



Ryohin Keikaku Co., Ltd.

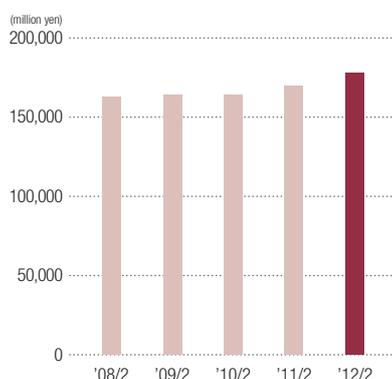
Annual Report 2012

March 1, 2011 – February 29, 2012

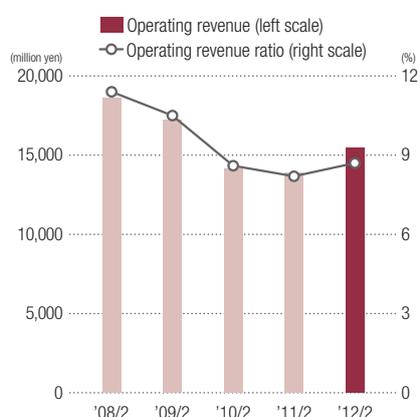
Financial Highlights

| | 2008/2 | 2009/2 | 2010/2 | 2011/2 | 2012/2 |
|--|----------|----------|----------|----------|-----------------|
| 1 Revenue from operations (million yen) | 162,840 | 163,757 | 164,341 | 169,748 | 178,186 |
| 2 Operating revenue (million yen) | 18,579 | 17,223 | 14,134 | 13,900 | 15,438 |
| 2 Operating revenue ratio (%) | 11.4 | 10.5 | 8.6 | 8.2 | 8.7 |
| 3 Ordinary profit (million yen) | 18,666 | 17,358 | 14,608 | 14,229 | 16,135 |
| 3 Ordinary profit ratio (%) | 11.5 | 10.7 | 8.9 | 8.4 | 9.1 |
| 4 Net income (million yen) | 10,689 | 6,936 | 7,506 | 7,859 | 8,850 |
| 4 Net income ratio (%) | 6.6 | 4.3 | 4.6 | 4.6 | 5.0 |
| Net assets per share (yen) | 2,438.55 | 2,522.54 | 2,718.43 | 2,871.02 | 3,055.61 |
| Net income per share (yen) | 385.23 | 249.80 | 270.31 | 285.86 | 330.35 |
| 5 Total assets (million yen) | 89,115 | 92,000 | 99,381 | 97,481 | 102,293 |
| 5 Net assets (million yen) | 69,936 | 71,528 | 77,066 | 78,502 | 83,528 |
| 5 Capital adequacy ratio (%) | 76.0 | 76.1 | 76.0 | 78.9 | 80.0 |
| 6 Return on equity (ROE) (%) | 16.6 | 10.1 | 10.3 | 10.3 | 11.1 |
| Return on assets (ROA) (%) | 12.7 | 7.7 | 7.8 | 8.0 | 8.9 |
| Number of employees | 2,115 | 2,471 | 2,331 | 2,595 | 2,734 |

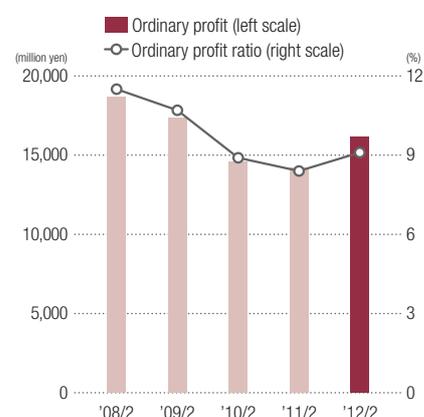
1 Revenue from operations



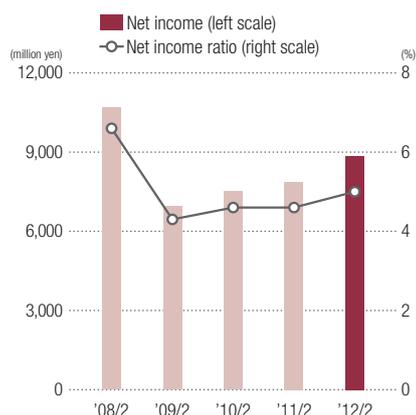
2 Operating revenue and operating revenue ratio



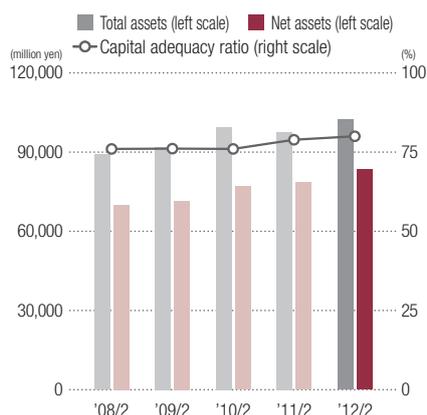
3 Ordinary profit and ordinary profit ratio



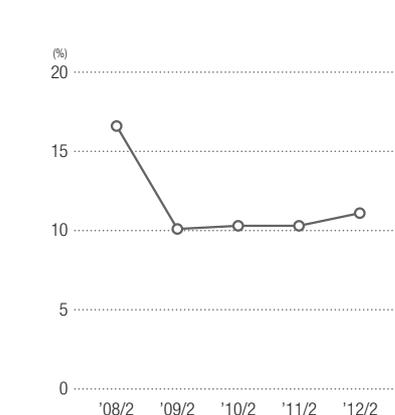
4 Net income and net income ratio



5 Total assets, net assets and capital adequacy ratio



6 Return on equity (ROE)



As a store dedicated to providing lifestyle products of beauty, art and taste, we will continue offering our vision of a Pleasant Life to our customers.



Masaaki Kanai

President and Representative Director

In FY2011, like many enterprises in Japan, we were greatly affected by the Great East Japan Earthquake, and we went through a hard time in the early phase of that term, but I am pleased to report that our business in Japan showed a steady growth in the second half term. The sales of clothing and sundries recovered, thanks to the improved accuracy in product design and inventory control. In addition, in the previous term, we took on the new challenge of the cross-category, theme-based promotion of merchandise by our clothing and sundries, housewares and food departments, an approach unique to MUJI. We worked to win many more admirers of our well-established daily-use items such as right-angle socks, boil-in-a-bag curry and lotion items by promoting them under the theme of Development of Aiyohin (Beloved Items). In our PR efforts, while efficiently using well-planned TV commercials, we have actively engaged in promotions focusing more on the use of social media. In addition, we refurbished Mujirushi Ryohin Yurakucho, our flagship store, as well as MUJI Canal City Hakata and created new style sales areas, as seen in Mujirushi Ryohin Terrace Mall Shonan, which are already showing early signs of success.

Meanwhile, in our overseas business, our efforts to respond to different seasonal demands in each region by bringing delivery due dates forward have contributed to good sales in the Asian region. Especially in China, a key contributor to our overseas business, the establishment of our business infrastructure involving an information system, distribution network and store operations has progressed well. Our business performance in China in this term has far exceeded the previous results, significantly contributing to our business growth in Asia.

While great changes are taking place in the world, in the wake of the Great East Japan Earthquake, Japan also has witnessed an accelerated change in values. We strongly feel that the value we place on creating *truly necessary things, in truly necessary forms* is what people need now. Our company will continue to offer to our customers a Pleasant Life with products combining beauty, art and taste. Aiming to become a sustainable global company, we will work harder to contribute to society by offering goods and services trusted by our customers.

I would like to express my gratitude to our shareholders, and ask that you continue to provide your exceptional support.

Building infrastructure to support the growth of existing stores

Progress in FY2011

1 Strengthening of product competitiveness

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

| | |
|-------------------|-------------|
| 100 Summer Points | (June) |
| MUJI to GO | (July) |
| As always | (September) |
| 100 Winter Points | (October) |

Development of cross-promotion of themes in clothing and sundries, housewares and food

Strengthening of "Kodawaritaine"

[Sales share]

First half 2011 **31%** → Second half 2011 **33%**
 [Planned] 23,600 million yen → [Actual] 25,217 million yen [Difference compared to the plan] 106.8%

Expansion of strategic products

[Sales share]

First half 2011 **36%** → Second half 2011 **47%**
 [Planned] 35,517 million yen → [Actual] 35,400 million yen [Difference compared to the plan] 99.7%

| | Clothing and sundries | Housewares | 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]

FY2011 actual **60%**

[Share of supplies from ASEAN]

FY2011 actual **7%**

(Plan not achieved due to floods in Thailand)

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

[Clothing and sundries]

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 FY2012

1 Strengthening of Product Marketability

Strengthening event campaigns in clothing and sundries, housewares 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]

First half 2011 **31%** → First half 2012 **36.7%**

Continual expansion of strategic products

[Sales share]

First half 2011 **36%** → First half 2012 **47%**

| | Clothing and sundries | Housewares | Food | Total |
|-------|-----------------------|--------------------|-------------------|--------------------|
| Plan | 14,666 million yen | 18,870 million yen | 2,875 million yen | 36,411 million yen |
| Share | 52% | 44% | 44% | 47% |

2 Promoting procurement structure reform

Continual strengthening of the shift in production areas for clothing and housewares 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

[Clothing and sundries]

Shifted to **99** factories

[MGS direct trading level]

2012, plan YOY increase of **105%**

Building infrastructure to support the growth of overseas operations

Progress in FY2011

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 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 (November)

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

3 Global distribution centers

Shanghai Center (October)

- Items: 300
- Products handled: fabrics, furniture

South China Center (January)

- Items: 500
- Products handled: housewares, health and beauty, stationery

Efforts to be made in FY2012

1 Aim to achieve 100 stores in China in 2013 [In FY2012, 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 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 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 South China center

South Asia research and partner selection

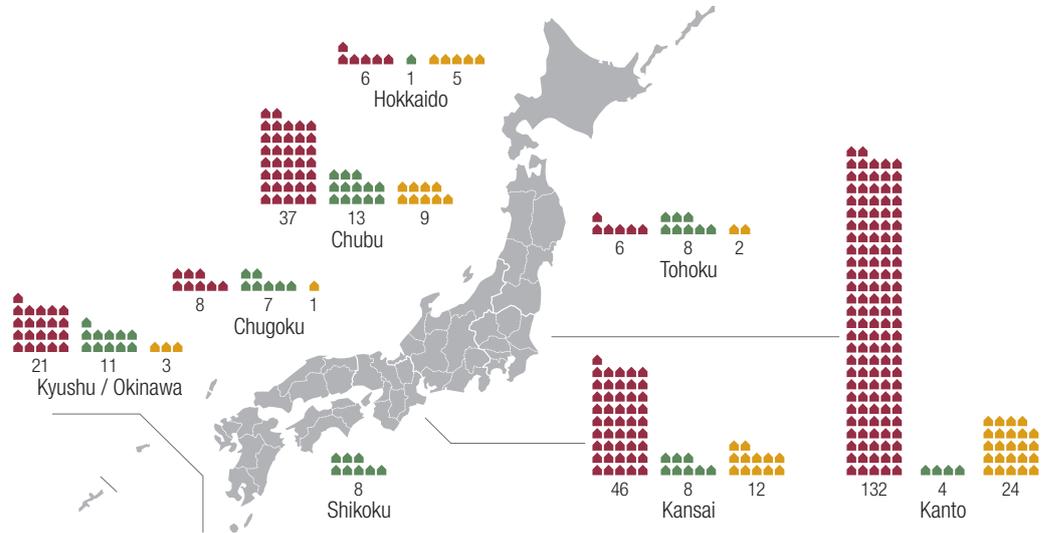
- India and Australia

Status of stores, by region

Stores in Japan

- ▲ Directly managed stores 256
- ▲ Licensed stores 60
- ▲ Stores in Seiyu outlets 56

Total 372
(as of February 29, 2012)

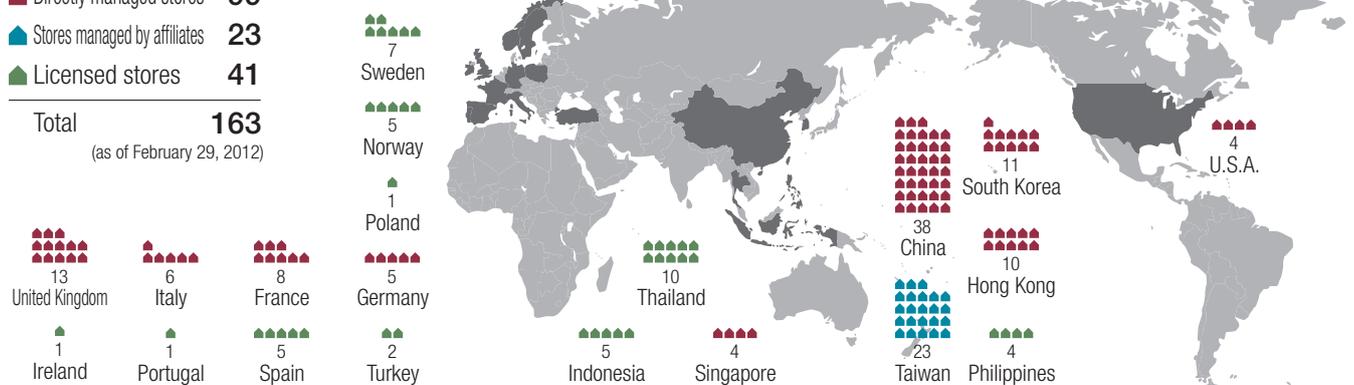


Licensed stores: Stores to which we sell products wholesale, except for Seiyu, FamilyMart and Mujirushi Ryohin com KIOSK

Stores outside Japan

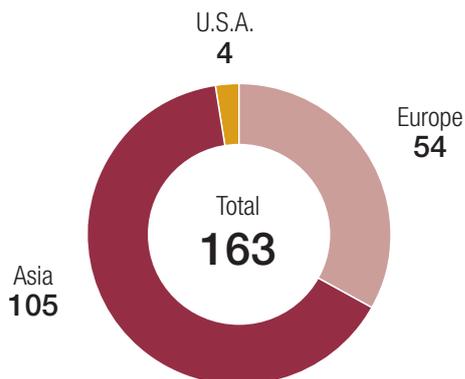
- ▲ Directly managed stores 99
- ▲ Stores managed by affiliates 23
- ▲ Licensed stores 41

Total 163
(as of February 29, 2012)

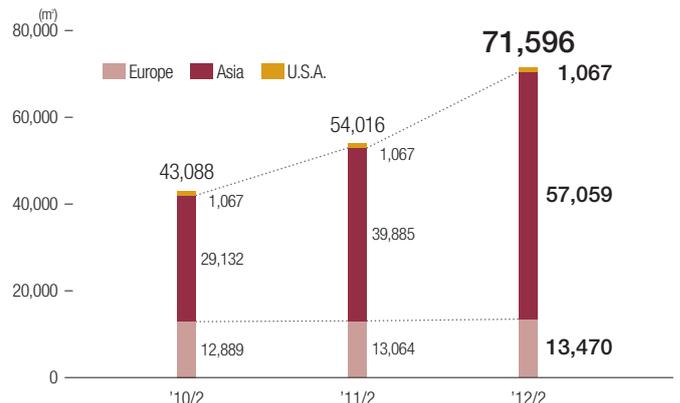


Licensed stores: Stores to which we sell products wholesale
Stores managed by affiliates (Taiwan)

Breakdown of stores outside Japan, by region

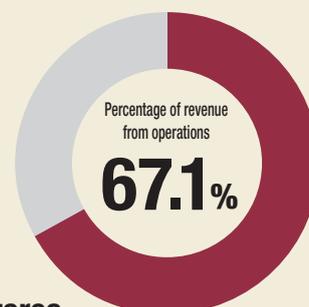


Trend in sales floor area, end of period



Directly managed business in Japan

Revenue from operations **119,563** million yen (up 5.0% YOY)
Segment profit **10,052** million yen (up 12.9% YOY)



Retail sales business at directly managed domestic stores and online stores

Net sales from directly managed business in Japan (including stores and online stores) were slow after the Great East Japan Earthquake, but recovered in the second half, particularly for products to protect against the cold and products for the New Year holiday, causing net sales to rise 5.0% YOY.

By product, net sales in the clothing and sundries category rose 7.6% YOY. Inventory control for clothing and accessories and inner wear functioned well, contributing to an increase in net sales. Popular among new products were those strictly offering natural materials, such as knit items in the baby alpaca material series and warm innerwear series and other such items with a focus on natural material.

Sales in the housewares category rose 3.7% YOY.

Health and beauty products were among the drivers, with particular growth by aromatic materials and anti-aging skincare.

Sales in the food category rose 4.3% YOY. Supplies of boil-in-a-bag curry, ordinarily a major summer product, ran short because of the Great East Japan Earthquake, but in the second half we were able to offer a steady supply again. Sales also grew throughout the year for seasoning products including homemade food kits.

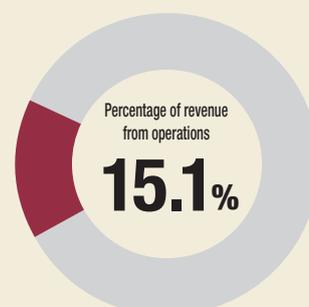
► Store openings and closures

At the end of term we had 256 stores. Twenty-three stores opened during the term, including Mujirushi Ryohin Terrace Mall Shonan, while five stores closed.



Domestic supply business

Revenue from operations **26,911** million yen (down 4.9% YOY)
Segment profit **2,266** million yen (down 7.6% YOY)



Wholesale business to domestic licensed companies

Our business supplying the FamilyMart Group saw sales grow during the summer heat wave, especially for handkerchiefs and underwear.

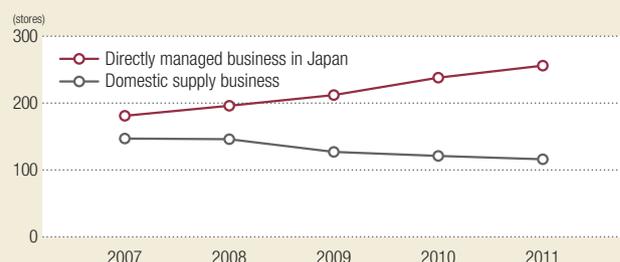
Our business supplying products to Seiyu and general supply destinations featured strong sales at existing stores, but the number of stores declined by five YOY, causing overall sales to fall.

► Store openings and closures

At the end of term we had 116 stores. One store opened during the term, while six stores closed.

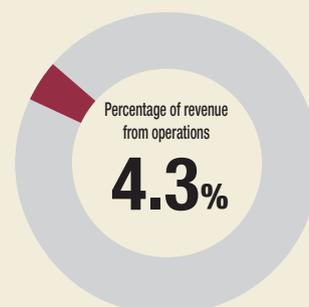
► Trend in number of stores (FY2011)

| | Number of stores at end of previous term | Openings | Closings | Total |
|------------------------------------|--|----------|----------|-------|
| Directly managed business in Japan | 238 | 23 | 5 | 256 |
| Domestic supply business | 121 | 1 | 6 | 116 |



Business in European region

Revenue from operations **7,749** million yen (down 1.5% YOY)
Segment profit **561** million yen (up 9.0% YOY)



Sales business in Europe

Though we had concern about the fallout from the European region's financial crisis, same-store net sales as measured in local currency rose in all nations except Italy. In particular, the Aroma Diffuser product so popular in Japan grew to be similarly popular in Europe.

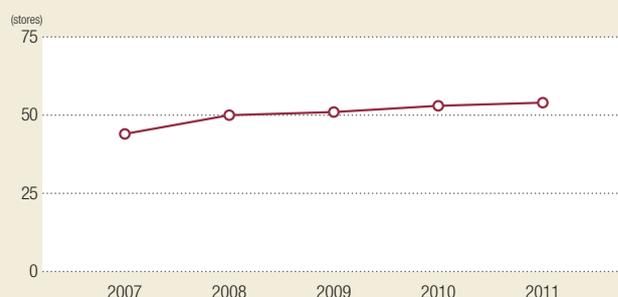
We also liquidated unprofitable stores and controlled costs, leading to improved profitability.

► Store openings and closures

At the end of term we had 54 stores. Three stores (including one supply destination) opened during the term, while two stores (including one supply destination) closed.

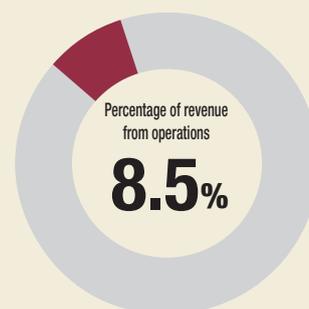
► Trend in number of stores (FY2011)

| Number of stores at end of term | Openings | Closings | Total |
|---------------------------------|----------|----------|-----------|
| 53 | 3 | 2 | 54 |



Business in Asian region

Revenue from operations **15,144** million yen (up 38.2% YOY)
Segment profit **1,117** million yen (up 35.0% YOY)



Sales business in Asia

Clothing and sundries sold well, spurring overall net sales.

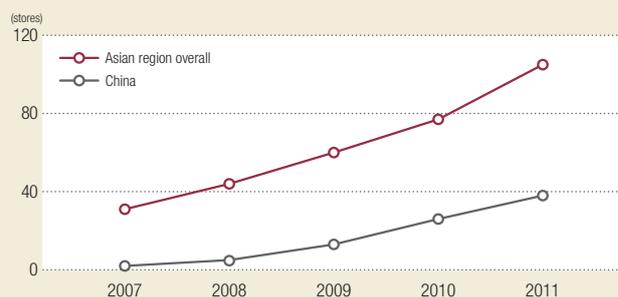
► Store openings and closures

At the end of term we had 105 stores. Twenty-eight stores (including 12 supply destinations) opened during the term. We opened 12 stores in China, which we view as the key to our business growth overseas. We had 38 stores in that country at the end of term.



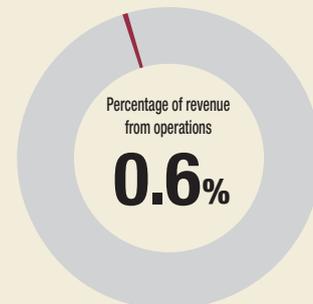
► Trend in number of stores (FY2011)

| | Number of stores at end of term | Openings | Closings | Total |
|--------------------|---------------------------------|----------|----------|------------|
| | 77 | 28 | — | 105 |
| Of which, in China | 26 | 12 | — | 38 |



Business in other regions

Revenue from operations **1,050** million yen (up 18.7% YOY)
Segment profit **65** million yen (compared to 38 million yen loss the previous term)



Sales business in regions other than Europe and Asia

We updated our store image in the U.S.A. by transplanting Japanese techniques of product display, rollout and layout, which boosted net sales.

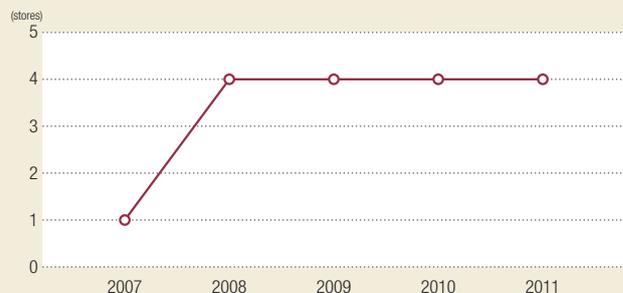
► Store openings and closures

At the end of term we had four stores, which is no change from the previous term.



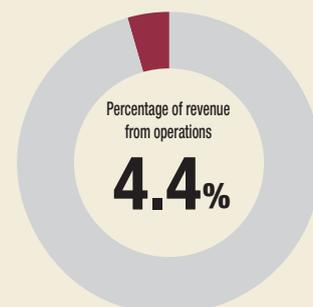
► Trend in number of stores (FY2011)

| Number of stores at end of previous term | Openings | Closings | Total |
|--|----------|----------|-------|
| 4 | — | — | 4 |



Other businesses

Revenue from operations **7,767** million yen (down 0.9% YOY)
Segment profit **1,506** million yen (up 10.9% YOY)



Our Café&Meal MUJI Business enjoyed strong sales at two shops opened during the term, pushing net sales up 4.6%. We had 16 Café&Meal MUJI Business stores at end of term.

Hana-Ryohin Co., Ltd. closed all its stores in November and completed liquidation February 29, 2012.

1. Basic Policy on Corporate Governance

We aim to establish good relationships with all stakeholders (shareholders, customers, employees, society and client companies), to differentiate ourselves from other companies and win an overwhelming presence and the trust of customers to enhance our corporate value. We have therefore been making improvements in manufacturing, sales, and customer service in order to enhance our reputation and strengthen the “MUJI (Mujirushi Ryohin)” brand image.

We will demonstrate our reliability by improving our business performance, engaging in proactive IR activities, making fair and transparent disclosures, and increasing returns to shareholders. In our relationships with employees, we will provide a vector for our staff members to make efforts to achieve our company's goals and establish an open and stimulating corporate culture so that employees can realize their full potential. Our organizational management processes ensure constant self-reflection and self-discipline, based on the lessons learned from a spate of corporate scandals seen in recent years.

2. Current status of Corporate Governance System for final decision-making, and of Managerial Organization for execution of decisions and supervision

- 1) Currently, taking into account the size of our company, its organizational status and staff mobility, the Board consists of six directors within the company (six directors doubling as operating officers) and three directors outside the company, who were appointed as independent directors in accordance with rules stipulated by the Tokyo Stock Exchange and who report to the TSE. The supervisory functions and managerial responsibility of the Board of Directors are clearly stipulated, and we also promote delegation of authority, including reviews of the board system and decision-making systems as appropriate, in order to accelerate the implementation of processes.
- 2) Our company has adopted an audit system. Currently, the Board of Auditors consists of four members (including one full-time auditing officer), all of whom are outside corporate auditors. Three of the four members were appointed as independent directors in accordance with rules stipulated by the Tokyo Stock Exchange and these members report to the TSE. The Board of Auditors audits the directors' execution of their duties by attending Board meetings and checking important documents. In addition, the Board of Auditors regularly liaises with the Audit Department, which conducts internal audits, and with the accounting auditor, who conducts accountancy services.
- 3) The Payment Advisory Board (consisting of three directors outside the company (including one chairperson) and two directors within the company) advises the Board of Directors on the payment of directors. The Nomination Advisory Board (consisting of three directors outside the company (including one chairperson) and two directors within the company) advises the Board of Directors on the nomination of directors.
- 4) The Audit Department (currently consisting of three members) conducts internal audits. The Department performs audits to determine whether business operations are being appropriately performed in accordance with our store management manual and Work Standard Sheets (MUJIGRAM) by our headquarters, as well as to determine whether problems have been solved. The audit results are reported to our representative directors on a weekly basis, as well as to our Board of Directors every half-term.
- 5) Accounting audits of our company are conducted by a team consisting of three certified public accountants with KPMG AZSA LLC, eight assistant certified public accountants, and eight other members. Thus an environment for fair auditing is established. The team of certified public accountants with KPMG AZSA LLC consists of Mr. Masayuki Kawanishi (with six years of continuous auditing service), Mr. Yuichi Yamada (with two year of continuous auditing service) and Mr. Takushi Miyashita (with two year of continuous auditing service).

Creating a Pleasant Life Ryohin Keikaku contributes to society through our business activities

In 1980, Ryohin Keikaku launched the MUJI brand under the catchphrase “Lower priced for a reason.” MUJI was created to promote low price and high value products, based on the in-house development experience of Seiyu GK, the umbrella group of Ryohin Keikaku. The basic principle of MUJI merchandise development is to create products that are fundamental, practical and really necessary in daily life, and to ensure efficient and minimal manufacturing processes. Based on this concept, we constantly review our materials and designs, streamline time and labor in the manufacturing process, and simplify our packaging. For many years our simple, elegant and functional products have earned the respect and appreciation of our customers.

Over 30 years has passed since the birth of MUJI, and we are still applying and developing our basic principles, responding to our customers, and ensuring the MUJI brand means pleasant (well-designed, well-made and environmentally-friendly) products and services; in this way we will offer the opportunity of a Pleasant Life (harmony with our neighbors and our planet) to people throughout the world. Ryohin Keikaku believes that through our business activities we are able to satisfy our customers, offer simplicity, harmony and beauty, and contribute to the greater community.

As a company that promotes a Pleasant Life we proclaim and implement three promises for corporate operation, three viewpoints for product development—the fundamentals of business operation—and three criteria for manufacturing.

Three Promises for Corporate Operation (excerpt from Vision of “ryohin (good product),” Corporate Philosophy)

1. Take the challenges of global growth and development through fair and transparent business activities, and rise to these challenges.
2. Inquire into and offer new value and attractiveness of good products from the viewpoints of people. From the customers’ viewpoints, seek and offer new value and appeal.
3. To all age groups and various communities (customers, growers, manufacturers, etc.) connected with Ryohin Keikaku, offer the vision of a sustainable Pleasant Life.

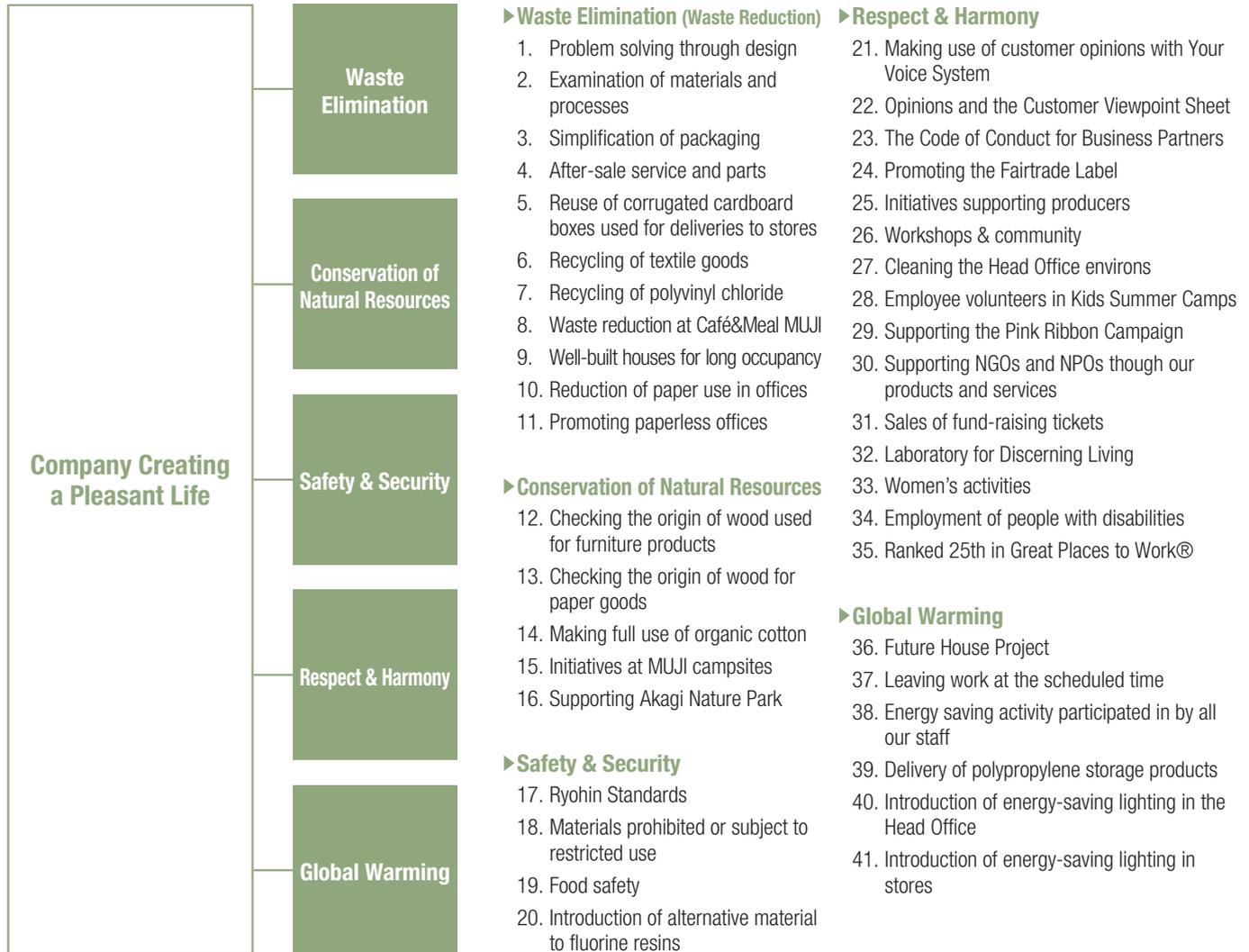
Three Criteria for Product Development

1. Problem solving through design
2. Examination of materials and processes
3. Simplification of packaging

Three Viewpoints for Manufacturing

1. Ryohin Standards (Quality Standards)
2. Ryohin Keikaku Environment, Labor and Safety Management (The Code of Conduct for Business Partners)
3. Major materials not used or controlled

Company initiatives to create a Pleasant Life



| | | |
|---------------------------------|---|----------------------|
| Company name | Ryohin Keikaku Co., Ltd. | |
| Location | 4-26-3 Higashi-Ikebukuro, Toshima-ku, Tokyo, 170-8424 | |
| Establishment | June 1989 (registration: May 1979) | |
| Capital | ¥6,766,250,000 (as of February 29, 2012) | |
| Accounts settlement date | Last day of February every year | |
| Major business | Operation of exclusive MUJI stores / product planning / development / production / wholesale / retail | |
| Management | Chairman and Representative Director | Tadamitsu Matsui |
| | President and Representative Director | Masaaki Kanai |
| | Managing Director | Takashi Kato |
| | Managing Director | Takashi Komori |
| | Managing Director | Satoru Matsuzaki |
| | Director | Kei Suzuki |
| | Director | Hisashi Sakamaki |
| | Director | Isao Endo |
| | Director | Toshiaki Ito |
| | Corporate Auditor | Hitoshi Matsui |
| | Corporate Auditor | Masaaki Kojima |
| | Corporate Auditor | Masaru Hattori |
| | Corporate Auditor | Michio Shibuya |
| | Senior Executive Officer | Junichi Tokue |
| | Executive Officer | Hiroto Oki |
| | Executive Officer | Tetsuo Kameya |
| | Executive Officer | Mitsuru Tanaka |
| Executive Officer | Wai Lan Dora Hung | |
| Executive Officer | Yumiko Hagiwara | (As of May 23, 2012) |
| Advisory Board | Advisor | Kazuko Koike |
| | Advisor | Takashi Sugimoto |
| | Advisor | Kenya Hara |
| | Advisor | Naoto Fukasawa |

MUJI was established in December 1980 as a private brand of The Seiyu, Ltd. with 40 products, and has grown into a brand with more than 7,000 products today. Ryohin Keikaku Co., Ltd. was established as an independent company from The Seiyu, Ltd. in 1989. As a manufacturer/retailer, it plans, develops, manufactures, distributes and sells the MUJI brand for all aspects of life, including clothing, household articles and food products.

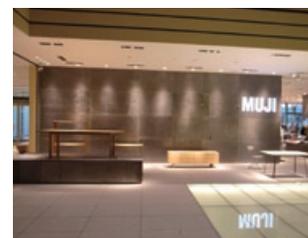
| | |
|-------------|--|
| 1980 | MUJI established as a private brand of The Seiyu, Ltd. (household articles: 9, food products: 31). |
| 1981 | Started selling clothes. |
| 1982 | Started wholesaling to partner stores. |
| 1983 | Opened the first directly managed store, "MUJI Aoyama" (103 sq m). |
| 1984 | Opened outlets inside large Seiyu stores. |
| 1985 | Established MUJI Business Department. |
| 1986 | Started overseas production and procurement (comprehensive production in overseas countries). |
| 1987 | Accumulated know-how of overseas production and procurement including factory direct orders and original distribution channels. |
| 1988 | Developed materials globally. |
| 1989 | Established Ryohin Keikaku Co., Ltd. (capital: 100 million yen). |
| 1990 | MUJI business transferred from The Seiyu, Ltd. |
| 1991 | Opened the first overseas store in London (a partnership with Liberty & Co.). |
| 1992 | Started Blue MUJI for products with further enhanced quality. |
| 1993 | Established RK Trucks Co., Ltd.; opened large one-floor store, "MUJI Lalaport." |
| 1994 | Established Ryohin Keikaku Europe Ltd.; opened Niigata Logistics Center. |
| 1995 | Opened first store in Singapore (closed down in 1998); opened "MUJI Tsunan Campsite," Company shares registered on the over-the-counter market. |
| 1996 | Increased capital to ¥6,766.25 million; opened Fukuoka Logistics Center. |
| 1997 | Obtained ISO9001 certification. |
| 1998 | Listed on the second section of the Tokyo Stock Exchange; opened Kobe Logistics Center and Urayasu Logistics Center. |
| 1999 | Started the Mujirushi Ryohin com KIOSK business (operated by JR East Retail Net Co., Ltd.). |
| 2000 | Promoted to listing on the first section of the Tokyo Stock Exchange; established MUJI.net Co., Ltd. |
| 2001 | Opened MUJI (Hong Kong) Co., Ltd.; opened MUJI Yurakucho and MUJI Namba stores. |
| 2002 | Opened first store in Ireland. |
| 2003 | Opened first store in Korea; started living space project Mujirushi Ryohin no le. |
| 2004 | Opened first store in Taiwan; opened MUJI Tsumagoi Campground; opened Mujirushi Ryohin no le Yurakucho; opened first store in Italy. |
| 2005 | Opened first store on Chinese mainland (Shanghai) and first store in Germany. |
| 2006 | Established MUJI Global Sourcing Private Limited in Singapore; opened first store in Spain; took over the business of IDÉE Co., Ltd. |
| 2007 | Established subsidiary MUJI Europe Holdings Ltd. to oversee European operations; opened MUJI Tokyo Midtown and first U.S.A. directly managed store. |
| 2008 | Opened MUJI to GO Hong Kong International Airport; opened U.S.A. flagship store MUJI Times Square; opened MUJI Shinjuku and MUJI Ginza Matsuzakaya. |
| 2009 | Relocated and updated MUJI Ikebukuro Seibu; opened first store in Indonesia. |
| 2010 | Opened first store in Poland; 30th anniversary of MUJI; opened first store in Portugal. |
| 2011 | Opened Café&Meal MUJI Minami Aoyama; updated Mujirushi Ryohin Yurakucho and MUJI Canal City Hakata; established MUJI (Malaysia) SDN. BHD.; opened Found MUJI Aoyama. |



Forty debut items



Mujirushi Ryohin Shimokitazawa



MUJI Tokyo Midtown



MUJI Times Square



Found MUJI Aoyama

RK TRUCKS CO., LTD.



Address: Toshima-ku, Tokyo
Establishment: March 1993
Primary business: Distribution

MUJI.net CO., LTD.



Address: Toshima-ku, Tokyo
Establishment: May 2000
Primary business: Retailing of living space project Mujirushi Ryohin no le products

IDÉE CO., LTD.



Address: Toshima-ku, Tokyo
Establishment: August 2006
Primary business: Planning, manufacturing and retailing of furniture, interior goods, etc.

MUJI EUROPE HOLDINGS LIMITED



Address: London, U.K.
Establishment: January 2007
Primary business: Oversight of European region business

RYOHIN KEIKAKU EUROPE LTD.



Address: London, U.K.
Establishment: March 1994
Primary business: Retailing of MUJI products

RYOHIN KEIKAKU FRANCE S.A.S.



Address: Paris, France
Establishment: April 1998
Primary business: Retailing of MUJI products

MUJI ITALIA S.p.A



Address: Milan, Italy
Establishment: September 2004
Primary business: Retailing of MUJI products

MUJI Deutschland GmbH



Address: Düsseldorf, Germany
Established: July 2005
Primary business: Retailing of MUJI products

MUJI U.S.A. LTD.



Address: New York, U.S.A.
Establishment: October 2006
Primary business: Retailing of MUJI products

MUJI (HONG KONG) CO., LTD.



Address: Hong Kong, China
Establishment: March 2001
Primary business: Retailing of MUJI products

MUJI (SINGAPORE) PRIVATE LTD.



Address: Singapore
Establishment: January 2003
Primary business: Retailing of MUJI products

MUJI (MALAYSIA) SDN. BHD.



Address: Kuala Lumpur, Malaysia
Establishment: October 2011
Primary business: Retailing of MUJI products

MUJI KOREA CO., LTD.



Address: Seoul, South Korea
Establishment: December 2004
Primary business: Retailing of MUJI products

MUJI (SHANGHAI) CO., LTD.



Address: Shanghai, China
Establishment: May 2005
Primary business: Retailing of MUJI products

MUJI (BEIJING) CO., LTD.



Address: Beijing, China
Establishment: January 2008
Primary business: Retailing of MUJI products

MUJI (SHENZHEN) CO., LTD.



Address: Shenzhen, China
Established: July 2010
Primary business: Retailing of MUJI products

MUJI Global Sourcing Private Limited



Address: Singapore
Establishment: April 2006
Primary business: Product development, procurement, import and export

MGS (SHANGHAI) TRADING CO., LTD.



Address: Shanghai, China
Establishment: October 2009
Primary business: Product development, procurement and wholesale in China

MUJI TAIWAN CO., LTD.



Address: Taipei, Taiwan
Establishment: August 2003
Primary business: Retailing of MUJI products

Consolidated balance sheets ①

Consolidated
Balance Sheets ①

Annual Report 2012
2011.03.01–2012.02.29

(Unit: Million yen)

| | Previous consolidated fiscal year (February 28, 2011) | Current consolidated fiscal year (February 29, 2012) |
|---|--|---|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 14,258 | 16,033 |
| Notes and accounts receivable | 5,164 | 4,988 |
| Marketable securities | 9,037 | 9,012 |
| Products | 18,334 | 21,869 |
| Work in process | 38 | 24 |
| Supplies | 22 | 15 |
| Deferred tax assets | 501 | 577 |
| Accounts receivable – other | 4,616 | 4,732 |
| Other items | 2,846 | 2,583 |
| Allowance for doubtful accounts | (17) | (3) |
| Total current assets | 54,802 | 59,833 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 19,824 | 19,882 |
| Accumulated depreciation | (11,477) | (11,688) |
| Buildings and structures (net value) | 8,346 | 8,194 |
| Machinery, equipment and vehicles | 1,698 | 1,828 |
| Accumulated depreciation | (1,309) | (1,390) |
| Machinery, equipment and vehicles (net value) | 388 | 438 |
| Equipment | 10,515 | 9,515 |
| Accumulated depreciation | (8,350) | (7,546) |
| Equipment (net value) | 2,165 | 1,968 |
| Land | 1,038 | 1,038 |
| Lease assets | 37 | 33 |
| Accumulated depreciation | (25) | (26) |
| Lease assets (net value) | 12 | 7 |
| Construction in progress | 93 | 97 |
| Total tangible fixed assets | 12,044 | 11,743 |
| Intangible fixed assets | | |
| Goodwill | 0 | 0 |
| Other | 3,596 | 3,695 |
| Total intangible fixed assets | 3,596 | 3,696 |
| Investment and other assets | | |
| Investment securities | 10,825 | 10,140 |
| Lease and guarantee deposits | 14,430 | 15,001 |
| Deferred tax assets | 1,608 | 1,726 |
| Other | 370 | 330 |
| Allowance for doubtful accounts | (198) | (179) |
| Total investments and other assets | 27,036 | 27,020 |
| Total fixed assets | 42,678 | 42,460 |
| Total assets | 97,481 | 102,293 |

Consolidated balance sheets ②

Consolidated
Balance Sheets ②

Annual Report 2012
2011.03.01-2012.02.29

(Unit: Million yen)

| | Previous consolidated fiscal year (February 28, 2011) | Current consolidated fiscal year (February 29, 2012) |
|---|--|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 9,840 | 8,933 |
| Short-term loans payable | 244 | 67 |
| Accrued expenses | 3,626 | 3,981 |
| Lease liabilities | 3 | 3 |
| Income taxes payable | 2,769 | 3,235 |
| Reserve for bonuses | 143 | 186 |
| Reserve for directors' bonuses | 42 | 71 |
| Reserve for loss on closing of stores | 225 | 152 |
| Other | 1,474 | 1,554 |
| Total current liabilities | 18,370 | 18,186 |
| Long-term liabilities | | |
| Lease liabilities | 5 | 0 |
| Reserve for directors' retirement benefits | 138 | 115 |
| Reserve for loss on non-cancelable lease contracts | 160 | 80 |
| Other | 304 | 382 |
| Total long-term liabilities | 608 | 578 |
| Total liabilities | 18,979 | 18,765 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,766 | 6,766 |
| Capital surplus | 10,122 | 10,119 |
| Earned surplus | 66,280 | 72,183 |
| Treasury stock | (3,964) | (3,961) |
| Total shareholders' equity | 79,204 | 85,107 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | (302) | (829) |
| Translation adjustment | (1,987) | (2,416) |
| Total valuation and translation adjustments | (2,290) | (3,245) |
| Stock acquisition rights | 244 | 286 |
| Minority interests | 1,344 | 1,380 |
| Total net assets | 78,502 | 83,528 |
| Total liabilities and net assets | 97,481 | 102,293 |

Consolidated income statements ①

Consolidated
Income Statements ①

Annual Report 2012
2011.03.01–2012.02.29

(Unit: Million yen)

| | Previous consolidated fiscal year (March 1, 2010 – February 28, 2011) | Current consolidated fiscal year (March 1, 2011 – February 29, 2012) |
|--|--|---|
| Net sales | 169,137 | 177,532 |
| Cost of sales | 92,477 | 96,589 |
| Gross profit | 76,660 | 80,943 |
| Operating revenue | 611 | 653 |
| Operating profit before S.G.A. | 77,271 | 81,596 |
| Selling, general and administrative expenses | | |
| Advertising expenses | 4,728 | 3,975 |
| Distribution and transportation expenses | 6,892 | 6,902 |
| Employees' salaries and bonuses | 17,115 | 18,011 |
| Provision of reserve for directors' bonuses | 42 | 71 |
| Leasehold and office rents | 17,531 | 18,532 |
| Depreciation | 3,201 | 3,201 |
| Other | 13,860 | 15,463 |
| Total selling, general and administrative expenses | 63,371 | 66,158 |
| Operating profit | 13,900 | 15,438 |
| Non-operating income | | |
| Interest income | 29 | 28 |
| Dividends income | 279 | 277 |
| Foreign exchange gains | — | 25 |
| Co-sponsor fee | 9 | 12 |
| Equity in earnings of affiliates | 168 | 221 |
| Other | 95 | 147 |
| Total non-operating income | 582 | 713 |
| Non-operating expenses | | |
| Interest expenses | 1 | 1 |
| Foreign exchange losses | 205 | — |
| Other | 45 | 15 |
| Total non-operating expenses | 252 | 17 |
| Ordinary profit | 14,229 | 16,135 |
| Extraordinary income | | |
| Reversal of reserve for loss on closing of stores | — | 40 |
| Reversal of allowance for doubtful accounts | 52 | 31 |
| Reversal of reserve for loss on non-cancelable lease contracts | 264 | 71 |
| Other | 13 | 2 |
| Total extraordinary income | 330 | 146 |

(Unit: Million yen)

| | Previous consolidated fiscal year (March 1, 2010 – February 28, 2011) | Current consolidated fiscal year (March 1, 2011 – February 29, 2012) |
|--|--|---|
| Extraordinary losses | | |
| Impairment loss | 386 | 295 |
| Loss on disaster | — | 386 |
| Loss on retirement of fixed assets | 88 | 242 |
| Bad debts expenses | 129 | — |
| Loss on cancellation of rental contract | 226 | — |
| Loss on valuation of investment securities | 591 | — |
| Provision of reserve for loss on closing of stores | 92 | — |
| Others | 21 | 67 |
| Total extraordinary losses | 1,535 | 992 |
| Income before income taxes | 13,025 | 15,289 |
| Income taxes – current | 5,455 | 6,039 |
| Income taxes for prior periods | — | 188 |
| Income taxes – deferred | (392) | 54 |
| Total income taxes | 5,062 | 6,282 |
| Income before minority interests | — | 9,007 |
| Minority interests in income | 103 | 157 |
| Net income | 7,859 | 8,850 |

(Unit: Million yen)

| | Previous consolidated fiscal year (March 1, 2010 – February 28, 2011) | Current consolidated fiscal year (March 1, 2011 – February 29, 2012) |
|------------------------------------|--|---|
| Shareholders' equity | | |
| Capital stock | | |
| Balance at end of previous term | 6,766 | 6,766 |
| Changes of items during term | | |
| Total changes of items during term | — | — |
| Balance at end of term | 6,766 | 6,766 |
| Capital surplus | | |
| Balance at end of previous term | 10,122 | 10,122 |
| Changes of items during term | | |
| Disposal of treasury stock | — | (3) |
| Total changes of items during term | — | (3) |
| Balance at end of term | 10,122 | 10,119 |
| Retained earnings | | |
| Balance at end of previous term | 61,474 | 66,280 |
| Changes of items during term | | |
| Dividends from surplus | (3,054) | (2,946) |
| Net income | 7,859 | 8,850 |
| Total changes of items during term | 4,805 | 5,903 |
| Balance at end of term | 66,280 | 72,183 |
| Treasury stock | | |
| Balance at end of previous term | (964) | (3,964) |
| Changes of items during term | | |
| Purchase of treasury stock | (3,000) | — |
| Disposal of treasury stock | — | 3 |
| Total changes of items during term | (3,000) | 3 |
| Balance at end of term | (3,964) | (3,961) |
| Total shareholders' equity | | |
| Balance at end of previous term | 77,398 | 79,204 |
| Changes of items during term | | |
| Dividends from surplus | (3,054) | (2,946) |
| Net income | 7,859 | 8,850 |
| Purchase of treasury stock | (3,000) | — |
| Disposal of treasury stock | — | 0 |
| Total changes of items during term | 1,805 | 5,903 |
| Balance at end of term | 79,204 | 85,107 |

(Unit: Million yen)

| | Previous consolidated fiscal year (March 1, 2010 – February 28, 2011) | Current consolidated fiscal year (March 1, 2011 – February 29, 2012) |
|--|--|---|
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | | |
| Balance at end of previous term | (673) | (302) |
| Changes of items during term | | |
| Net changes of items other than shareholders' equity (net value) | 370 | (526) |
| Total changes of items during term | 370 | (526) |
| Balance at end of term | (302) | (829) |
| Translation adjustment | | |
| Balance at end of previous term | (1,240) | (1,987) |
| Changes of items during term | | |
| Net changes of items other than shareholders' equity (net value) | (747) | (428) |
| Total changes of items during term | (747) | (428) |
| Balance at end of term | (1,987) | (2,416) |
| Total valuation and translation adjustments | | |
| Balance at end of previous term | (1,913) | (2,290) |
| Changes of items during term | | |
| Net changes of items other than shareholders' equity (net value) | (377) | (954) |
| Total changes of items during term | (377) | (954) |
| Balance at end of term | (2,290) | (3,245) |
| Stock acquisition rights | | |
| Balance at end of previous term | 197 | 244 |
| Changes of items during term | | |
| Net changes of items other than shareholders' equity (net value) | 47 | 41 |
| Total changes of items during term | 47 | 41 |
| Balance at end of term | 244 | 286 |
| Minority interests | | |
| Balance at end of previous term | 1,383 | 1,344 |
| Changes of items during term | | |
| Net changes of items other than shareholders' equity (net value) | (39) | 35 |
| Total changes of items during term | (39) | 35 |
| Balance at end of term | 1,344 | 1,380 |
| Total net assets | | |
| Balance at end of previous term | 77,066 | 78,502 |
| Changes of items during term | | |
| Dividends from surplus | (3,054) | (2,946) |
| Net income | 7,859 | 8,850 |
| Purchase of treasury stock | (3,000) | — |
| Disposal of treasury stock | — | 0 |
| Net changes of items other than shareholders' equity (net value) | (369) | (877) |
| Total changes of items during term | 1,436 | 5,025 |
| Balance at end of term | 78,502 | 83,528 |

Consolidated cash flow statements ①

Consolidated
Cash Flow Statements ①

Annual Report 2012
2011.03.01–2012.02.29

(Unit: Million yen)

| | Previous consolidated fiscal year (March 1, 2010 – February 28, 2011) | Current consolidated fiscal year (March 1, 2011 – February 29, 2012) |
|---|--|---|
| Net cash provided by operating activities | | |
| Income before income taxes | 13,025 | 15,289 |
| Depreciation | 2,783 | 2,705 |
| Depreciation of software | 647 | 725 |
| Amortization of goodwill | 0 | 0 |
| Increase (decrease) in allowance for doubtful accounts | (329) | (15) |
| Increase (decrease) in reserve for directors' bonuses | 11 | 29 |
| Increase (decrease) in reserve for retirement benefits and directors' retirement benefits | 2 | (23) |
| Increase (decrease) in reserve for loss on closing of stores | 58 | (63) |
| Increase (decrease) in reserve for loss on non-cancelable lease contracts | (264) | (71) |
| Interest and dividends income | (309) | (306) |
| Interest expenses | 1 | 1 |
| Foreign exchange losses (gains) | 90 | (20) |
| Equity in (earnings) losses of affiliates | (168) | (221) |
| Loss on retirement of fixed assets | 100 | 279 |
| Impairment loss | 386 | 295 |
| Loss (gain) on valuation of investment securities | 591 | — |
| Loss (gain) on sales of stocks of affiliates | 1 | — |
| Decrease (increase) in notes and accounts receivable-trade | 596 | (169) |
| Decrease (increase) in inventories | (3,547) | (3,730) |
| Increase (decrease) in notes and accounts payable-trade | (1,240) | (645) |
| Decrease (increase) in other assets | (908) | 286 |
| Increase (decrease) in other liabilities | 208 | 717 |
| Stock acquisition rights | 52 | 56 |
| Other | (51) | (6) |
| Subtotal | 11,737 | 15,113 |
| Interest and dividend income received | 395 | 405 |
| Interest expenses paid | (1) | (1) |
| Income tax paid | (4,976) | (5,787) |
| Net cash provided by operating activities | 7,155 | 9,729 |

Consolidated cash flow statements ②

Consolidated
Cash Flow Statements ②

Annual Report 2012
2011.03.01–2012.02.29

(Unit: Million yen)

| | Previous consolidated fiscal year (March 1, 2010 – February 28, 2011) | Current consolidated fiscal year (March 1, 2011 – February 29, 2012) |
|---|--|---|
| Net cash used in investment activities | | |
| Payments into time deposits | (93) | (170) |
| Proceeds from withdrawal of time deposits | 122 | 24 |
| Purchase of property, plant and equipment | (2,418) | (2,901) |
| Proceeds from sales of property, plant and equipment | 11 | 15 |
| Leasehold right on stores and lease deposits | (898) | (987) |
| Proceeds from collection of lease deposits for stores | 524 | 325 |
| Purchase of intangible fixed assets | (667) | (1,000) |
| Purchase of stocks of affiliates | (0) | — |
| Proceeds from sales of stocks of affiliates | 11 | — |
| Other | 25 | (53) |
| Net cash used in investment activities | (3,381) | (4,747) |
| Net cash used in financing activities | | |
| Increase (decrease) in short-term loans payable | — | (167) |
| Repayments of lease obligations | (8) | (5) |
| Purchase of treasury stock | (3,010) | — |
| Proceeds from sales of treasury stock | — | 0 |
| Cash dividends paid | (3,056) | (2,947) |
| Net cash used in financing activities | (6,075) | (3,120) |
| Effect of exchange rate change on cash and cash equivalents | (561) | (246) |
| Increase (decrease) in cash and cash equivalents | (2,863) | 1,614 |
| Cash and cash equivalents, beginning of period | 26,108 | 23,244 |
| Cash and cash equivalents, end of period | 23,244 | 24,858 |