

MUJI

REPORT 2023

RYOHIN KEIKAKU CO., LTD.

About MUJI REPORT

This report is intended to lead to dialogue with stakeholders by presenting goals for medium- to long-term value creation, management policies, business conditions, and other financial and non-financial information based on the philosophy and mission of Ryohin Keikaku, which is aiming to help create “a truthful and sustainable life for all.”

Information Resources

Financial Information			Non-Financial Information
MUJI REPORT Information on medium- to long-term value creation			
Securities Report (Japanese only)	Consolidated Financial Results	Investor Relations (website) https://ryohin-keikaku.jp/eng/ir/	Sustainability (website) https://ryohin-keikaku.jp/eng/sustainability/

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Scope of This Report Consolidated subsidiaries and consolidated companies of Ryohin Keikaku Co., Ltd.

Period Covered Fiscal year ended August 2023 (September 1, 2022 to August 31, 2023)

Note: Information outside this period is reported when it is appropriate to show past events and data or recent examples. In this report, amounts and number of shares that are less than one unit are rounded down, and all ratios and percentages are rounded to the nearest whole number.

Forward-Looking Statements

This report contains forward-looking statements and projections. These statements and projections are based on the Company's judgments at the time the report was produced, and include risks and uncertainties. Changes in various factors could cause actual results to differ materially from forward-looking statements and projections contained herein.



無印良品

Our Philosophy

Our Corporate Purpose

Our corporate purpose is to contribute to the creation of “a truthful and sustainable life for all through our products, services, stores and business activities; believing human society rich in heart, with balanced relationship between human, nature and artifacts.”

Our Two Missions

1. To provide daily necessities and services with genuine quality and ethical value, at appropriate and affordable prices.
2. To have a positive impact on each region by operating stores that serve as community centers, sharing concerns and values with local residents and collaborating with them to tackle local issues.

Our Core Value

We make efforts to reduce our environmental burden and to respect individual human rights through our product development, services and actions. Through our core value of “contributing to society and people” our employees and associates will proactively respond to issues facing society and the Earth.

Our Management Policy

We will practice “public interest and people-centered management,” where each of our employees and associates contribute to the public interest through our business activities and locally rooted stores, have a sense of ownership and take leading roles in the community.

Enhancing Our Corporate Value

Through our activities, we will create a highly profitable business structure, pay taxes properly and return profits to shareholders appropriately. Furthermore, we will strive to create long-term value for the Company by making a positive impact on society together with stakeholders.

Introduction

Our History

Ryohin Keikaku's "Grand Strategy" is to realize "a truthful and sustainable life for all." Our "Grand Strategy" defines who we are—being useful to people and society. Of course, as a business enterprise, profit is also important, but our top priority is this "Grand Strategy." Ryohin Keikaku has been working since its founding to make a contribution wherever it can help with social issues and people's concerns. This approach has led to the Ryohin Keikaku of today.

1980-2000

Our Perspective

Redefining the value of goods

We aimed to minimize unnecessary elements and create products that are truly useful to consumers from the perspective of selection of materials, streamlining of processes and simplification of packaging.

2001-2015

The relationship between life and goods

We sought to give customers a feeling of rational satisfaction, expressed not with "This is what I really want," but with "This will do."

Products with simplicity



Evolution of Our Products

Products that fit all life occasions



Evolution of Our Stores and Services

New store openings both in Japan and overseas



Launch of flagship stores and new services



History of Ryohin Keikaku

1980

Seiyu Co., Ltd., a Japanese retail company, established Mujirushi Ryohin (MUJI) as its private brand

1983

First directly managed store, MUJI Aoyama, opened in Japan

1986

Production and procurement started outside Japan

1989

Ryohin Keikaku Co., Ltd. established

1991

Began business outside Japan (First store in U.K. and first store in Hong Kong opened)

1995

MUJI Tsunan Campsite opened

2000

Listed on the first section of the Tokyo Stock Exchange*
MUJI.net Co., Ltd. established (currently MUJI HOUSE Co., Ltd.)

* Now listed on the Tokyo Stock Exchange Prime Market

2001

MUJI Yurakucho, a flagship store for information dissemination, opened

2005

MUJI (Shanghai) Company Limited established

2006

Business transfer from IDÉE Co., Ltd.

2007

First store in U.S. opened

2010

Began MUJI x JICA Project Kyrgyz

2011

Found MUJI Aoyama opened

2012

Muji Retail (Thailand) Co., Ltd. established

2013

Joined UN Global Compact
Launched MUJI passport smartphone app

2014

MUJI Sino-Ocean Taikoo Li Chengdu opened

2015

Began ReMUJI initiative for reuse and recycling of fabric items

2016-2020

A truthful and sustainable life

By providing functional, streamlined products that help simplify and beautify people's lives based on our concept of "conscience and creativity," we have contributed to solving social issues with proposals for peaceful, relaxed living.

Products for organizing people's life



2021-

"A truthful and sustainable life for all," and beyond

We offer affordable products that are not only essential and useful but also beneficial for the environment, producers and local communities. We will also evolve our efforts to help address local challenges, and contribute to the harmonious coexistence and development of daily life, culture and the environment together with local communities.

Products in harmony with society



Expansion of services close to daily life



Creation of platforms for realizing a better society



2016

Entered the market in India as the first Japanese retailer there

2017

Number of MUJI stores surpassed 400 both in Japan and overseas

2018

Began sales of frozen food

2019

MUJI Ginza and MUJI HOTEL GINZA opened

2020

Established production management base in Vietnam
Launched MUJI passport Pay service

2021

New start under our "Second Founding"
Started monthly furniture rental service
Opened Healthcare Center

2022

Opened MUJI Hiroshima Alpark
Started sales of MUJI products in Lawson convenience stores nationwide and through CO-OP Sapporo's Todock home delivery system

2023

Expanded range of plastic products collected
Reopened MUJI Shinjuku Yasukuni-Dori as a specialty clothing store

FY2023/8

Operating revenue
JPY **581.4** billion

Operating profit
JPY **33.1** billion

The graph in the background shows operating revenue.

Introduction

Toward “a Truthful and Sustainable Life for All”

The scope of our activities has greatly expanded since the creation of MUJI 43 years ago, but our core philosophy has remained the same. We envision a future where “a truthful and sustainable life for all” is a reality. We will provide various products based on our concept of “conscience and creativity,” and help solve social issues through our businesses and services.

A store with all lifestyle essentials



Local comm

Organization of lo local businesses a



Events and workshops



Fresh food

Circularity: Collaborating with custom recycling and waste reduction



MUJI CYCLE (page 48)



ReMUJI (page 48)

Services that support daily life: Enhancing customers' well-being



Mobile sales



Healthcare Centers (page 56)



MUJI SUPPORT (page 52)

Community centers

Local resources: Collaboration with local governments and sales of local products



Community Market events (page 55)



Development of local products exclusive to the area



Rental of stall space inside MUJI stores at shopping arcades
Store opening support for local business owners



Café&Meal (local production for local consumption)

Partners in product



Mottainai Market (page 48)

Platforms for realizing “a truthful and sustainable life for all”

Space design business: Designing residences and spaces that reflect MUJI's value



Residential design



Public spaces



Renovation

Revival projects for regional areas: Highlighting local traditions and utilizing local resources



Revitalization of shopping arcades



Store openings at roadside rest areas



Revitalization of housing complexes and renovation projects



Repurposing of abandoned school buildings



Revitalization of unused houses

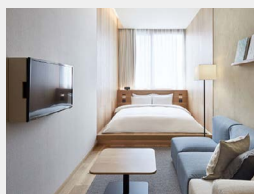


Shokoku Ryohin (Sales of local products)

Accommodation business: Managing facilities and facilitating local experiences



MUJI BASE (page 56)



MUJI HOTEL



Campsites

Community engagement: Developing activities and collaborating with local governments, entrepreneurs and producers



ITSUMO MOSHIMO (page 56)



Satoyama landscape conservation

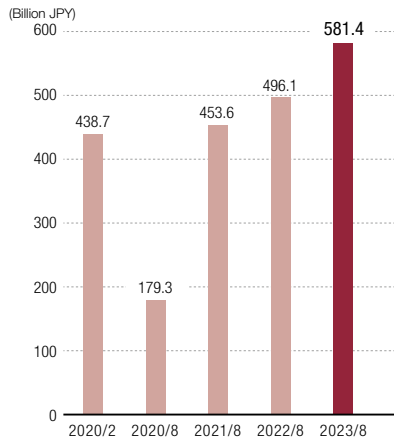


Art events

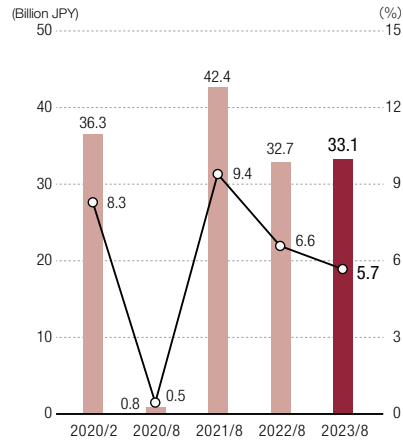
Introduction

Financial and Non-Financial Highlights

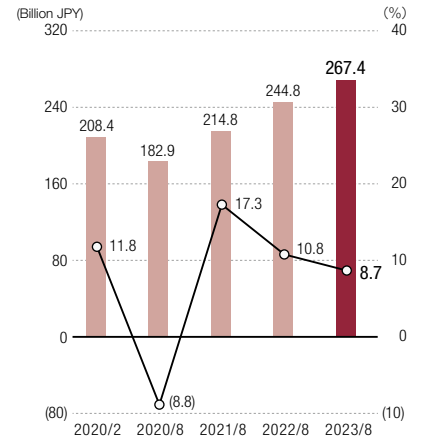
Operating Revenue



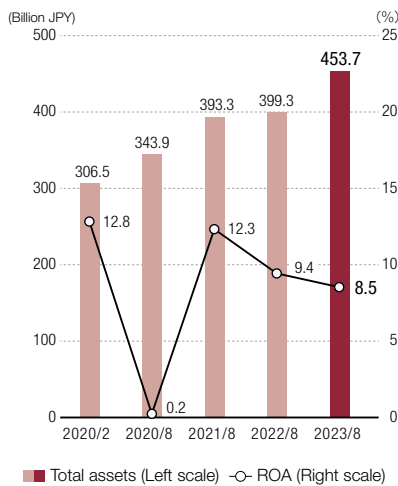
Operating Profit/ Operating Profit Ratio



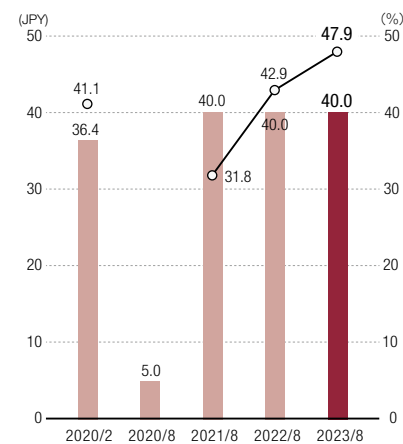
Net Assets/ROE



Total Assets/ROA

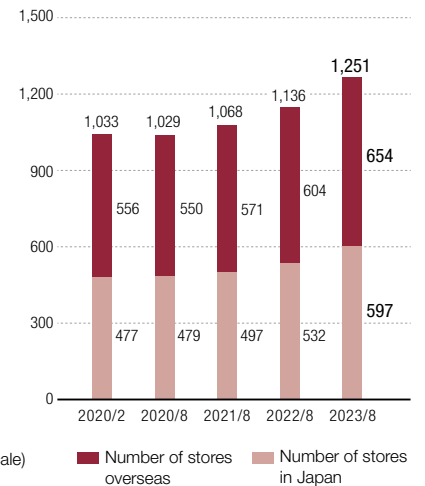


Dividends per Share/ Dividend Payout Ratio



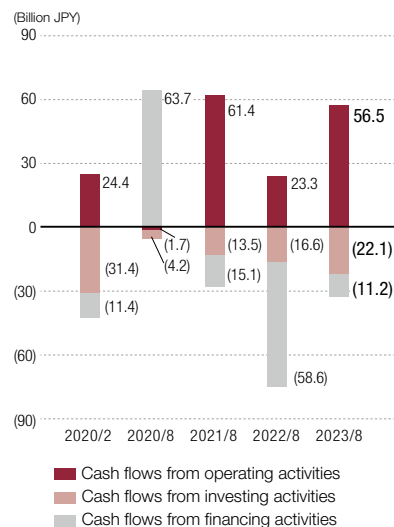
Number of Stores (Total) in Japan and Overseas

Includes licensed stores, Cafe&Meal MUJI and IDÉE

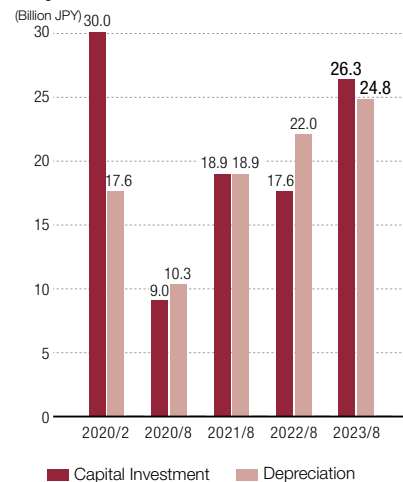


Note: The dividend payout ratio for FY2020/8 is not presented as the Company recognized net loss per share.

Cash Flow

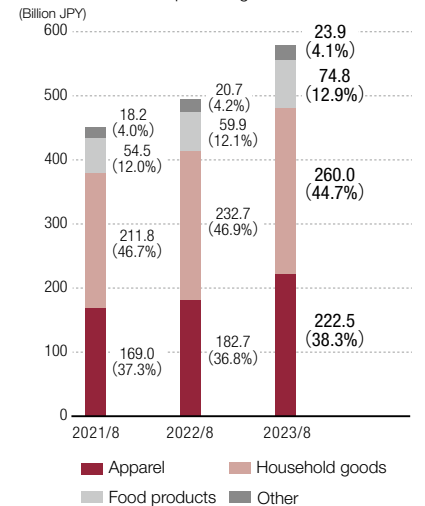


Capital Investment and Depreciation



Operating Revenue by Product Category

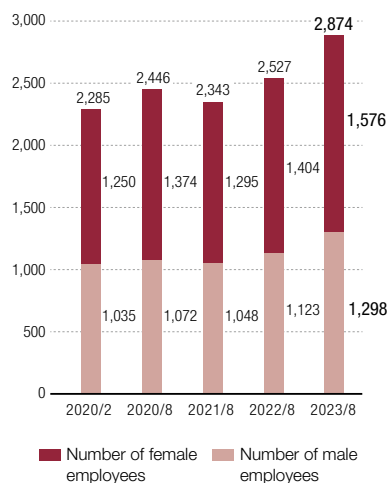
Parentheses indicate percentage of total



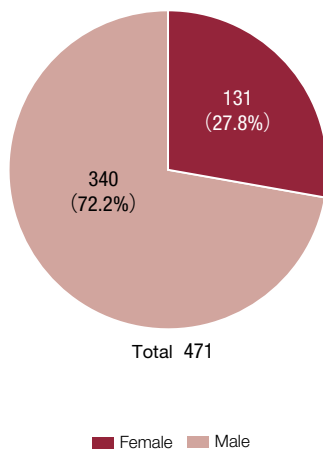
Note: Due to the change in fiscal year, 2020/8 covers the six-month period from March 1 to August 31, 2020.

Number of Employees¹

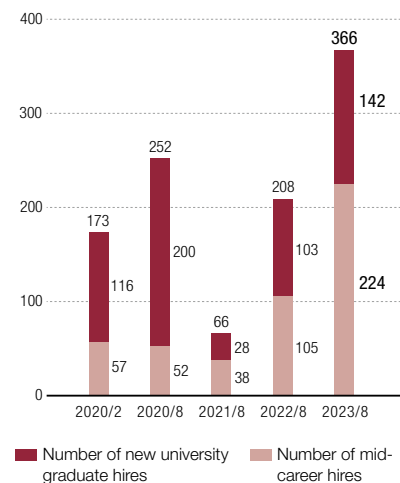
Number of employees at the end of the period



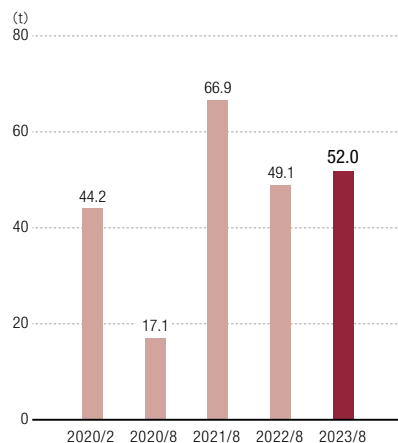
Percentage of Women in Managerial Positions¹



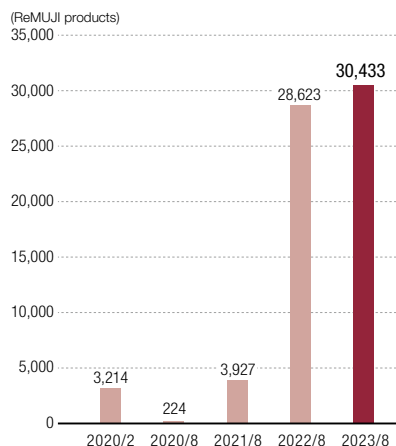
Number of New Employees Hired¹



Volume of Textile Products Collected¹

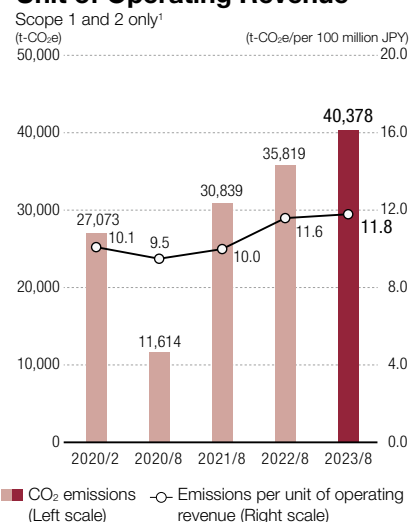


ReMUJI^{1,2} Sales Volume

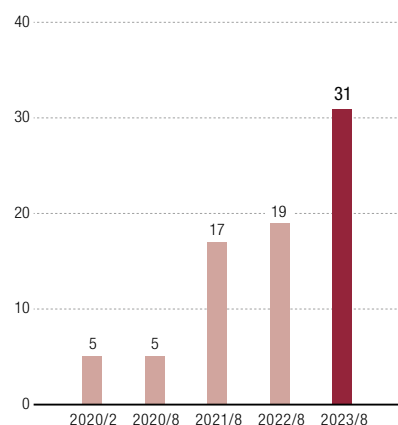


Sales grew substantially in FY2022/8 due to the expansion of ReMUJI sales at MUJI Shinjuku* from September 2021.
* Currently MUJI Shinjuku Yasukuni-Dori

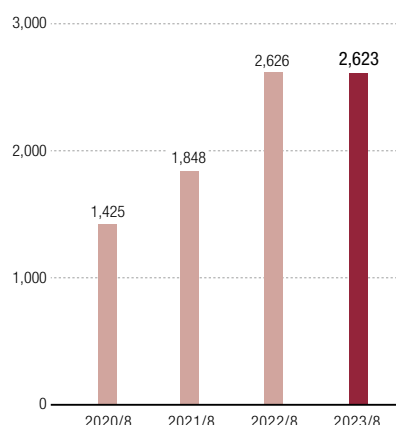
CO₂ Emissions/Emissions per Unit of Operating Revenue



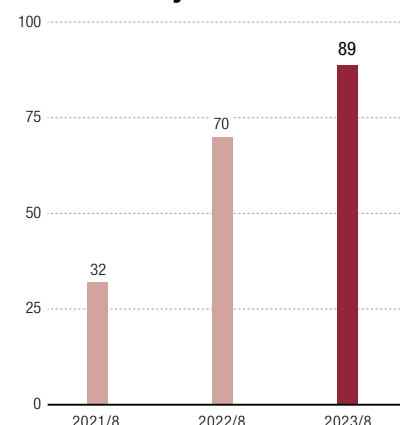
Number of Regional Cooperation Agreements¹



Number of Employees in Employee Shareholding Association¹



Number of Employees under the Balanced Four-Day Workweek System¹



For FY2021/8, the figure covers the four-month period since the launch of the system in May.

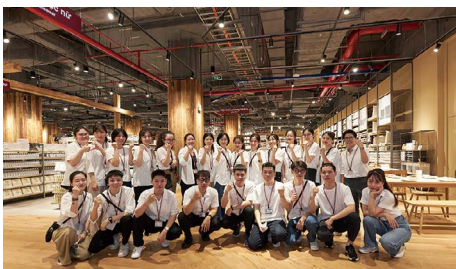
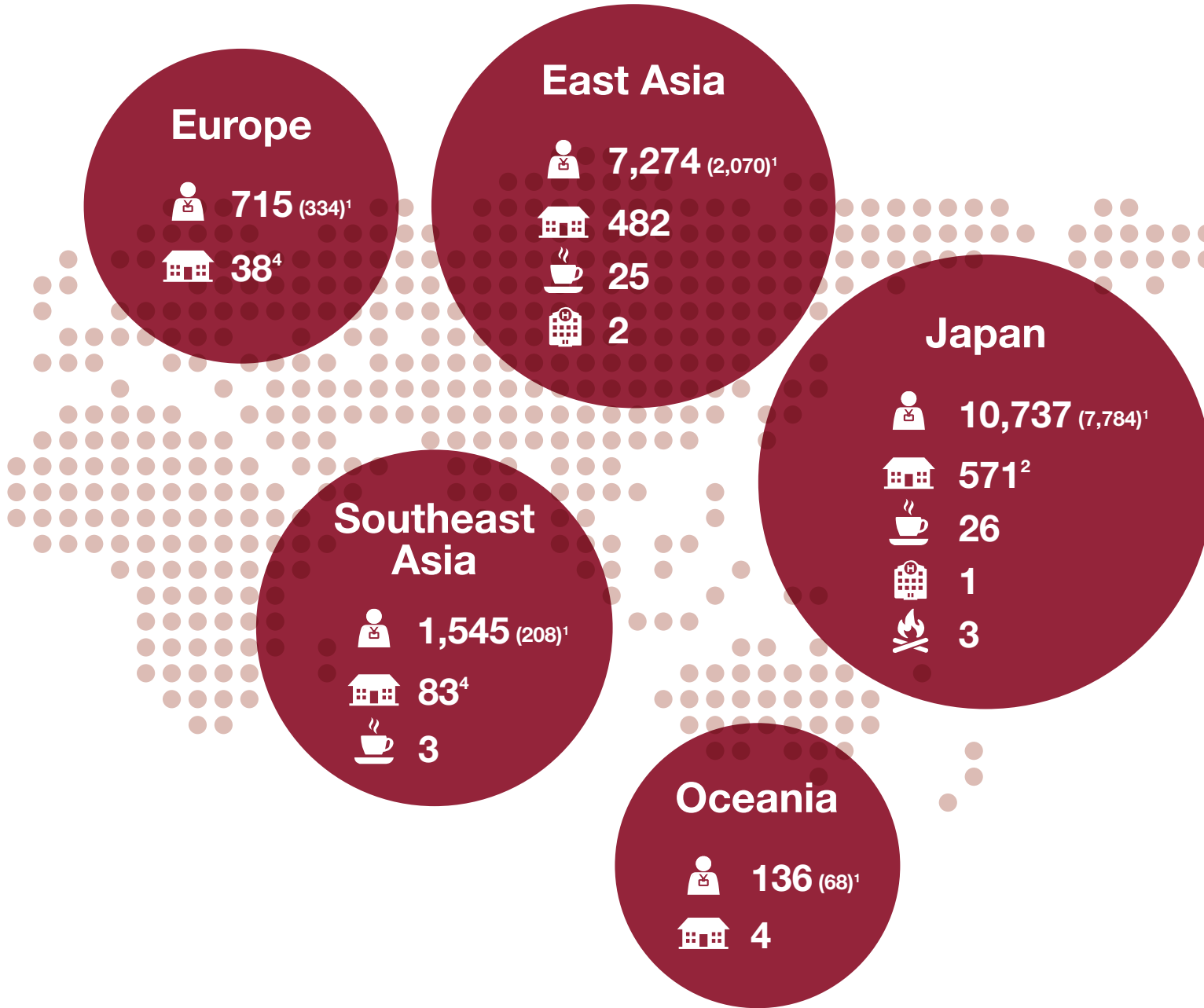
1. Ryohin Keikaku Co., Ltd. only

2. Resale of goods reprocessed from products collected at stores for recycling and from products soiled or damaged during the manufacturing process

Introduction

Global Network (As of August 31, 2023)

We operate directly managed MUJI stores and a wholesale business in Japan and overseas, with more than 1,200 stores in 32 countries and regions. Although points of emphasis differ depending on the region, by enhancing our lineup of locally developed products and services that match lifestyles in each region, we establish a locally rooted business model. We also focus on hiring employees locally. We will continue to expand globally with the aim of being useful to the people of each country and region where we operate to help realize “a truthful and sustainable life for all.”





Countries/Regions
Where We Operate

32

Number of Stores

1,251³

Number of Group
Employees

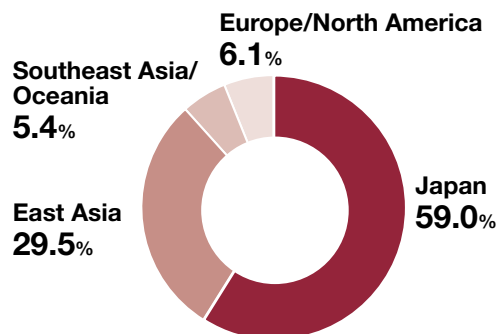
20,795
(10,721)¹

North
America

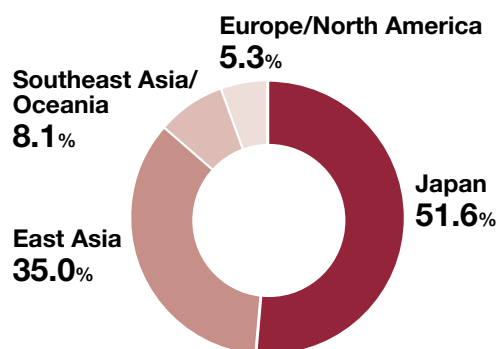
388 (257)¹

19

Breakdown of Operating Revenue by Area



Breakdown of Employees by Area



1. Number of non-regular employees (average number of employees per year based on an eight-hour workday calculation method)
2. Including 9 IDÉE stores and 84 licensed stores
3. Including licensed stores, Café&Meal MUJI and IDÉE
4. Including licensed stores

