I would like to express my deep gratitude for your continued support of our business.

Way back in December 1980, The Seiyu, Ltd. (now Seiyu GKI) launched MUJI as a proprietary brand with 40 items. Today, the brand includes as many as 7,000 items which are sold in more than 800 stores in 28 countries and regions including Japan. In 1989, Ryojin Keikaku Co., Ltd. took over the business. Since then we develop, manufacture and sell everyday goods used by people around the world, including clothing, household goods, and food items.

Our medium-term business plan for fiscal 2017 through 2020, which we launched on March 1, 2017, mandates that we “focus on employee proficiency, and develop a culture and systems that encourage Conscience and Creativity across our organization worldwide.” Under this policy, we are pursuing the following priorities:

1. Global supply chain management
2. Product development
3. Global HR management
4. Group corporate governance

Fiscal 2017 results represented a strong start as the first year of the plan, toward our fiscal 2020 financial targets of 500 billion yen in revenue from operations, 60 billion yen in operating profit, and 15% and above in ROE.

We will continue to contribute the society as a sustainable global company that supplies products and services trusted by people worldwide. We would very much appreciate the continued support and understanding of our stakeholders.

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**Corporate Philosophy**

**The MUJI Vision:**

The Quest for the Good Product

There is no one answer to what a good product is. Simply asking the question, though, creates infinite possibilities, and we pursue them.

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**Corporate Data**

- **Company name:** Ryojin Keikaku Co., Ltd.
- **Location:** 4-26-3 Higashi-ikebukuro, Toshima-ku, Tokyo, 170-8424, Japan
- **Tel.:** +81-3-3989-4403 (IHR & General Affairs Division)
- **Website:** https://ryohin-keikaku.jp/en/

**Establishment:** June 1989 (registration: May 1979)

- **Capital:** 6,766,250,000 yen
- **Fiscal year-end:** Last day of February
- **Annual turnover:** 370,551 million yen (Consolidated revenue from operations)
- **Number of employees:** 17,652 (including 837 temporary employees, consolidated)
- **Chairman and Representative Director:** Masaaki Kanai
- **President and Representative Director:** Satoru Matsuizaki

**Group Companies**

MUJI HOUSE CO., LTD.
MUJI (HONG KONG) CO., LTD.
MUJI Korea CO., LTD.
MUJI (Shanghai) Company Limited
MUJI (Taiwan) Company Limited
MUJI EUROPE HOLDINGS LIMITED
RYOHIN KEIKAKU EUROPE LTD.
RYOHIN KEIKAKU FRANCE S.A.S.
MUJI ITALIA S.p.A.
MUJI Deutschland GmbH
MUJI SPAIN, S.L.

**Corporate Philosophy**

**Quest Value**

Identify and deliver MUJI value and appeal from the perspective of the people who use our products.

**Positive Spiral**

Work toward global growth and development by operating a fair and transparent MUJI business.

**Best Partnership**

Deliver the abundance inherent in good products by respecting associates and building relationships of trust with business partners.

**Code of Conduct**

1. Quickly and carefully respond to customer needs
2. Think and act globally
3. Prosper together with local communities
4. Act sincerely and honestly
5. Be open to communication with all
MUJI Business

“Lower priced for a reason.” This phrase encapsulates how MUJI first began in 1980. We launched products that might almost be regarded as substandard if based on traditional criteria. Focusing on our three priorities: “Selection of materials,” “Streamlining of processes” and “Simplification of packages,” we have grown into a brand of over 7,000 no-frills quality products. Beginning in 1983 with our first stand-alone MUJI store in Aoyama, Tokyo, we now operate in 28 countries and regions around the world including Japan. We deliver a comfortable shopping experience for our customers by enhancing our stores and staff as well as expanding our services. We also introduced the smart phone app, MUJI passport for further communication with our customers.

MUJI Main In-Store Services

MUJI SUPPORT
MUJI aims to become a lifestyle support centre for our customers. The advisory staff in our stores will provide all sorts of support to the needs of home, whether small or large, such as custom-length shelving, finding a replacement lid for a teapot, etc.

MUJI BOOKS
As an ideal form of media of humanistic books, have been offering a treasure trove of plain and natural words that recorded findings and tips for everyday life. MUJI BOOKS bring together classics from all ages and places, highlighting time-honoured words as part of a lifestyle rich with books.

Open MUJI
Open MUJI provides a space for customers to learn about and discuss the ideas behind MUJI. As a platform to build local teams, we regularly organise exhibits, workshops and other events featuring local creators and designers.

MUJI in Other Channels

MUJI to GO
A concentrated selection of MUJI.
MUJI to GO shops feature selected items that are useful for travel, commuting, business, study and play. These shops offer products that travelers are happy to come across at airports—stationery items with special functions, items to make trips more fun, and things that feel like a little bit of home with you while you travel.

Found MUJI
The best from around the world.
Instead of producing goods, Found MUJI takes a “search and discover” approach to lifestyles, bringing together everyday items long treasured around the world. While retaining the original essence we make some adjustments to fit to contemporary life, culture, and custom, and bring them back to the market at reasonable prices.  
https://www.muji.net/?foundmuji

MUJI com
MUJI on your daily route.
A place to drop by and grab those last-minute items, MUJI com sells a selection of daily necessities from all categories. It enhances daily life with products for home, work and school and even gifts to send to others.

Other Businesses

Café & Meal
Café & Meal offers Simple Food using lots of vegetables. Our dishes, desserts and beverages are made from carefully selected, seasonal ingredients that are delicious and healthy.

IDÉE
IDÉE designs, manufactures, and sells home furnishings, including original furniture, accessories, antiques, curtains, and rugs. Besides retail, they engage in the production, consultation, and design of residential and commercial space.

MUJI Campsites
With the idea of providing minimal services and letting nature do the rest, MUJI operates camp sites and manages a total of some 230 hectares of forest in Tsunan (Nagata Prefecture), Minami-Toyama (Takayama, Gifu Prefecture), and Campania Tsunagari (Tsumagoi, Gunma Prefecture). Outdoor classes held at these camps are taught by people from the local communities, to raise awareness of the natural environment.

MUJI HOUSE
MUJI House Co., Ltd. brings the MUJI style of living to home design. The MUJI home embodies the same MUJI vision as the rest of our products: comfortable, easy to use, durable with no-frills quality design and functions, and long-time favourites.
Product development

The fundamentals of MUJI manufacturing process have not changed. The times may change, but we continue to focus on the selection of materials, streamlining of processes, and simplification of packages as we constantly return to our starting point to manufacture no-frills quality products. Our goal is not to make our customers say, “This is what I want” but “This will do.” This philosophy creates satisfied customers who choose our products with a thoughtful, “This will do,” rather than an impulsive “This is what I want.” To earn this response, we focus not only on product quality and price, but also continually seek to improve our products using unique ideas to eliminate even the slightest inconvenience or discomfort.

Selection of materials

Tasty and healthy foods. Comfortable clothing. Household goods that are, above all, easy to use. For Ryūhō Keikaku, the materials we use to make such products are of the utmost importance: consequently, considerable attention is given to their selection. We search worldwide for the most suitable raw materials. We use many industrial materials as well as materials discarded by others because of their appearance – items that can be acquired in bulk at low cost. The overriding selection criteria is always quality. These activities underpin our ability to create low-priced, high-quality products.

Streamlining of processes

The processes by which each product is manufactured are subjected to careful scrutiny at MUJI. Processes that have no bearing on a product’s quality such as sorting, sizing, and polishing are eliminated, leaving only those processes that are truly necessary. Even items that have been discarded because they do not meet certain standards of size and appearance are turned into products for sale. Focusing on true quality, MUJI’s manufacturing processes eliminate waste and reduce costs.

Simplification of packages

When packaging products, Ryūhō Keikaku seeks not to adorn them but rather to highlight their natural colors and shapes. For this reason, we use bulk packaging and place products in plain, uniform containers. Faithful to our philosophy of simplicity, this approach is also in keeping with our policy of conserving resources and reducing waste. Thus, all MUJI products appear on store shelves in simple packaging bearing only product-related information and a price tag.

#### Signature “Why of MUJI” Products

#### Apparel

**Right–Angle Socks** *(2006–)*

Right angle socks inspired by the hand-knit socks made by a Czech grandmother.

**Non–Itchy Turtleneck** *(2009–)*

The collar of the sweater uses yarn that have a more comfortable texture, to prevent itchiness around the neck. Improved every year.

#### Household

**Mattress with Legs** *(1991–)*

The frame now incorporates steel mesh to deliver more comfort. Improved every year.

**Beads Sofa** *(2002–)*

Developed based on customer input. Features an improved stretch-resistant knit cover.

#### Food

**Baumkuchen Banana** *(2000–)*

Product standards were modified in 2017 to accept irregularities in baking colour shape, etc., that have nothing to do with the taste. The new version is sold as Irregular Baumkuchen.

**White Chocolate Covered Strawberries** *(2001–)*

Irregularly sized or non-uniformly coated strawberries are also included in the package.

#### Global Promotion

Products or product lines selected from among lifestyle necessities are showcased in separate period by country and region but with shared visuals. Eight global promotion campaigns were implemented during fiscal 2017 featuring cleaning tools, skincare products, and socks. The campaigns communicated the appeals of the products, reasons behind, and offered suggestions that work across diverse languages and cultures.

**Fiscal 2017 example**

*Clean up with daylight soil*

Choose the soil and orchard combination.
Choose the soil and orchard combination.

*Choose the soil and orchard combination.*

Promotion period in Japan: December 26, 2017 to February 14, 2018.

*Featured: Cleaning System-Carpet Cleaner / Cleaning System-Flooring Map*
MUJI is not just a collection of products. We aim to be a group which consider every aspect of life with care, from the smallest details to the whole planet’s future. As a platform of society we want to respond with conscience and creativity to many ongoing challenges. This commitment drives us to various activities.

**MUJI’s Expanding Activities**

- **Prioritizing Connecting with People in Everything We Do**
  - Shirahama Ryokan
  - Local Nippon
  - Embedding stores in communities
  - Satoyama conservation

- **Capitalizing on Untapped Resources**
  - Abandoned agricultural land
  - School repurposing

- **Simple and Delicious Food**
  - Canned Local MUJI
  - MUJI One

- **Conserving Natural Resources**
  - Campground operation

- **Design in Public Spaces**
  - Airport, rural
  - MUJI HOTEL

- **Long-Lasting, Adaptable Homes**
  - MUJI RENOVATION CLUB
  - Housing complex renovation
  - MUJI House

- **Reuse**
  - RAINCOAT
  - MUJI rental service

**Main Initiatives (Ryohin Keikaku Co., Ltd.)**

**Kamogawa Satoyama Trust (Handmade Miso / Soy Sauce Workshop)**

Since May 2014, Ryohin Keikaku and the non-profit organization Uzu have been operating the Kamogawa Satoyama Trust. The activities in fiscal 2017 included a workshop in which customers harvested soybeans and made miso and soy sauce with us over a period of approximately nine months. Trust activity seeks to get urban dwellers involved in satoyama region (an area of farmland and mountain foothills) conservation, and pass down traditional culture and life to the next generation.

**School Repurposing (MUJI HUT)**

Shirahama School House is a multipurpose complex that repurposes a former school facility in the city of Minamiiboso in Chiba Prefecture. The adjacent school grounds are being developed into plots for huts with vegetable gardens. The site is easily accessible for urban dwellers from the city. The facility provides a space to interact with local community. In partnership with the facility operator, Would LLC, Ryohin Keikaku is providing a new model for revitalizing a local community.

**The Store as Part of the Community**

MUJI stores organize diverse events as platforms to develop local ties. In fiscal 2017, MUJI stores organized 2,780 events attended by more than 41,000 customers. These events ranged from talks given by persons playing active roles in their communities, to exhibits and show-cases as well as workshops led by MUJI specialized sales staff. Stores will continue to offer useful events to present our vision of a simple, pleasant life.
### History

#### 1980—
- **1980.12**
  - MUJI established as a private brand of The Seiyu, Ltd., a Japanese retail company

#### 1990—
- **1990.3**
  - MUJI business transferred from The Seiyu, Ltd.
- **1991.7**
  - First UK store opened MUJI West Soho
- **1991.11**
  - First Hong Kong store opened MUJI Ocean Centre
- **1993.3**
  - RK TRUCKS Co., Ltd. established
- **1994.12**
  - Nipata Distribution Center begins operations
- **1995.4**
  - First Singapore store opened MUJI BUGIS JUNCTION
- **1995.7**
  - MUJI Tsunam Campsite opened
- **1996.8**
  - MUJI Minami-Notikura Campsite opened
- **1996.12**
  - Fukuoka Distribution Center begins operations
- **1998.9**
  - Kobe Distribution Center begins operations
- **1998.10**
  - First France store opened MUJI St. Sulpice
- **1998.12**
  - Withdrew from Hong Kong and Singapore markets
- **1989.6**
  - Ryohin Keikaku Co., Ltd. established

#### 2000—
- **2000.5**
  - MUJI.net Co., Ltd. established (Currently, MUJI HOUSE Co., Ltd.)
- **2000.8**
  - Promoted to listing on the first section of the Tokyo Stock Exchange
- **2001.4**
  - Hong Kong (re-entry into market) MUJI SHATIN
- **2001.11**
  - MUJI Yurakucho and MUJI Namba stores opened
- **2002.11**
  - First Ireland store opened MUJI CHATHAM STREET
- **2003.4**
  - Singapore (re-entry into market) MUJI Bugis
- **2003.11**
  - First South Korea store opened MUJI LOTT SOUNGLA
- **2004.4**
  - First Taiwan store opened MUJI New York New York
- **2004.7**
  - MUJI Tsunam Campsite opened
- **2004.9**
  - First Sweden store opened MUJI Alvik City Stockholm
- **2004.12**
  - First Italy store opened MUJI MILANO Corso Buenos Aires

#### 2010—
- **2010.3**
  - First Poland store opened MUJI Arkad Med
- **2010.10**
  - First store opened in the Philippines MUJI Bonifacio High Street
- **2010.12**
  - First Portugal store opened MUJI Chiado
- **2012.4**
  - First Malaysia store opened MUJI Pavilion
- **2013.1**
  - First Kuwait store opened MUJI The Avenues
- **2013.2**
  - First UAE store opened MUJI Dubai Mall
- **2013.11**
  - First Australia store opened MUJI Chadstone
- **2014.11**
  - First Canada store opened MUJI Atrium
- **2014.12**
  - MUJI Sino-Ocean Taikoo Li Chengdu global flagship store opened
- **2015.9**
  - MUJI Yurakucho global flagship store reopened after renovation
- **2015.12**
  - MUJI Shanghai Huaihai 755 global flagship store opened
- **2016.5**
  - First Saudi Arabia store opened MUJI Hayat Mall
- **2016.8**
  - First India store opened MUJI Palladium
  - First Bahrain store opened MUJI Bahrain City Center
- **2017.4**
  - First Qatar store opened MUJI DOHA FESTIVAL CITY
- **2017.9**
  - IIDE CO., LTD. merged to Ryohin Keikaku
- **2018.1**
  - MUJI HOTEL SHENZHEN opened in China
The Year in Review

MUJI SHARE
STAR Hakodate (Japan)

April 22
Sales floor: 3,448.72 m²

MUJI Yurakucho Global Flagship Store expanded / renovated

Since opening in 2001, MUJI Yurakucho has launched a number of services as our global flagship store. The store reopened in July 2017 after a renovation and expansion of the retail space, and it now features a new marketplace on the ground floor that sells fresh produce and grocery items. The vegetables are fresh from the farm. They are grown by local farmers and farmers associations with no use of agro chemicals or with limited use. The store also displays the only full-scale model of a MUJI Hut in Tokyo for prospective buyers.

July 28, Sales floor: 3,394.19 m²

MUJI Diner
Shanghai Huaihai 755 opens

The world’s first MUJI Diner opened on the third floor of the MUJI Shanghai Huaihai 755 store. MUJI Diner begins by considering the world food situation in each climate zone when planning the menu. So far we have visited homes in Milan in Italy, the Xinjiang–Uygar Autonomous Region in China, and Iga City in Mie Prefecture in Japan, and learned tips and delights of local recipes directly from mothers. These places are home to the cuisine served at MUJI Diner.

June 3
Sales floor: 403.05 m²

MUJI Plaza Singapura opens as Singapore Flagship Store

MUJI Plaza Singapura opened in the Plaza Singapura shopping mall in central Singapore. With a sales floor area of approx. 1,640 m², it is the largest MUJI store in region Asia West/South and Oceania. The expansive floor space encompasses the third Cafe&MMeals MUJI in Singapore, as well as the nation’s first merchandise lines such as MUJI Labo, Found MUJI and IDEE. The store also features Open MUJI communication space. With the opening of this store, the number of MUJI stores outside Japan surpassed the total in Japan.

July 31
Sales floor: 1,643.46 m² (including Cafe&MMeals MUJI, 360 m²)

Headquarter Office Building Wins 30th Nikkei New Office Promotion Award

Ryohin Keikaku launched a renovation project of its head office building in 2016, under the title office in progress. The project won Nikkei New Office Promotion Award, a recognition sponsored by Nikkei Inc. and the New Office Promotion Association with the support of the Ministry of Economy, Trade and Industry and The Japan Chamber of Commerce and Industry. Rather than renovating and updating the floors at once, the renovations were done one floor at a time, each time incorporating what was learned while renovating the previous floor. Beyond just updating the office environment, this approach fosters skills and ownership of employees for creating an inspiring place to work.

Pricing Policy Promotions
Introduce Reasonable Prices

MUJI has continued to review products with the aim of providing appropriate quality and price for many customers. By eliminating waste in the production process and selecting appropriate materials, MUJI has been able to deliver reasonable prices while maintaining quality. In 2017, MUJI revised prices for 200 items in spring-summer season including apparel, home electronics, bedding, and more. Prices for another 110 items were revised in autumn-winter season. We will remain true to our policy of developing popular products at reasonable prices.