixed assets up 28% year-over-year due to new store openings, more store remodels, and new logistic center**

# Product Inventory Change Factors [non-Consolidated]

## ■Product Inventory YoY Differences by Country/Region

*Converted to yen at prior-year-end rates

［Unit : 100Million Yen］




•Strategically accumulating inventory at Ryohin Keikaku (non-consolidated) to continue aggressive store expansion in China and global adoption for GSCM at building stage. Continue to maintain inventory rotation.

•Optimize inventory through GDC-DC optimal ordering system launch (completed May 2015) and by strengthening accuracy of primary indicators via PDCA cycle.

# 2. FY 2014 : Domestic Performance

# FY2014 : Results (Non-Consolidated)

■ Revenues up for fifth consecutive year; Operating Profit up for fourth consecutive year, setting record high

| [Unit:million yen] | Result | Share | YOY | Plan ratio |
|---|---|---|---|---|
| Net Sales | 202,325 | 100.0% | 114.7% | 105.0% |
| G.P.and Operating revenue | 81,779 | 40.4% | 108.0% | 102.0% |
| S.G.A | 64,288 | 31.8% | 108.5% | 104.4% |
| Operating Profit | 17,491 | 8.6% | 106.2% | 93.9% |
| Ordinary Profit | 21,418 | 10.6% | 113.7% | 105.5% |
| Net Income | 14,152 | 7.0% | 120.6% | 114.7% |

- Higher wholesales* to overseas sales companies, leading to higher YoY net sales → FY2014 Actual: 27,680 million yen (up 14,734 million yen year over year)
- Effect of aggressive store openings, scrap-and-build, and store remodels: net sales up 14.7% year over year (+6.9% YoY excluding overseas wholesales)

*Beginning January 2013, product wholesales to overseas retail locations are included in net sales (prior to that, product wholesales were treated as Non-trade transactions, with transaction-related fees recorded as operating revenues)

# Comparable Domestic Store Performance

## ■ LFL Net Sales, YOY

| Category | FY2014 1st Half | 3rd Quarter | 4th Quarter | FY2014 2nd Half | Fiscal Year |
|---|---|---|---|---|---|
| **Apparel** | 106.2% | 103.2% | 104.4% | 103.8% | 105.0% |
| **Household goods** | 105.9% | 100.1% | 100.4% | 100.3% | 103.1% |
| **Food** | 98.9% | 84.9% | 89.9% | 87.6% | 92.7% |
| **Sales Growth for Like for Like Stores** | 105.2% | 100.0% | 100.7% | 100.4% | 102.7% |
| **Customer numbers YOY** | 101.8% | 95.9% | 97.3% | 96.6% | 99.1% |
| **Customer unit price** | 103.4% | 104.3% | 103.5% | 103.9% | 103.6% |

- **Complete store remodels and improved staff skills help outperform plan**
- **Customer numbers down 0.9% YoY, due mainly to bump in PY numbers due to prior-year TV coverage re: increase in food sales**
- **Continued increase in unit prices after raise in consumption taxes; sales per customer up 3.6% YoY**

# Gross Profit Ratio Structure

**Gross Profit Ratio Change -3.3%**
**[Non-Consolidated (Mar. 2014 – Feb. 2015)**

| Factors | | Foreign exchange rate | Overseas Supply Sales | Price Reductions Cost Reductions Other | Total |
|---|---|---|---|---|---|
| | 1st Half | ▲0.9% | ▲1.7% | ▲1.8% | ▲4.4% |
| | 2nd Half | ▲0.0% | ▲0.7% | ▲1.7% | ▲2.4% |
| FY2014 | | ▲0.5% | ▲1.1% | ▲1.7% | ▲3.3% |
| (Vs. Original Plan) | | -0.5% | -0.0% | -0.9% | -1.5% |

*Price discount factors include continuation of tax-inclusive labeling.

- **Absorb first half gross profit percentage fluctuation impact due to tax increase and continued tax-inclusive labeling through cost improvements and stronger MUJI Selection product sales. Meanwhile, second half price reductions to push down gross profit percentage, despite cost improvements**
- **Expanded wholesales to Asia and other overseas locations push gross profit percentage down 1.1% (initial plan of 23 billion yen/year → 27.7 billion yen/year)**

# Domestic Store Opens, Renovations

■ **Fiscal Year: +16 Stores Net, 25 Remodeled**

| Channel | FY2013 End of year | FY2014 | | | Complete Remodels |
|---|---|---|---|---|---|
| | | 1st Half Net increase | 2nd Half Net increase | End of year | |
| **Directly managed store** | 269 | 12 | 3 | 284 | 21 |
| **Licensed Store** | 61 | 1 | 1 | 63 | 4 |
| **Shops in the Seiyu** | 55 | ▲1 | 0 | 54 | 0 |
| **Domestic Total** | 385 | 12 | 4 | 401 | 25 |

- **Open seven stores during second half; close four (under scrap-and-build) for annual net gain of 16 stores (opened 18 stores in prior year for net gain of seven)**
- **Completely remodeled 21 directly operated stores; remodeled four LS stores. New approaches to cross-department sales, living space displays**
- **High Fixtures adoption rate: More than 30% of all directly operated stores**

# 3. FY 2014 : Overseas Performance

# Overseas Performance

■Overseas consolidated subsidiary total

**Net Sales** 77,133million Yen YOY 64.8%UP

**Operating Profit** 7,259million Yen YOY 74.8%UP

■YOY ratio of Existing directly managed store

*Converted from local currencies for comparison

| Region | 1st Half | 2nd Half | Fiscal Year |
|---|---|---|---|
| Europe Total | 99.2% | 97.5% | 98.0% |
| Asia Total | 104.4% | 113.5% | 109.2% |
| USA Total | 101.8% | 103.2% | 102.6% |
| Overseas Total | 103.3% | 109.8% | 106.8% |

- **Delay in spring apparel delivery led to difficult Q1; however, subsequent sales performed solidly**
- **Net sales underperformed YoY due to delay in interior improvements at existing stores in Europe**

# Overseas Store Opens, Renovations

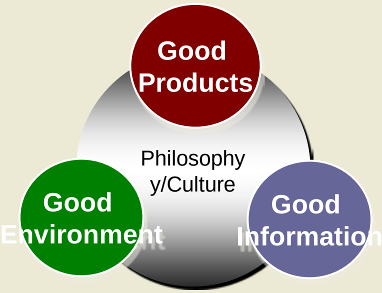
■ **FY2014: +46 Stores Net increase, 9 Remodeled**

| Region | FY2013 End of year | FY2014 1st Half Net increase | FY2014 2nd Half Net increase | FY2014 End of year | Complete Store Remodels |
|---|---|---|---|---|---|
| Europe Total | 60 | 0 | 3 | 63 | 0 |
| Asia Total | 187 | 13 | 28 | 228 | 8 |
| USA Total | 8 | 1 | 1 | 10 | 1 |
| Overseas Total | 255 | 14 | 32 | 301 | 9 |

- **Net increase of 28 stores in China (30 new openings, two closings)**
- **New stores in England, France, Germany, Spain, Norway, Turkey, Hong Kong, Singapore, Malaysia, the Philippines, Thailand, Australia, UAE, USA, and Canada**
- **Total of nine existing store remodels (four in China; three in Taiwan; one each in Korea and USA)**
- **New Café＆Meal openings in Chengdu (China), Taipei (Taiwan), following up the 2013 opening in Hong Kong**

# 4. Policy Measures Progress

# Building a Stronger Identity and Foundation for Growth




## 1) Good Products

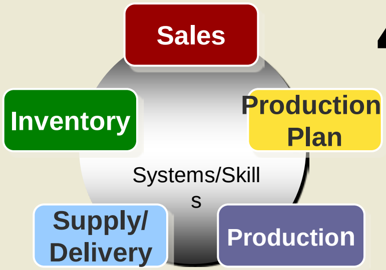
- Develop product policies for MUJI Selection, Always a Good Price
- Develop Strategic Products

## 2) Good Environment

- Selling environment linked with product policies; improved fixtures, VMD presentation skills
- Improve selling skills (Storage Advisors, Fashion Advisors)

## 3) Good Information

- Shift advertising from TV/paper to Web, SNS
- Social purchasing initiatives




## 4) Building a Foundation

- **Global SCM Foundation (implement** MD systems overseas, GDC**)**
- **Improve purchasing/procurement structure**
- **Organizing Japan HQ as "Global HQ" and unifying awareness**

# Good Products "MUJI Selection" Strategic Product Plan

## ■ "MUJI Selection" Ratio up 3.8 points  Continued increasing unit prices

| Department | MUJI Selection | | | | | |
|---|---|---|---|---|---|---|
| | No. of Items | YoY Comp | net sales 構成比 | YoY | unit prices | YoY |
| Apparel | 680 | -3.4 | 49.4% | +3.9 | 2,788 | +474 |
| Household goods | 1,863 | +0.5 | 48.1% | +4.4 | 1,534 | +151 |
| Food | 244 | +3.5 | 53.3% | +5.6 | 222 | -6 |
| Total | 2,787 | -0.2 | 49.1% | +3.8 | 1,129 | +15 |

## ■ Strategic product results (Non-consolidated)

| | | Apparel | Household goods | Food | Total |
|---|---|---|---|---|---|
| FY2014 2nd Half Actual | Sales share in total sales | 52.1% | 48.6% | 56.4% | 50.6% |
| FY2015 1st Half Plan | Number of items | 365 | 1,063 | 147 | 1,575 |
| | Sales share in total sales | 59.3% | 51.1% | 51.2% | 54.3% |

**・Of Strategic Products, 112 in apparel and 482* in household goods are designated Global Strategic Products set for sale at global pricing (global unified pricing); even stronger production capacity**

*Average number of items available for overseas markets

# Good Environment

## Complete Remodel and New Fixtures

■ **Moving forward, flagship store openings will serve as foundation for store openings**

| Date | City | Store | ㎡ | Remarks |
|---|---|---|---|---|
| 2014.9 | Paris (France) | Forum des Halles | 851 | First large-scale store in Europe |
| 2014.12 | Chengdu (China) | Sino-Ocean Taikoo Li | 3,065 | Global Flagship, Interior Advisors, Café&Meal, IDEE adoption |
| 2014.12 | Taipei (TAIWAN) | Uni-President Hankyu | 1,115 | Expansion remodel<br>Taiwanese Flagship Café&Meal adoption |
| 2014.10 | Osaka (JAPAN) | LaLa-port IZUMI | 1,026 | Leading model of large-scale store within SC<br>Create sales floor to explain product philosophy |
| 2014.12 | Okayama (JAPAN) | AEON-Mall Okayama | 1,524 | Create sales floor to explain product philosophy<br>Proposed model for future sales floors |

**LaLa-port IZUMI, AEON-Mall Okayama → Hakata, Nagoya**

**Paris, Chengdu, Taipei →Sydney, NY, Shanghai, Beijing, Singapore**

**⇒Establish flagship store concept as model for FY2015 and beyond**

# Good Information

## Evolved communications via store and Web

■ **Store environment offering detailed lifestyle suggestions and the experience of discovery**

### Product advisors to tailor choices for customers; suggestions for living

**Styling Advisor Counter**
**Embroidery Studio**

**Interior Advisor Counter**

**Tasting Counter**

Specialty Sales Staff (YoY)

SA 48 (+16)
**(Styling Advisors)**

IA 88 (+9)
**(Interior Advisors)**

TA 53 (+53)
**(Tasting Advisors)**

### See, touch, and feel to discover your own original style

**Fragrance Studio**

**Stamp and Gifts Corner**

**Okayama Nishiawakura Mori no Gakko Corner***

**Wood Environment Play Area**

*At MUJI Aeon Mall Okayama, we are working with Mori no Gakko (forestry resource center in Nishiawakura, Okayama) to sell locally manufactured products, provide tours to help Okayama rediscover their roots. The in-store Wood Environment Play Area lets children play with products made from Nishiawakura-produced solid cedar.

# Good Information

## Evolve communications through in-store, Web channels

■ "MUJI passport"  Overseas Rollout, Expansion

**[Japan]**

- Launched in May 2013; 3.3 million downloads as of PY end (130% of plan)

**[Overseas]**

- Develop app with global standard spec for mileage points (based on purchases), check-in function, news delivery
- Roll out in China in April 2015, roll out to major countries in FY2016

*Shopping points, loyalty program tailored to each country

**[FY2015]**

**Asia Rollout ①China→②Taiwan→③Hong Kong→④Korea→⑤Singapore**

**[FY2016]**

**Start in U.S., EU Rollout ①U.S. & Canada→②UK→③EU**

# Building a Foundation

## Global supply chain structure

■ **All automated ordering: Store → Country DC → GDC → Factory**

・**Implementation plan for automated orders of staple products**

Store ← Country DC ← GDC ← Factory

| Phase 1 | Phase 2 | Phase 3 |
|---|---|---|
| Automated re-ordering system | Automated supply system between centers | Automated production ordering |
| 2014 SS Test<br>2014 AW Start | 2014 AW Test<br>2015 SS Start | 2015 AW Test<br>2016 SS Start |

**Ryohin Keikaku Group Global Supply Chain Management**


- •Stronger HQ Management of Tag Name, Quality, Specifications
- •Establish system so each local retailer can concentrate on sales

## ■ Staple goods automated ordering, implementation plan and progress

### Phase 1
### Automated Supply Operations

Store ← Country DC

| | Korea | Singapore | China | Europe | Australia | Malaysia |
|---|---|---|---|---|---|---|
| Automated Supply System Operations | 95% | 52% | 71% | 91% | Mar.2015 | System Adopted |
| | Taiwan | Hong Kong | USA | Thailand | Canada | |
| %=Percentage of products in the Auto-order system | Mar.2015 | Mar.2015 | Mar.2015 | 56% | System Adopted | |

### Phase 2
### System for automated supply between centers

Country DC ← GDC

| | Korea | Singapore | China | Europe | Australia | Malaysia |
|---|---|---|---|---|---|---|
| Center Automated Supply Ordering System Operations | System Adopted | System Adopted | System Adopted | Mar.2015 | Mar.2015 | Mar.2015 |
| | Taiwan | Hong Kong | USA | Thailand | Canada | |
| | Mar.2015 | Mar.2015 | Mar.2015 | Mar.2015 | Mar.2015 | |

# 5. FY 2015 : Plan

# FY2015 Management Policies

1) Global promotion of policies to increase sales per square foot

2) Speed up global SCM implementation effect, benefits

3) Evolve customer communications through in-store and Web channels

4) Establish a resilient corporate culture through by instilling vision-based actions and pursuit of work process standardization

# FY2015 : Plan Premise （Consolidated）

## ■ Overseas Sales Co's Openings/Remodel Plan and PL Plan

| Region | FY2014 End of Fiscal Year | FY2015 | | | | Planned Complete Remodels |
|---|---|---|---|---|---|---|
| | | Open | Close | Net Increase | End of Fiscal Year | |
| Europe Total | 63 | 1 | ▲1 | ±0 | 63 | 5 |
| Asia Total | 228 | 47 | ▲3 | +44 | 272 | 9 |
| USA Total | 10 | 3 | 0 | +3 | 13 | 1 |
| Overseas Total | 301 | 51 | ▲4 | +47 | 348 | 15 |

| YOY | Revenue from operations | | Operating Profit |
|---|---|---|---|
| | Existing Stores | Total | Total |
| Europe Total | 103.4 % | 113.1 % | (+261 million) |
| Asia Total | 107.0 % | 127.9 % | 131.1 % |
| USA Total | 103.4 % | 147.0 % | 3130.8 % |
| Overseas Total | 106.4 % | 126.6 % | 174.3 % |

# FY2015 : Plan Premise （Non-Consolidated）

## ■ Domestic Stores Openings/Remodel Plan and PL Plan

| Channel | FY2014 End of Fiscal Year | FY2015 Open | FY2015 Close | FY2015 Net Increase | FY2015 End of Fiscal Year |
|---|---|---|---|---|---|
| Directly managed store | 284 | 33 | ▲5 | +27 | 312 |
| Licensed Store | 63 | 2 | ▲2 | ±0 | 63 |
| Shops in the Seiyu | 54 | 0 | ▲4 | ▲4 | 50 |
| Domestic Total | 401 | 35 | ▲11 | +23 | 425 |

| Planned Remodels at Directly Operated Stores |
|---|
| Expansion 12 stores |
| Total Remodel 7 stores |
| Partial Remodels 12 stores |
| Total 33 stores |

| | 1st Half | Fiscal Year |
|---|---|---|
| Existing Directly managed stores YOY | 101% | 101% |
| Net store sales YOY | 110% | 110% |
| Overseas supply/sales * | 16.7billion Yen | 36.5billion Yen |
| Gross profit share YOY<br>*Excludes overseas supply/sales | +0.4 (-1.0) % | +0.8 (-0.9) % |
| S.G.A. vs Sales YOY<br>*Excludes overseas supply/sales | +1.0 (+2.4) % | +0.2 (+1.4) % |

*Beginning January 2013, the company now records overseas supply sales as sales (transaction commissions had been recorded as operating income as at reimbursed transaction)

# FY2015 : Plan（Consolidated）

■ Plan for fifth consecutive year of two-digit Operating Profit･ordinary profit growth

| [Unit:million yen] | Plan | Ratio | YOY | Change | Ratio Change |
|---|---|---|---|---|---|
| Net Sales | 289,300 | 100.0% | 111.4% | 29,645 | - |
| G.P.and Operating revenue | 143,000 | 49.4% | 116.4% | 20,169 | 2.1% |
| S.G.A | 113,000 | 39.1% | 114.2% | 14,016 | 0.9% |
| Operating Profit | 30,000 | 10.4% | 125.8% | 6,154 | 1.2% |
| Ordinary Profit | 30,200 | 10.4% | 113.5% | 3,598 | 0.2% |
| Net Income | 18,800 | 6.5% | 113.1% | 2,177 | 0.1% |

- Net sales - Expand sales volume through improved domestic customer numbers, overseas pricing improvements
- Gross margin – Continue cost-reduction initiatives, improve gross profit percentage through yen devaluation
- SGA – Control administrative/SGA costs, promote better efficiencies at overseas sales co's

# FY2015 : Plan（Non-Consolidated）

■ Plan for seventh consecutive year of increased revenues, sixth consecutive year of increased profits

| ［Unit:million yen］ | Plan | Ratio | YOY | Change | Ratio Change |
|---|---|---|---|---|---|
| Net Sales | 223,200 | 100.0% | 110.3% | 20,875 | - |
| G.P.and Operating revenue | 91,700 | 41.1% | 112.1% | 9,921 | 0.7% |
| S.G.A | 71,400 | 32.0% | 111.1% | 7,112 | 0.2% |
| Operating Profit | 20,300 | 9.1% | 116.1% | 2,809 | 0.4% |
| Ordinary Profit | 22,600 | 10.1% | 105.5% | 1,182 | -0.5% |
| Net Income | 14,800 | 6.6% | 104.6% | 648 | -0.4% |

- Gross profit ratio - Continue shift to local production taking advantage of the yen devaluation headwinds, promote initiatives for cost reduction
- Advertising expenses - Maximize use of MUJI passport for more efficient sales promotions
- Logistics expenses - More efficient domestic logistics through operations at the Hatoyama Center

# FY2015 : Plan of investment [non-Consolidated]

■ Major investment in new accounting system, continue overseas funding

| [Unit: Million Yen] | FY2015 | | YOY |
|---|---|---|---|
| | 1st Half | Fiscal Year | |
| New Stores | 1,150 | 1,800 | +25 |
| Existing Stores | 550 | 1,600 | -35 |
| IT System | 1,900 | 3,150 | +955 |
| Logistics | 150 | 300 | -13,510 |
| Overseas | 1,150 | 1,150 | +90 |
| Others | 150 | 300 | -2,664 |
| Inventory Total | 4,750 | 8,300 | -15,141 |

- **Overseas investment - Continue to fund/increase funding at overseas sales co's**
- **Investment in new stores/remodels - Open urban flagship stores, remodel existing stores, adopt new Fixtures**
- **Systems investment - New accounting system, develop overseas spec for MUJI passport**

# Management Structure Changes

- **Promote further expansion of overseas businesses; build more robust logistics, accounting, IT, and other management systems; structure for more stable operations**
- **President and Representative Director: Satoru Matsuzaki**
- **Three overseas business divisions at present. Place directors over each division, assign management/control responsibilities for each.**

**Organization as of 2015.6.1**

| Europe and Americas Area | South , West Asia & Oceania Area | East Asia Area |
|---|---|---|
| **England** | **Singapore** | **China** |
| **France, Italy, Germany** | **Malaysia, Thailand** | **Korea** |
| **USA, Canada** | **Australia** | **Taiwan** |
| | | **Hong Kong** |
| Spain, Portugal | Philippines, Indonesia | |
| Ireland, Sweden | UAE, Kuwait | |
| Norway, Poland, Turkey | (India) | |

# Reporting Segments after Management Structure Change

■ **Change in reporting segments (starting Q1, FY2015)**

## Domestic business

- RYOHIN KEIKAKU CO.,LTD.
- RK TRUCKS Co.,Ltd.
- MUJI HOUSE Co.,Ltd.
- IDEE Co.,Ltd.

## East Asia Area Business

- East asia Area Supply Business
- MUJI (Shanghai) Company Limited
- MUJI (HONG KONG) CO., LTD.
- MUJI (Taiwan) Company Limited
- MUJI Korea Co., Ltd.

## Europe and Americas Area Business

- Europe and Americas Area Supply Business
- MUJI EUROPE HOLDINGS LIMITED
- RYOHIN KEIKAKU EUROPE LTD.
- RYOHIN KEIKAKU FRANCE S.A.S.
- MUJI ITALIA S.p.A.
- MUJI Deutschland GmbH
- MUJI U.S.A. Limited
- MUJI CANADA LIMITED

## South,West Asia & Oceania Area Business

- South,West Asia & Oceania area Supply Business
- MUJI (SINGAPORE) PRIVATE LTD.
- MUJI (MALAYSIA) SDN. BHD.
- MUJI Retail (Thailand) Co., Ltd.
- MUJI RETAIL(AUSTRALIA) PTY LTD.
- MUJI (SINGAPORE) PRIVATE LTD.

## Others

Sourcing business

- MUJI Global Sourcing Private Limited
- MGS Shanghai Company Limited

# Structure to Support Overseas Business

■ **High contribution from East Asia Area. Roll out successes to other areas.**

［Unit : Million Yen］

| FY2015 PLAN | Revenue from operations | Share | Operating Profit | Share | OP ratio |
|---|---|---|---|---|---|
| Domestic Business | 192,600 | 66% | 19,000 | 63% | 9.9% |
| East Asia | 72,500 | 25% | 10,600 | 35% | 14.6% |
| Europe & Americas | 17,900 | 6% | 100 | 0% | 0.6% |
| South , West Asia & Oceania | 7,100 | 2% | 0 | 0% | - |
| Overseas Business | 97,500 | 34% | 10,700 | 36% | 11.0% |
| Others | 0 | 0% | 300 | 1% | - |
| Total | 290,100 | 100% | 30,000 | 100% | 10.3% |

株式会社
良品計画

# Basic Shareholders' Equity Policies

## ■Achieve medium-term plan; improve capital efficiency

### Medium-Term Management Plan Numeric Targets

| | | | |
|---|---|---|---|
| ・Consolidated net sales | 300 billion | ・ROE | 15%+ |
| Overseas net sales contribution | 100 billion | | |
| ・Consolidated ordinary profit | 3.5 billion | ・Payout Ratio consolidated | 30%+ |

### Basic Policy regarding Shareholder Returns

**The Company has defined ROE as an important management indicator, targeting at least 15% ROE as we engage in corporate value improvement.**

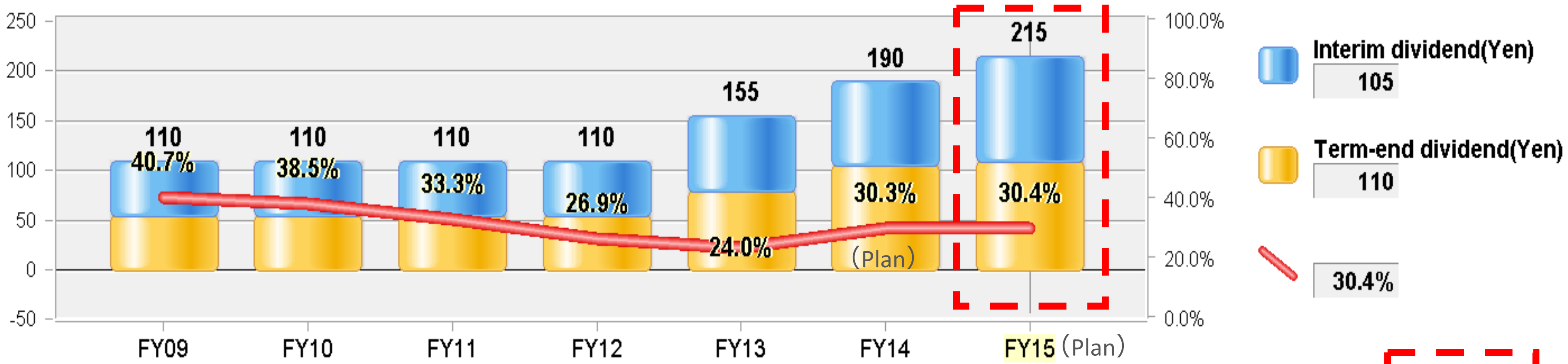
**Beginning FY2014, we have established a target dividend payout ratio of 30% (annual) as our policy for continuing shareholder returns. As published during our Q2 report, we have declared year-end dividends of 105 yen, resulting in a total annual dividend of 190 yen (including the 85-yen interim dividend). This represents a planned 35-yen increase in dividend payout year on year.**

**We forecast next-period dividends to reach 215 yen per share, consisting of a 105-yen interim dividend and a 110-yen year-end dividend.**

**We plan to allocate internal reserves as investment funds for new store openings, existing store remodels, and investment in new businesses, working to build a foundation for stable business growth.**

# Shareholder Returns

## ■Dividends & Payout Trends FY '09 to '15 (Plan)




| | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---|---|---|---|---|---|---|---|
| Interim dividend(Yen) | 55 | 55 | 55 | 55 | 75 | 85 | (Plan) 105 |
| Term-end dividend(Yen) | 55 | 55 | 55 | 55 | 80 | (Plan) 105 | (Plan) 110 |
| Dividend Payout ratio Non-Consolidated | 44.7% | 48.9% | 40.3% | 33.1% | 35.0% | 35.6% | 38.6% |
| Consolidated | 40.7% | 38.5% | 33.3% | 26.9% | 24.0% | 30.3% | 30.4% |

- Look to improve capital efficiency leading to ROE of over 15%
- Set basic dividend payout policy to 30% of consolidated earnings; work toward stable, consistent dividends