



News Release

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MUJI Releases English Version of Integrated Report, "MUJI REPORT 2023"

Ryohin Keikaku Co., Ltd. (Bunkyo-ku, Tokyo / President: Nobuo Domae) has released the English version of its integrated report, "MUJI REPORT 2023" (80 pages), which includes both financial and non-financial information. The Japanese version was published on March 13, 2024, and the English version is now available on the company's website.



The purpose of this report is to clearly communicate the Company's roadmap towards 2030 and its priority initiatives to all stakeholders, including shareholders and investors, as the Company moves forward with its "Second Founding" to realize a better future in the next 100 years.

The business strategies of Ryohin Keikaku, which aims to be a leader in ESG management, are aligned with the four ESG material issues identified by the Company. Based on its corporate philosophy and mission, the Company presents its goals, management policies, and business conditions for medium- and long-term value enhancement from both financial and non-financial perspectives.

Through this report, the Company seeks to bolster long-term corporate value by deepening stakeholders' understanding of its corporate activities, fostering dialogue, and integrating stakeholders' opinions into its corporate endeavors.

For more information, please refer to the [Sustainability page](#) on the Company's website.

[Main Contents of MUJI REPORT 2023]

Introduction

The Company provides a concise overview of its evolution over the past 43 years since the inception of MUJI, including the expansion of its business activities, financial and non-financial highlight data, and the expansive network of its global group.



Enhancing Our Corporate Value

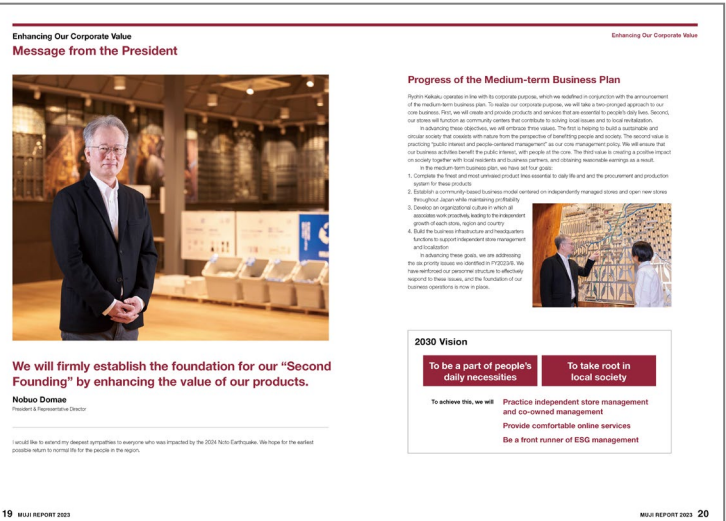
Through a message from the Chairman, the Company explains the society it aims to create based on MUJI's origins and the concept of its "Second Founding."

Additionally, the Company introduces a revamped system aimed at accelerating ESG management through core business operations.



Message from the President

The president explains the elements of product development that are particularly focused on, along with the progress of the six priority issues to achieve the goals of the Medium-Term Business Plan. Additionally, the new business model aimed at creating a "Truthful and Sustainable Life for All" is introduced.



Features

The challenges and specific initiatives in priority areas (global product development, sales activities (stores), IT strategy, financial strategy, etc.) aimed at enhancing the corporate value are explained in the messages from the directors in charge.

**Enhancing Our Corporate Value: Feature 1
Overseas Growth Potential**



We are making clear progress in our efforts to achieve autonomous growth globally. In mainland China, we will take new steps to respond to the uncertain economic outlook.

Satoshi Shimizu
Executive Vice President / Director
In charge of Overseas Merchandising Division, Mainland China, Taiwan and Hong Kong Business

Initiatives in Line with the Medium-term Business Plan Are Making Steady Progress

In the medium-term business plan aimed at achieving a 1.5x contribution to enhancing our value for ESG, we are intensifying comprehensive initiatives according to the operating environment of each country and region, with an aim to achieving autonomous growth globally. In mainland China, medium-term business plan-related initiatives, including our store opening strategy, are generally going well, and achievements have included our ability to effectively manage inventory levels and increase supply. Leveraging products in response to changing needs as consumption recovers is showing the fruits of the year COVID policy. The financial goals to be achieved, we have progressed beyond early-stage products. In fiscal specifications such as top-to-base and to develop high-quality products. We will continue to establish and separate new categories of products in areas such as fabric, accessories, pet goods and clothing gear. We are also introducing our core IT infrastructure established in the mainland China business. This has led already to significant improvements in sales and cost. As for the middle, we plan to optimize operations for the MUJI, building these relationships with local management (CRM) and supply chain management (SCM).

As for fabric, we have succeeded in strengthening our competitiveness, in a market characterized by tight shifts in consumer trends, both in strategic brand partnerships and distribution of purchasing channels, we need to work harder to achieve results that all expect.

Apparel and food-related businesses are beginning to make results in Taiwan and Hong Kong as well as mainland China, with resources toward commercial collaboration already getting momentum. In the present Asia, we are making progress in addressing the shift

Market Environment and Our Response

Recognizing that the economic conditions in mainland China have been increasingly challenging recently due to COVID-19 and property crisis. There are concerns that this could directly impact consumer spending in mainland China, which will cause investment to become more indecisive and longer in scale.

Given that these conditions, we are committed to making our corporate purpose of contributing to the customer's life and sustainable life for through our products, services, events and business activities, leveraging human resources in-house, with balanced responding between "cost and efficiency". Therefore, we will continue to maintain the pace of store openings and shift to larger stores, develop products supported by the local market, strengthen our omnichannel strategy to make full use of store resources, and expand the reach of marketing with those on e-commerce/CRM.

For events and parties, in branding, we believe it is important to produce a sense of wealth through events of our own merchandising practices, which are closely related to branding. One example is MUJI Originals, Yakuza Club, which responded to the rise of ESG. The first MUJI store specializing in apparel, MUJI Originals, Yakuza Club has given MUJI a fresh new image that has been well received by our customers. MUJI was invited to be an official and licensed brand for the newly opened stadium. However, the approach of offering new experience value and new experience value is helping to build brand loyalty and expand our business development in mainland China. We are also opening stores in mainland China that allow shop, restaurant and hospital items. The approach also aims to be able to become another new business model.

Our comprehensive communication resources are more comprehensive.

Launch of Global Products and Product Development System

We launched a new development and production system in September 2023 with the goal of accelerating sales not just

Products Developed in Mainland China Business



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Product Development System (From 2018)



Product Development System (From 2024)



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Business Strategies

Aligned with the belief that ESG management is integral to core operations, the Company presents its business strategies aligned with the four ESG material issues. Various aspects such as product strategy, store strategy, human resource strategy, and initiatives for resource recycling are discussed.



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Ryohin Keikaku's Business Strategies

Ryohin Keikaku's business strategies are inextricably linked to its ESG strategies.

As a group that contributes globally to creating "a fruitful and sustainable life for all," Ryohin Keikaku develops its products, services and business based on four material issues.

Our Four Material Issues

- Build a Sustainable and Circular Society That Coexists with Nature**
 - Ryohin Keikaku's Unique Product Development Pages 39-40
 - Account Pages 41
 - Household Goods Pages 42
 - Food Pages 43
 - Overseas Product Development Pages 44
 - Supply Chain Management Pages 45-46
 - Risk Mitigation Pages 47
 - Recovery and Recycling Initiatives Pages 48
 - Change for the Environment Pages 49
 - Climate Change Pages 50
- Address Local Challenges and Revitalize Regions**
 - Store Strategy Pages 51-52
 - Interview with a General Manager Pages 53-54
 - Sustainable Community Design Pages 55-56
- Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role**
 - Human Resource Development Pages 57-58
 - Initiatives for Diversity & Inclusion Pages 59-60
- Realize Governance Aligned with Public Interest and People-Centered Management**
 - Working toward "Public Interest and People-Centered Management" Pages 61-62

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