

MUJI

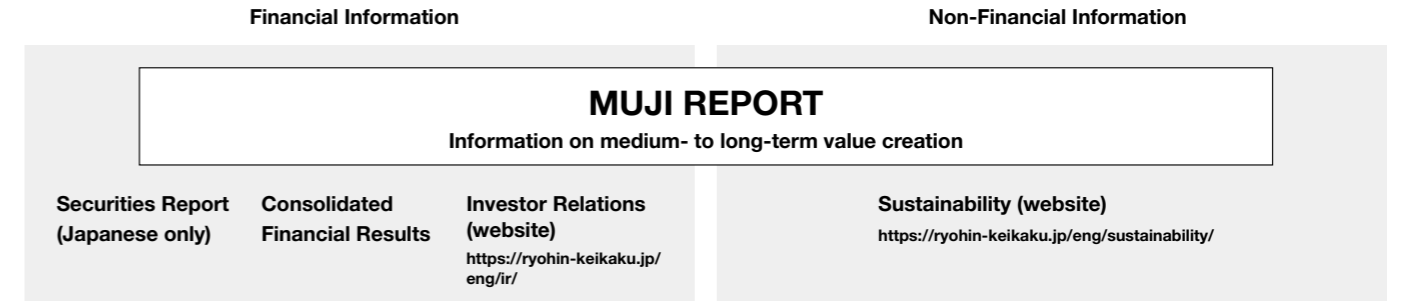
REPORT 2023

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



Contents

Introduction	Our Philosophy	3	Material Issue 2: Address Local Challenges and Revitalize Regions	Store Strategy	51
	Our History	5		Interview with a General Manager	53
	Toward “a Truthful and Sustainable Life for All”	7		Sustainable Community Design	55
	Financial and Non-Financial Highlights	9	Material Issue 3: Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role	Human Resource Development	57
	Global Network	11		Initiatives for Diversity & Inclusion	59
Enhancing Our Corporate Value	Message from the Chairman	13	Material Issue 4: Realize Governance Aligned with Public Interest and People- Centered Management	Working toward “Public Interest and People-Centered Management”	61
	The Value We Create	15			
	Ryohin Keikaku and Sustainability	17	Basic Information	Directors and Corporate Auditors	63
	Message from the President	19		Corporate Governance	65
	Our Goals and How We Will Achieve Them	25		Messages from Outside Officers	69
	Feature 1: Overseas Growth Potential	27		Message from an Outside Corporate Auditor	71
	Feature 2: Changes in Our People and Stores	29		Risk Management and Compliance	72
	Feature 3: An IT Strategy Aimed at Realizing Comfortable Online Services	31		11-Year Summary	75
	Feature 4: Strengthening Our Earning Power	35		ESG Data	77
Business Strategies	Ryohin Keikaku’s Business Strategies	37		Stock Information	79
Material Issue 1: Build a Sustainable and Circular Society That Coexists with Nature	Ryohin Keikaku’s Unique Product Development	39		Corporate Information	80
	Apparel	41			
	Household Goods	42			
	Food	43			
	Overseas Product Development	44			
	Supply Chain Management	45			
	Raw Material Procurement	47			
	Recovery and Recycling Initiatives	48			
	Caring for the Environment	49			
	Climate Change	50			

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.



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.

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."

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.

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 with simplicity



Evolution of Our Products

Products that fit all life occasions



Products for organizing people's life



Products in harmony with society

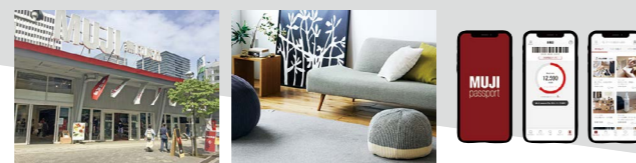


Evolution of Our Stores and Services

New store openings both in Japan and overseas



Launch of flagship stores and new services



Expansion of services close to daily life



Creation of platforms for realizing a better society



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

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.

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



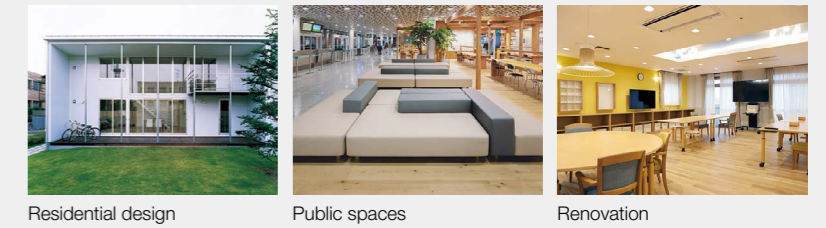
Local community centers

Organization of local resources: Collaboration with local businesses and sales of local products

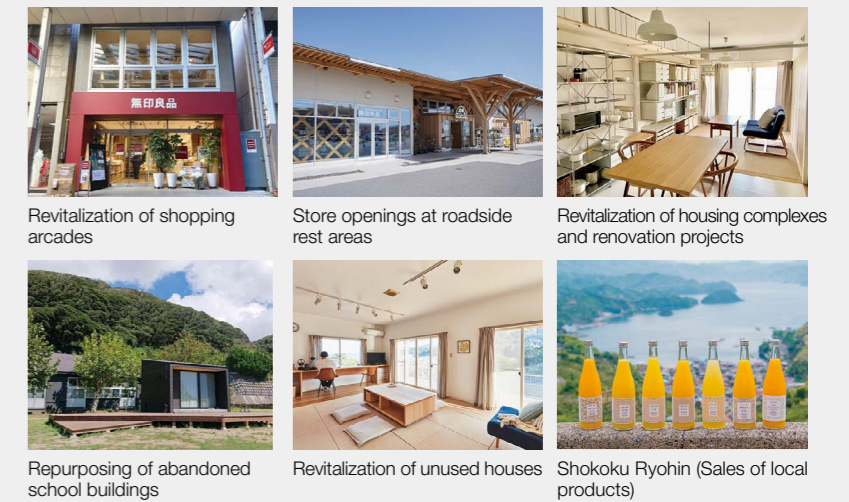


Platforms for realizing “a truthful and sustainable life for all”

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



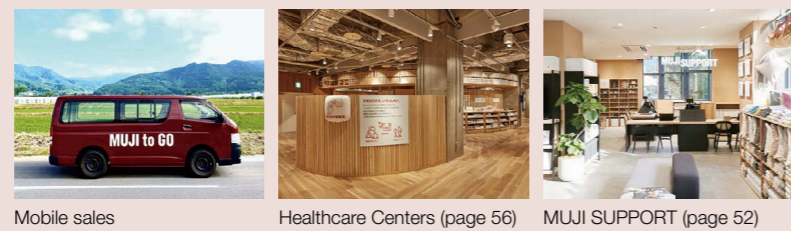
Revival projects for regional areas: Highlighting local traditions and utilizing local resources



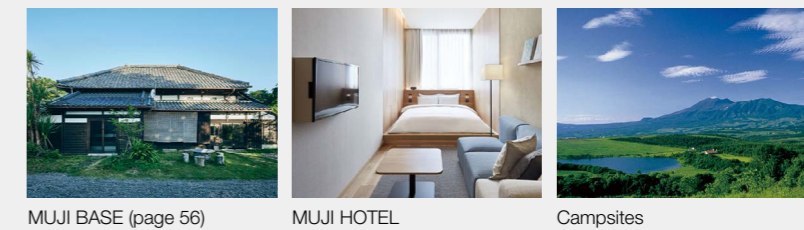
Circularity: Collaborating with customers in product recycling and waste reduction



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



Accommodation business: Managing facilities and facilitating local experiences

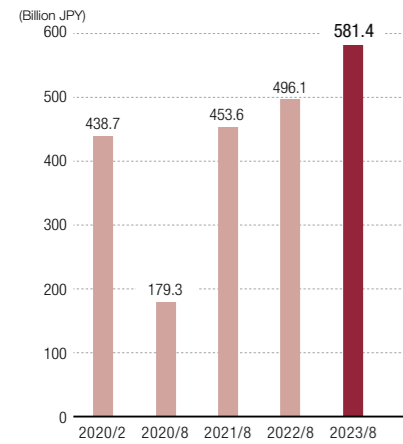


Community engagement: Developing activities and collaborating with local governments, entrepreneurs and producers

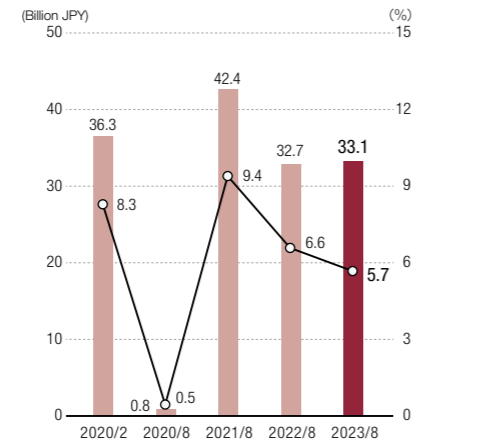


Financial and Non-Financial Highlights

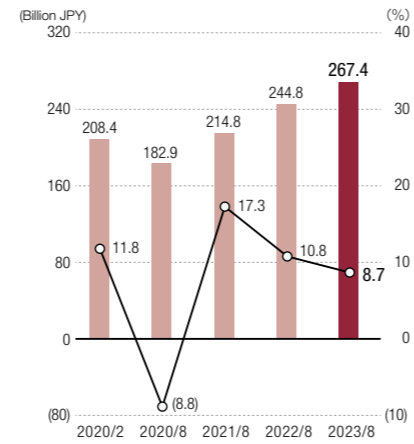
Operating Revenue



Operating Profit/ Operating Profit Ratio

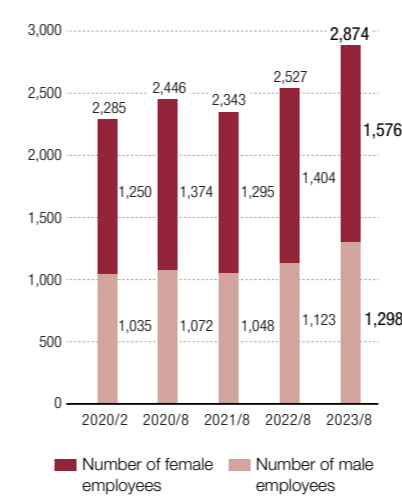


Net Assets/ROE

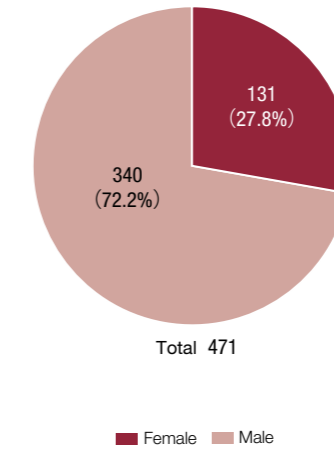


Number of Employees¹

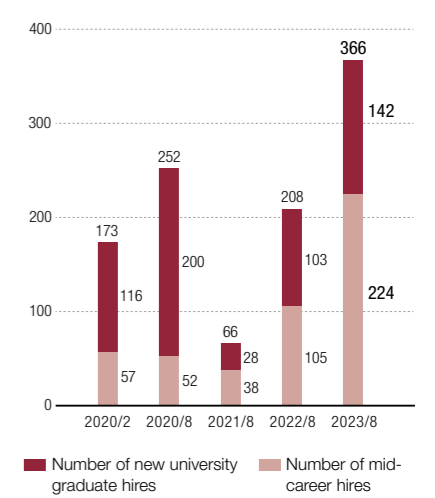
Number of employees at the end of the period



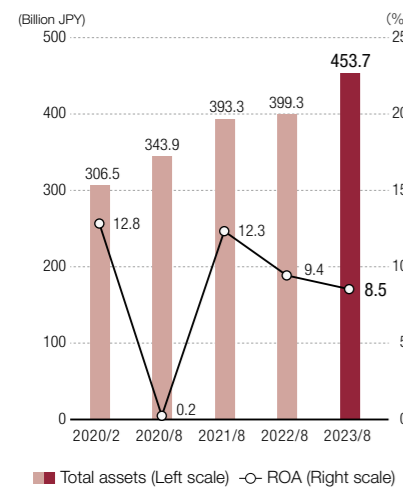
Percentage of Women in Managerial Positions¹



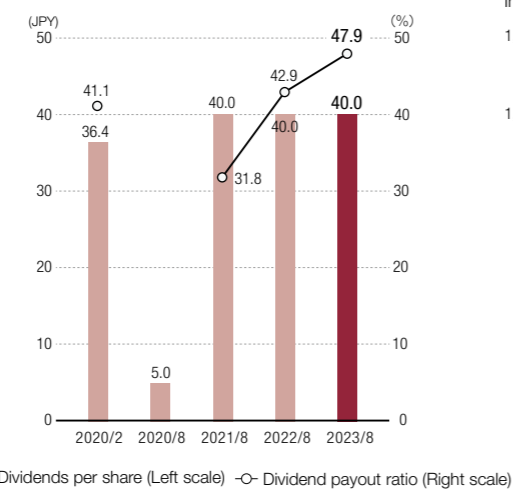
Number of New Employees Hired¹



Total Assets/ROA

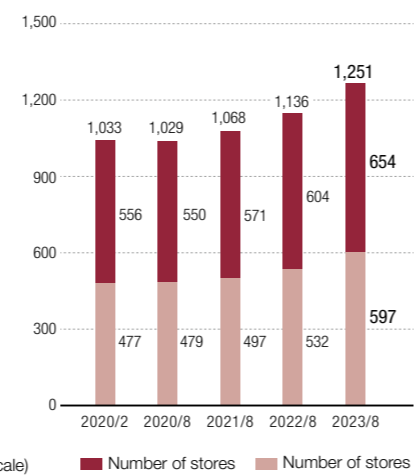


Dividends per Share/ Dividend Payout Ratio

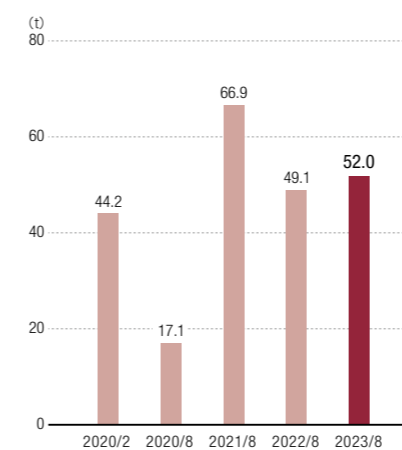


Number of Stores (Total) in Japan and Overseas

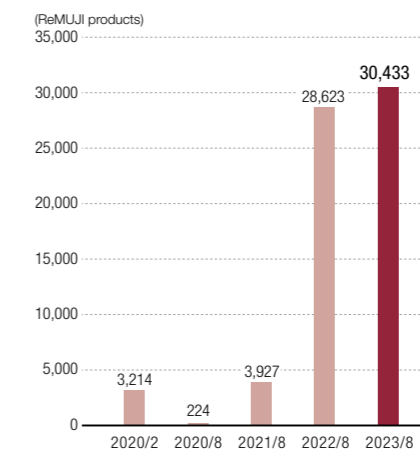
Includes licensed stores, Cafe&Meal MUJI and IDÉE



Volume of Textile Products Collected¹

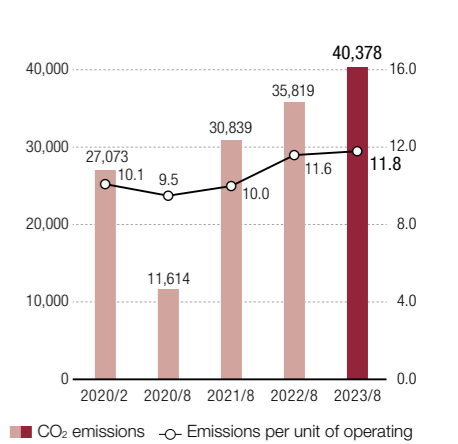


ReMUJI^{1, 2} Sales Volume

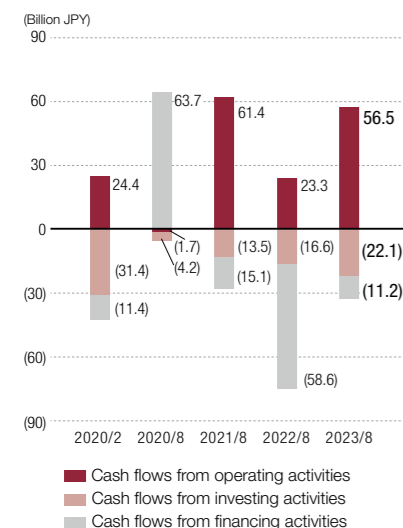


CO₂ Emissions/Emissions per Unit of Operating Revenue

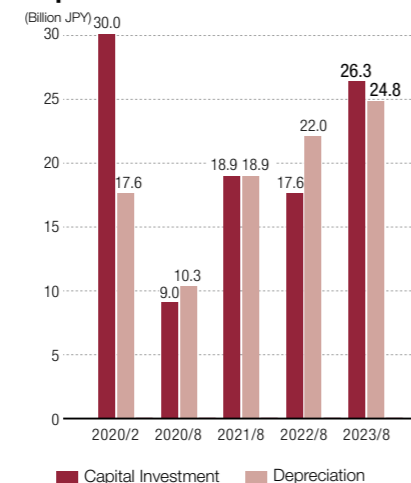
Scope 1 and 2 only¹
(t-CO₂e) (t-CO₂e/per 100 million JPY)



Cash Flow

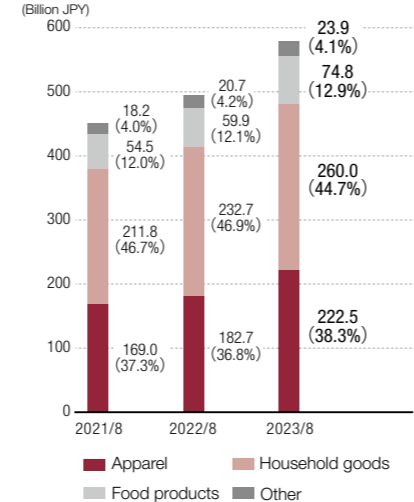


Capital Investment and Depreciation

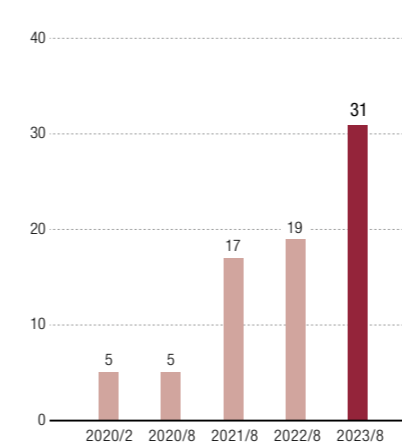


Operating Revenue by Product Category

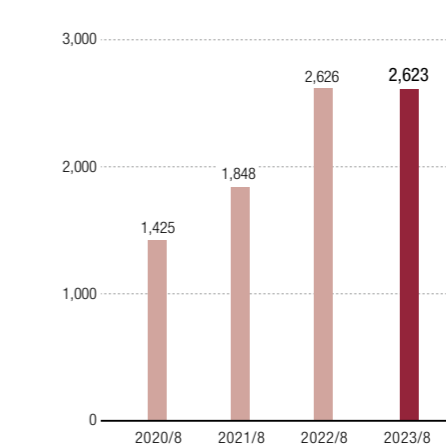
Parentheses indicate percentage of total



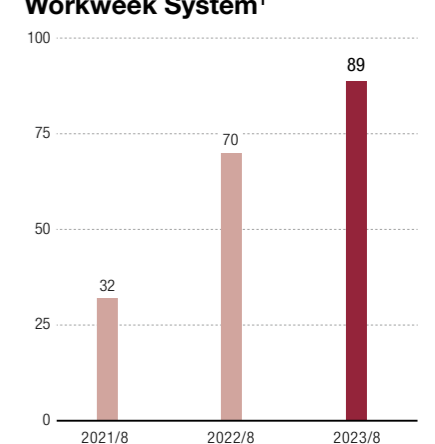
Number of Regional Cooperation Agreements¹



Number of Employees in Employee Shareholding Association¹



Number of Employees under the Balanced Four-Day Workweek System¹



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

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

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.”

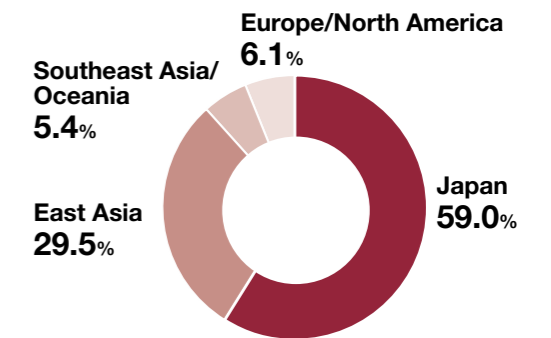
Employees
 Stores
 Cafés
 Hotels
 Campsites

Countries/Regions Where We Operate **32**

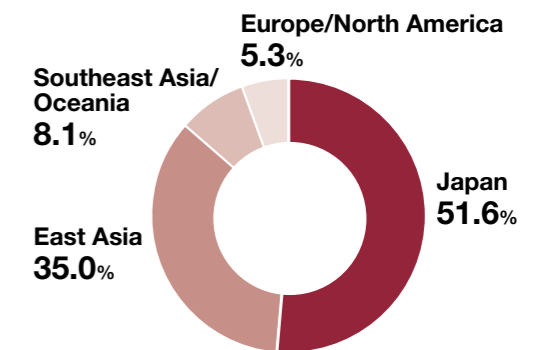
Number of Stores **1,251³**

Number of Group Employees **20,795¹**
(10,721)¹

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

