



# 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 truthful and sustainable life for all,”  
Ryohin Keikaku develops its products, services and business based on four material issues.

## Our Four Material Issues

<b>1 Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature</b>	<b>3 Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role</b>
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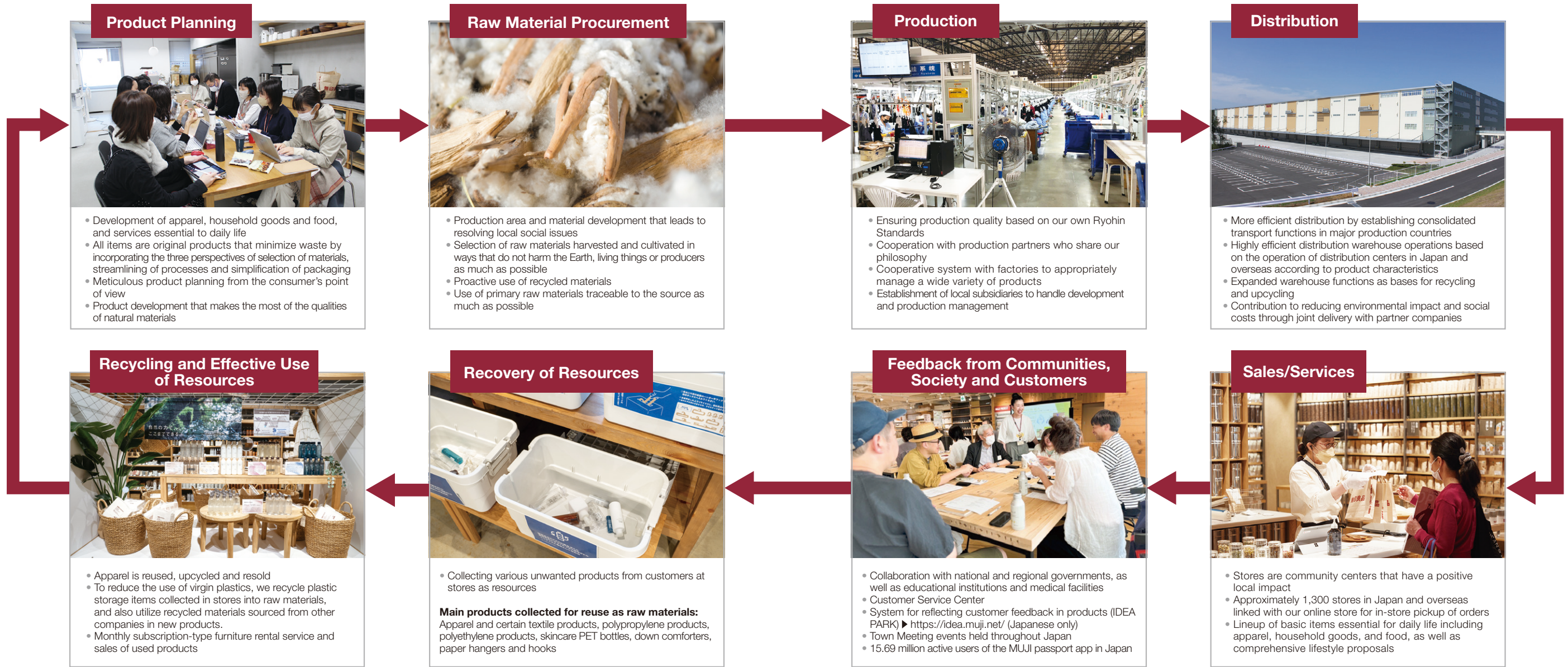
Material Issue 1: Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature

Ryohin Keikaku's Unique Product Development

“The More You Use Our Products, the Better the World Will Become” Is the Concept Behind Ryohin Keikaku's Product Development.

All of our stakeholders, including suppliers, customers, local communities, governments and employees, who appreciate MUJI's approach and product development philosophy, are free to participate in this process and share their opinions and ideas, leading

to products with new value. MUJI intends to be a forum for this kind of open innovation. MUJI products are useful in daily life. The more people they reach around the world and the more widely they are used, the more we can promote environmental responsibility and help resolve social issues. In addition, when customers return used MUJI products to the store rather than throwing them away, these products can be recycled as raw materials and reborn as new products. We will conduct planning and development that thoroughly incorporate this approach to create these kinds of products and services.



The Four Elements of Product Development

**(1) Products that take the environment into consideration**

We develop products with consideration for their environmental impact throughout their lifecycle, even including after they are no longer used. Rather than worrying about subtle differences in appearance, we focus on materials and manufacturing processes. We offer products that are designed for easy disassembly and separation after use, and do not require unnecessary energy consumption during manufacturing and transport.

**(2) Products that solve social issues**

We utilize unused materials from production areas as raw materials and partner with reliable local business operators to create new employment in industrially undeveloped regions. We develop human resources through vocational education and create products that establish local industries, help circulate wealth and contribute to regional development.

**(3) Products that let the individuality of the consumer shine, not the uniqueness of the product**

Our products are designed to be useful and spotlight the individuality of the consumer, not the uniqueness of the product. Rather than emphasizing brand or product prestige, or distinctiveness and uniqueness in design, we are committed to providing products that offer intrinsic value to each individual consumer.

**(4) Products inspired by culture and tradition**

The cultures and traditions that have evolved in each region are filled with life's lessons. We learn from each region's culture and tradition, such as the wisdom that comes from knowing the materials native to a region inside out, and the technologies and innovations that were developed to solve inconveniences experienced over a long history. We then adapt these ideas to modern lifestyles and society to create new products.



Material Issue 1: Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature

Apparel

Basic Policy and Strategy

We offer a lineup of clothing that gives customers what they need, in the form they want at fair prices, created based on the concept of basic products with straightforward designs that offer just the right amount of comfort. We prioritize the use of materials that are natural and recyclable. By maintaining consistency in materials, design and color, we avoid producing unnecessary clothing. Based on the assumption that our products will be used for a long time, we will further strengthen the circulation of resources. In this way, we enable customers to participate confidently in a cycle that adds new value to articles of clothing, giving them a second life when it comes time for people to get new ones.

Key Issues

- Refinement of our line of everyday essentials
- Ensuring stable inventory
- Establishment of position as “natural daily wear”
- Development of materials, products and resource circulation systems that take the environment and society into consideration

Key Initiatives

Development of a line of highly refined everyday essentials

We will develop basic product lines that are unaffected by trends and remain consistent over time, while ensuring a stable inventory to increase the recognition of our products as everyday essentials. Specifically, we have identified 60 core mainstay items, including shirts, bottoms, cut-and-sew tops, knitwear, outerwear, innerwear, socks, shoes and bags.

Use of natural materials

We are developing products that utilize the functionality and style of natural materials such as cotton, linen, kapok, hemp, wool and down. Our policy is to select materials sourced with consideration for impact on the environment and society. For cotton, 97% of the procurement volume in FY2024/8 met this standard.<sup>1</sup> As a natural fiber, cotton helps to prevent dry skin and is also less likely to generate static electricity, even when layered with woolen knitwear. In response to customer feedback, we redesigned the *Warm Cotton* series of innerwear for the fall/winter season of 2024 to make it 100% cotton, aiming to enhance the level of comfort even further. (Some items excluded)

1. We recognize certifications such as Global Organic Textile Standard (GOTS), Cotton made in Africa (CmiA), and GRS as indicators of cotton produced with consideration for society and the environment.  
Raw material procurement ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/activities/material/>

Enhanced styling

We aim to differentiate our offerings by pursuing a unique styling with a neutral expression unaffected by trends. In terms of color, we have delved into MUJI’s distinctive character and developed items with a unified feel across categories to create proposals where all elements come together in harmony.

Stable supply of products

We will build a stable inventory supply system by strengthening coordination between all departments involved in product development, production, inventory planning and management, and sales of apparel. For seasonal items in particular, we will look to minimize markdowns and maximize sales by clearly defining sales periods and ensuring the timely and appropriate supply of inventory.

ATELIER MUJI: Clothing Basics Exhibition

MUJI continues to create classic items that underpin our daily lives by drawing inspiration from the traditions, cultures and wisdom passed down through generations around the world, as well as from nature. For apparel as well, we continue to propose essential clothing for daily life that feels good to wear, inspires confidence and forms the foundation of one’s personal style. This includes easy-to-wear, functional and practical items such as shirts, chinos, T-shirts and jeans that can be freely mixed and matched.

At ATELIER MUJI,<sup>2</sup> we held the Clothing Basics exhibition in September 2024. The exhibition showcased classic items such as dress shirts, T-shirts, denim, chinos and socks, centered on three themes: craftsmanship, comfort and strength/durability. The aim was to offer an experience of MUJI’s concept of clothing essentials and the background of our apparel manufacturing, giving visitors an opportunity to develop a deeper appreciation for the clothes they choose.

2. An initiative for holding exhibitions and events on various themes such as art and design, based on the concept of “a workshop where you can go back to the basics of life and find hints for moving forward into the future.”



Everyday essentials



Warm Cotton series of innerwear



Harmonized styling

Materials Selection and Product Design That Take the Environment and Society into Consideration

Development of feminine care products that meet women’s needs

We are strengthening development of feminine care products aimed at improving quality of life for women. These products provide support for women’s body- and health-related issues such as menstruation, pregnancy and childbirth, and menopausal symptoms. *Smooth Leak-Reducing Absorbent Sanitary Shorts* feature a six-layer gusset capable of absorbing approximately 40 ml of fluid. In addition, waterproof fabric extending to the sides, front and back helps reduce side leaks and nighttime leakage. The main fabric of the product uses lyocell, a renewable fiber made primarily from eucalyptus, for softness and comfort.



Smooth Leak-Reducing Absorbent Sanitary Shorts

Recyclable materials: Polyethylene terephthalate (PET)

Our recyclable fleece series uses 100% PET raw materials for all components of the products, from the fabric and accessories, such as buttons, through to the thread. By using 100% recycled PET for the main fabric, primarily sourced from PET bottles, we can reduce environmental impact at the raw material stage. Furthermore, since the design features a single material, separation and sorting are unnecessary during recycling, making it easier to recycle the product after use.



Recyclable fleece series

Procuring materials that contribute to industrialization of production areas: Andes wool

Some of our knitwear products use Andes wool, and in FY2024/8 we increased procurement to 49 t. Wool production in the Andes mountains has gradually been declining over time, but the quality of the wool remains consistently high. The wool of sheep raised in a harsh, dry natural environment with temperature extremes is strong and thick, producing knitwear products with volume and elasticity. Moreover, at high altitudes exceeding 3,800 meters, there are none of the flies that necessitate the practice of mulesing—the surgical removal of skin from the sheep’s rump—which is a benefit in terms of animal welfare. We will continue to promote manufacturing that uses the characteristics of Andes wool, thereby contributing to the industrialization of production areas.



Andes wool Jacquard knit crew neck sweater

Resource Circulation

Review of packaging materials, display- and fixture-related equipment

Since FY2019/8, we have been reviewing the materials used in product packaging and sales floor displays. We are switching innerwear packaging, as well as display hooks and hangers, which were traditionally made from plastic, to paper. In addition, the loops used for attaching tags are being replaced with recycled paper or FSC-certified paper.<sup>3</sup> As a result, we have removed plastic from 93.8% of our apparel packaging and materials (as of the end of August 2024).

The paper hangers and hooks can be returned to MUJI stores throughout Japan, where they are dissolved and recycled at a plant to be reused as paper hangers for our display materials and as recycled paper products for other companies. Furthermore, from June 2024 we began introducing mannequins made from 100% recycled polyethylene, starting at new stores. Using recycled material helps to reduce environmental impact at the raw material manufacturing stage. We also revised the specifications for shipping the mannequins, replacing plastic foam boards and bubble wrap with cardboard as cushioning material to fill the gaps between them.

3. Forest Stewardship Council (FSC): An international certification system for responsible forest management



Paper packaging and materials



Mannequins made from recycled materials



Tsunagaru fuku

Initiative for the reuse and recycling of clothing

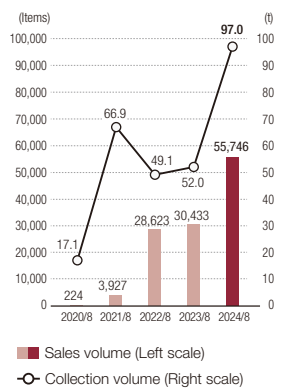
We are promoting an initiative for reuse and upcycling in which clothing that is no longer needed is collected from customers and reborn as new products. The initiative was launched in 2015. In FY2024/8, approximately 97 t of apparel products were collected.<sup>4</sup> Of these, 55,746 items that were suitable for reuse and upcycling were sold after being turned into *somenaoshita fuku*, which are re-dyed clothes; *tsunagaru fuku*, which are items that have been made by stitching the usable parts of different clothing items together; and *arainaoshita fuku*, which are carefully washed and resold as second-hand clothes. As of the end of December 2024, 30 stores are handling such items. Going forward, we will continue to promote the recycling of apparel by holding collection campaigns and expanding the number of stores handling items, working together with even more customers.

For more details ▶ <https://www.muji.com/jp/re-muji/> (Japanese only)

4. Estimated value calculated based on the average weight per box of collected apparel products

▶ See page 95 for more details

Volume of Textile Products Collected and Sales Volume of Reused and Upcycled Clothing Items





Material Issue 1: Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature

Household Goods

Basic Policy and Strategy

We look to the MUJI concept and our philosophy to strengthen the development of products that are truly useful and necessary to people, with the goal of supporting the basic necessities of daily life. We are reviewing all existing products and redefining what our household goods should represent in the coming era. By communicating the reasoning, ideas and functions behind our products, we aim to capture the top mindshare of people so that when they need a product for a specific purpose, they think of MUJI first. Consideration for the environment and society is a fundamental prerequisite of the design and development of our products—they are made to last, facilitate circularity and reduce environmental impact.

Key Issues

- Development of products essential to daily life and the basic necessities that make life better
- Commitment to manufacturing that is considerate of the environment
- Refinement of numerical design in ordering, production, sales and inventory management
- Creation of sales spaces that communicate product quality and facilitate hands-on testing, with layouts that make items easy to browse and purchase

Key Initiatives

Renewal of skin care series

Since September 2023, MUJI has been conducting a full renewal of its long-standing mainstay product line, the skincare series. In the first full renewal of the sensitive skincare series since it was launched in 2000, we are staying true to our commitment to 100% naturally derived ingredients,<sup>1</sup> and using 100% recycled PET materials for the container bottles. We have also enhanced collection of used containers, with the goal of achieving bottle-to-bottle recycling. Furthermore, we are also developing products with specialized functions while using naturally derived ingredients, such as fermented booster serums and high-concentration serums.<sup>2</sup>

1. Includes ingredients derived from natural sources that have been chemically processed  
2. Refers to a high concentration level as defined for MUJI products



Sensitive skincare series

Developing competitive products

We are working to develop competitive products that motivate people to visit stores during off-peak periods. In particular, we are focusing on daily necessities including beverage bottles and reusable dehumidifying agents with anti-odor functions, as well as take-home furniture and bedding items like a pillow that supports different sleeping positions and other pillows. These are part of efforts to strengthen the development and sales of products that offer reliable functionality, ease of use and differentiation based on MUJI's unique concepts.



Reusable dehumidifying agents with anti-odor functions



Drink bottles with measurement markings



A pillow that supports different sleeping positions

Refinement of numerical design

We are constantly working to improve the accuracy of demand forecasting and sales floor planning—previously identified as challenges—by refining numerical design across ordering, production, sales and inventory functions in order to reduce out-of-stock disruptions and missed sales opportunities.

Strategic sales floor development

To be recognized as a store that supports the necessities of daily life, we are reviewing the sales floor for product categories that are useful for everyday living and popular with customers. Specifically, we will link sales composition and store inventory ratios, identifying products that are purchased with high frequency and seasonal products, and improve sales floor layouts to make items easier to browse and test out.



Updated sales floor

Training H&B Advisors

Health and beauty (H&B) products such as skincare, makeup, hygiene items and fragrances are a pillar of our household goods. To communicate their strong points, originality and usage to encourage more customers to incorporate them into their daily lives, we launched the H&B advisor initiative in August 2024. H&B advisors acquire a high level of specialist knowledge and customer service skills. They apply these qualities in listening to customer concerns and questions and then helping to find a suitable solution. We held a total of six group training sessions open to interested employees. Currently, 179 H&B advisors are active at MUJI stores throughout Japan.<sup>3</sup> In October 2024, MUJI LUCUA Osaka was reopened after renovation as a store specializing in women's apparel and cosmetic/skincare products. Staff at the store have received training about skincare and utilize specialized knowledge to offer advice tailored to customers' individual skin characteristics. This initiative is not only helpful for customers, but is also part of creating work environments where each employee can acquire skills and work with a sense of motivation.

3. As of the end of December 2024



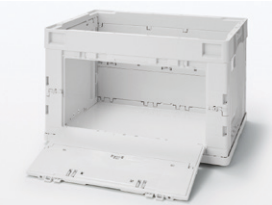
Group training for H&B advisors

Selection of Materials and Product Design That Take the Environment and Society into Consideration

Use of recycled materials and development of products made from a single material

As part of product development that emphasizes resource circulation, we are promoting the use of recycled materials such as polypropylene, polyethylene, PET, polyester, paper, nylon, wool and cotton. For example, we developed bedding covers made from recycled polyester derived from PET bottles. We are also working on the development of products that are made from a single material in order to facilitate easier recycling after use. Recycled polypropylene collapsible containers (launched in September 2024) use at least 10% recycled polypropylene sourced from recovered household appliances and office automation equipment,<sup>4</sup> and are made entirely from a single material including the sides.

4. Not limited to MUJI products



Recycled polypropylene collapsible containers

Development of production areas through utilization of unused resources: Indonesian kapok

The short fiber collected from the fruit of kapok trees has long been used as filling for cushions and other items. Recently, the development of new technology has made it possible to spin kapok fiber into yarn, leading to the development of new sales channels for production areas. MUJI began sales of apparel made with kapok in 2022, and expanded the series to include bedding from August 2024. The total volume of kapok procured in FY2024/8 was 286 t. Going forward, we plan to pursue the industrialization of the kapok spinning process in Indonesia, with the goal of developing the local economy in production areas through the utilization of unused resources.



Double gauze mattress pad and light quilt made with kapok fiber derived from tree nuts

Bedding covers partially made from soybean fiber

We have developed a bedding cover that makes effective use of the soybean residue (left after oil extraction) as a fiber material. By combining this soybean-derived fiber with lyocell—a naturally derived renewable fiber with excellent moisture absorption and release properties—we have achieved a smooth and soft texture that is gentle on the skin. This product makes effective use of naturally derived materials and their properties.



Jersey comforter made with soy fiber

Resource Circulation

Reuse and recycling of plastic products

MUJI now collects a wide range of plastic products, including skincare PET bottles, as well as polypropylene and polyethylene storage items and dust bins. We collect these items regardless of damage, sort them by type, and refurbish those that meet our standards for resale as second-hand items. Items that do not meet standards are shredded, cleaned and recycled as raw materials for new MUJI products.

In FY2024/8, we held a product collection campaign to encourage more customers to participate in our efforts. Previously, MUJI Miles were only awarded to customers who brought in clothing items, but this was expanded to include plastic products, with a special promotion of 3,000 MUJI Miles—three times the usual amount—during the campaign period. As a result, the volume of plastic products collected in FY2024/8 reached approximately 117 t, more than three times that of the previous fiscal year.

Going forward, we will continue to enhance our communication activities and other initiatives, working together with more customers to realize a circular society.

► See page 95 for more details on the volume of plastic products collected



In-store collection of plastic products



Collected plastic products

Monthly subscription-type furniture rental service and sales of used and like-new products

With the aim of realizing a society where items are used with care for a long time, in 2021 we launched a monthly subscription-type furniture rental service. The service enables customers to rent large items such as beds and desks for only as long as needed, rather than purchasing them. After the rental period ends, we inspect the furniture's condition and perform maintenance such as cleaning and replacing worn parts. The items are then sold as second-hand goods. Since the start of the service, a total of 5,433 items have been refurbished and re-sold (as of the end of December 2024). Moreover, at Mottainai Market, we sell like-new products that may have minor damage or stains but are still perfectly usable.

Sales of used furniture

Some of our larger stores began selling used furniture from December 2023. We purchase furniture that has been well cared for by previous owners in Japan and overseas, and carry out maintenance such as cleaning, polishing, gluing, realignment and custom part fabrication. Then, after final inspection of the quality, we sell it as used furniture at MUJI stores. Instead of discarding furniture that has fulfilled its role, we carefully restore each piece so it can be passed on and used again by someone else. As of December 2024, 10 stores throughout Japan are participating in this initiative that aims to extend the life of furniture.



Mottainai Market



Sales of used furniture



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Food

Basic Policy and Strategy

We will promote products and services that resolve social issues, as well as the development of community spaces that harness the potential of food to bring people together and connect them. Based on an overall approach of “connecting with communities and making everyday meals better tasting and healthier,” we are committed to creating a product lineup that reflects MUJI’s value and presence in food. This includes a focus on seasonality and freshness, regional food and agriculture, collaboration with producers, use of non-standard ingredients, preservation of traditional food culture and consideration for health. We are also working to further strengthen product development by optimizing the value chain up to the raw material procurement stage and forming internal and external teams to support that effort.

Key Issues

- Development of new mainstay products that can join the ranks of existing products such as curry and baumkuchen
- Adapting sales floors so that they convey product appeal, including freshness, temperature and aroma
- Ability to offer products and services in line with social changes and issues, as well as local lifestyles
- Expansion of new services

Key Initiatives

Strengthening development of frozen food

We have set frozen food, which saw increased demand during the COVID-19 pandemic, as a key category for further growth. We are working to expand production capacity for existing products, as well as develop new staple rice and delicatessen products, such as noodles and rice burgers, as handy products for daily meals. We are also expanding sales floor space and the number of stores that can carry frozen foods by using equipment such as flat freezer display cases and ice cases.

Creating communication spaces for harnessing the potential of food

We are working to create community spaces by harnessing the potential of food to create connections between people, with our stores servings as hubs that support daily life in the local area. We want to create in-store spaces where customers of all ages can gather and enjoy items such as coffee and ice cream—transforming stores into lively community centers. As of the end of February 2025, this initiative has been rolled out at four locations nationwide, with plans for further expansion.

Strenghtening our lineup of seasonal offerings and products that support a healthy lifestyle

We have identified “seasonal” and “health” as key themes for attracting customers. We will make it more enjoyable for customers to come to our stores by expanding the lineup of products and services tied to seasonal foods and events. For “health,” we have formed a dedicated team to focus on developing foods that help people incorporate healthy habits into their daily routines.


Reorganizing sales floors by incorporating the customers’ perspective

Making improvements to store fixtures and shelf layouts will lead to more lively sales floors that will make customers want to select food products. Rather than a uniform, repeating pattern of displays, we will reorganize sales floors by incorporating the customer's perspective, such as areas where children can enjoy looking at products, or where customers can take time to choose something nice for themselves. We will also strengthen beverage and food sampling, along with serving suggestions, and think of creative ways to communicate the value of our products.

A Community Space for Enjoying Coffee and Ice Cream

In the community space, we offer freshly brewed coffee made from ground beans, as well as original ice cream flavors developed in collaboration with local ice cream makers. In September 2024, we opened our first community space that offers original ice cream flavors and coffee at MUJI CO-OP Sapporo Kitahiroshima. We decided to launch this service in Hokkaido, given the limited dining options near the store and our ongoing efforts in regional revitalization, such as regular, store-led Community Market events and mobile sales. Among the approximately 10 ice cream flavors offered, the apple and milk flavored ice cream was developed in collaboration with a local ice cream maker using unsorted apples harvested at Narita Farm in Hirosaki City, Aomori Prefecture.

By February 2025, we had launched this initiative at four stores including MUJI Hiroshima Alpark, MUJI Tsukuba Namiki, and MUJI Daimaru Fukuoka Tenjin. We will continue to expand the number of participating stores and work in collaboration with local communities to provide unique, locally inspired menu items as we develop community spaces that are truly needed by the people in each region.



An apple and milk flavored ice cream



Rice burger



A community space (MUJI Hiroshima Alpark)



Expanded lineup of seasonal offerings

Selection of Materials and Product Design That Take the Environment and Society in Consideration

Development of products that support a healthy lifestyle

Based on the basic concept that “health consciousness equals nutrition,” we are developing products that address modern health challenges through everyday eating habits. In the field of processed foods in particular, we are strengthening our lineup of products that support nutritional balance and supplementation, aiming to help customers cultivate daily health-conscious habits and enjoy more nutritious meals.

In May 2024, we launched the *Made for Your Skin* series of jellies. By consuming the jellies, people can easily take in nutrients and compounds that tend to be lacking, such as vitamin C, lactic acid and dietary fiber. Furthermore, in October 2024 we launched the *Nourishing Soup* series, in which seasonal ingredients are combined with other nourishing elements. To help customers easily incorporate nourishing foods into their daily lives while enjoying great taste, the product is designed to be heated in the microwave and eaten directly from its packet. The soup features a base of spices and Korean ginseng extract, combined with root vegetables, ginger, mushrooms, meat and mixed grains.

Products with a long storage life that are useful food for disasters

Based on the ITSUMO MOSHIMO concept of always being prepared for emergencies, we offer solutions for incorporating preparedness for disasters into everyday life. In the area of food, we are developing long-shelf-life products based on the idea that familiar, everyday flavors can support peace of mind in times of disaster through the concept of “rolling stock”—a practice of regularly consuming and replenishing emergency food supplies as part of daily life. Specifically, we sell *Emergency Supply: Food White Rice*, which has a shelf life of up to four years when unopened, *Emergency Supply Snack: Chocolate Yokan*, a dessert to help calm people in stressful situations, and *Emergency Supply Drinking Water: Life Water*, which can be stored for up to 10 years. Our pumpkin soup with 1/3 of a day’s worth of vegetables\* provides a convenient way to incorporate vegetables, which are often lacking during disasters. Made using the sweetness of pumpkin and fresh cream, this rich soup has a long shelf-life of two years when unopened, making it a useful product during disasters.

\* 117 grams when converted to fresh vegetables

Resource Circulation

Beverage bottles made with 100% recycled PET

In April 2021, we switched all beverage bottles to aluminum cans due to their high recycling rate as part of efforts to promote resource recycling. Since then, we have continued to explore bottle options that reduce environmental impact while also preserving taste. We calculated the CO<sub>2</sub> emissions of MUJI beverage aluminum cans and 100% recycled PET bottles across their full lifecycle—from raw material procurement to recycling, excluding warehouse storage, sales, and usage. The results showed that 100% recycled PET bottles generate emissions equal to or lower than those of conventional aluminum cans. Going forward, we will gradually switch to the most suitable bottle for each beverage, taking into account differences in flavor, aroma and typical consumption settings.

Product development that utilizes discarded materials

As part of our approach to product development based on the three perspectives of selection of materials, streamlining of processes and simplification of packaging, utilizing ingredients that are typically discarded during production due to appearance or size is an important initiative that also helps reduce food waste. In April 2024, we launched jellies that used fruit discarded during the process of canning mandarin oranges or making honey-preserved apple filling for apple pies. By making use of discarded materials, we were able to increase the volume of fruit.

We also launched fruit agar mochi, made using fruit peelings generated in the manufacture of dried fruits and syrup, as well as wakame stems, made using the previously unused base stems of wakame seaweed. The base stems of wakame, located near the root, have traditionally been discarded due to their toughness. We made them easier to eat by cutting them into bite-sized pieces and seasoning them. We process the materials harvested in the Sanriku region at a plant in the town of Otsuchi in Iwate Prefecture. By supporting local wakame producers in the area devastated by the Great East Japan Earthquake, we also aim to contribute to the revitalization of local industry.



Collagen-infused mango and sea buckthorn jellies (part of the *Made for Your Skin* series)



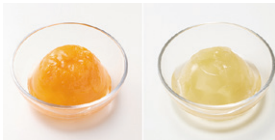
Thickened soup with turnip and pork (part of the *Nourishing Soup* series)



Pumpkin soup with 1/3 of a day's worth of vegetables



Unsweetened teas in recycled PET bottles



Fruit-flavored jelly



Fruit agar mochi      Wakame stems



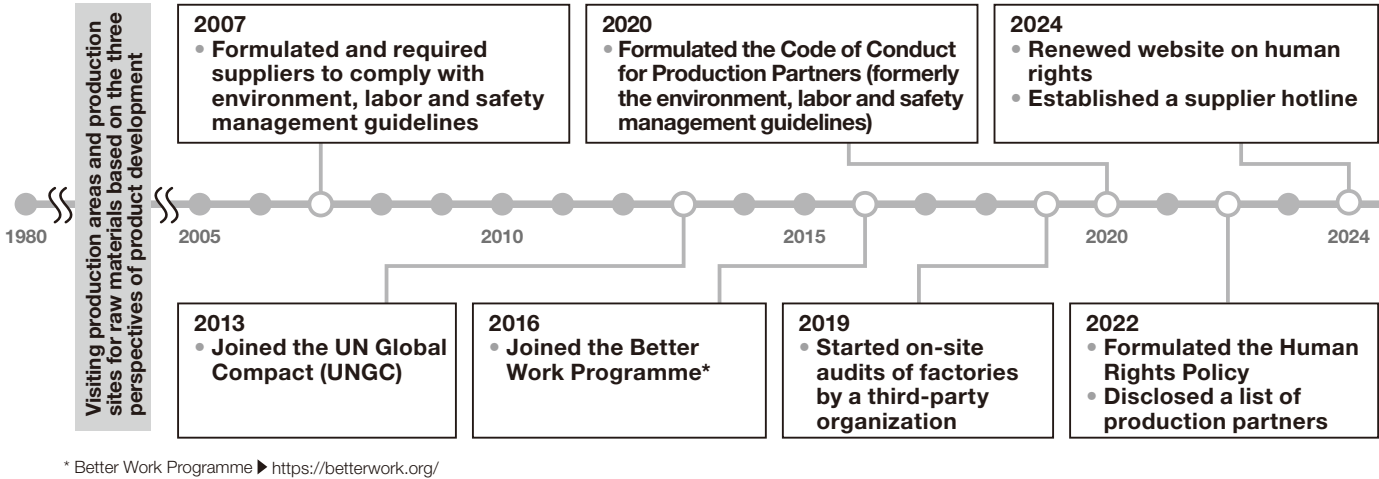
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Respect for Human Rights in the Supply Chain

Ryohin Keikaku outsources manufacturing and production for all of the products it handles to production partners. The cooperation of business partners is also vital in the transportation and management of products. Therefore, we ensure ethical and transparent supply chain management, consistent with Ryohin Keikaku’s core value of “contributing to society and people.”

Respecting Human Rights

Ryohin Keikaku understands that the entire supply chain for its business activities can have a direct or indirect negative impact on human rights, and recognizes the importance of its responsibility to respect human rights. Ryohin Keikaku complies with the United Nations Guiding Principles on Business and Human Rights and other international standards for respecting human rights. We are also working to strength our internal framework for respecting human rights, such as through the establishment of our Human Rights Policy, Code of Conduct for Production Partners, and hotline for suppliers. In addition, we will increase the transparency of our supply chain by disclosing information such as lists of plants and monitoring results.



Internal Framework for Respecting Human Rights

At the monthly meeting of the ESG Management Committee chaired by the president & representative director, we formulate policies on human rights-related initiatives, develop and review the management structure, and monitor progress toward targets. In addition, we have established the ESG Sub-Committee under the ESG Management Committee to promote respect for human rights. The subcommittee has created a roadmap for human rights initiatives and is building a framework for preventing human rights violations. Initiatives are implemented mainly by the Risk Management Division, the ESG Management Division, divisions involved in product procurement and the Human Resources Division, all working in collaboration.

Human Rights Due Diligence

Ryohin Keikaku is working to build a human rights due diligence system in accordance with the Ryohin Keikaku Human Rights Policy. In 2023, with the support of external experts, we identified human rights issues that we should address in order to prevent human rights risks from manifesting in the Ryohin Keikaku Group’s business domains, which include the production and sales of apparel, household goods and food. During the process, we also referred to international guidelines, the results of factory audits, and findings from employee engagement surveys. While referencing international guidelines, we have identified human rights issues that rank high in terms of the significance and likelihood of occurrence in our own operations and in the supply chain, and have taken steps to prevent and mitigate any adverse impact.

In our supply chain, based on our Code of Conduct for Production Partners, we share with partners our policies on the work environment, respecting human rights, and consideration for the environment throughout the entire supply chain, and ask for their compliance. We are also taking steps to ensure that human rights are respected. This code of conduct is distributed (available in Japanese, English and Chinese) to all the production partners who handle our production worldwide. We request all partners to whom we outsource production to sign a pledge to comply with the code of conduct, and contract only with those who do so. Moreover, we hold regular briefing sessions for business partners to promote understanding of our Human Rights Policy, the Code of Conduct for Production Partners and the self-assessment checklists used for factory monitoring. We also make sure not to set delivery dates in ways that disregard production lead times or frequently change order details, which could lead to excessive overtime work. As such, we strive to adhere to appropriate schedules and quantities when placing orders. Furthermore, for key primary raw materials (cotton, wool, down, linen and wood), we use those that are traceable to their origin to the extent possible, and use only materials that are certified as produced under appropriate labor conditions. In addition, we have enhanced human rights education for employees. We regularly hold basic training sessions on the respect for human rights expected of companies, and also provide training on priority human rights issues, the Code of Conduct for Production Partners, and factory monitoring results to managers and employees responsible for procurement, production management, product planning and quality within the supply chain.

Human Rights Policy and promotion system ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/humanrights/policy/>  
Human rights due diligence ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/humanrights/due-diligence/>

Monitoring of Production Partner Factories

Ryohin Keikaku utilizes a third-party organization to conduct regular on-site audits of its production partner factories to confirm the status of their compliance with the Code of Conduct for Production Partners. We also share the results of the audits with the factories and work together with them to make improvements in the case of any non-compliant items. Based on improvement reports prepared by each factory, we not only address the issues identified, but also work with the factories to identify the specific activities or procedures—or the lack thereof—that caused these issues, and to determine whether changes to the systems are necessary to prevent recurrence. We also conduct follow-up audits based on the improvement implementation report to confirm that the situation has improved. In the event that a serious human rights violation is identified, such as forced labor or child labor, we work quickly to verify the actual situation and take appropriate action. If corrective action cannot be expected even after we have exercised our influence, we may consider terminating our partnership with the factory, in accordance with the Code of Conduct for Production Partners.

Monitoring of production partners ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/supply-chain/monitoring/>

Status and Results of Monitoring of Production Partner Factories in FY2024/8

In FY2024/8, we conducted on-site audits of a total of 298 factories, comprising 241 Tier 1 factories and 57 Tier 2 factories. The audits were carried out by a third-party organization. We provide feedback to all factories on identified issues and the results of risk assessments. We also request improvements from factory management and offer support to facilitate those improvements. For the 20 factories that received an E rating, we reviewed whether or not to continue doing business with them and requested improvements from those with which we chose to maintain a partnership. We agreed on improvement plans and recurrence prevention measures with all factories, and are currently working to confirm the progress of these improvements. For factories rated D and E, we will conduct follow-up audits within one year of the initial audit date to verify the completion of improvements based on a third-party review.

A significant number of issues were detected under the audit items “health and safety” (54%), with a notable number related to “fire safety” (12%). Specifically, cases were identified where fire drills were not conducted properly, evacuation routes were blocked by objects and emergency exits were locked. We explained to the factories the risks to human life in the event of a fire or accident, urged them to make corrections and confirmed the status of improvement measures. In addition, a considerable number of cases were detected in the audit items “environment” (10%), “working hours” (9%), and “wages and compensation” (7%). No instances of child labor or forced labor have been identified in the audits conducted to date.

Results of monitoring of production partner factories ▶ [https://www.ryohin-keikaku.jp/sustainability/supply-chain/monitoring/pdf/20250213\\_monitoring\\_material\\_fy2024.pdf](https://www.ryohin-keikaku.jp/sustainability/supply-chain/monitoring/pdf/20250213_monitoring_material_fy2024.pdf) (Japanese only)

Disclosure of List of Production Partners

We believe that enhancing transparency throughout the supply chain is our responsibility to all stakeholders. By disclosing a list of our production partners, we aim to strengthen engagement and promote the development of appropriate working environments. The list includes major factories to which we outsource the production of apparel, household goods, and food (Tier 1) and knitting and weaving factories for garments (Tier 2).

List of production partners ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/supply-chain/partners/>

Grievance Mechanism

We have established a supplier hotline as a contact point for whistleblowing reports from suppliers. It is intended for use by domestic suppliers (including factories) in Japan that do business with Ryohin Keikaku. Reports are received by Ryohin Keikaku’s Supplier Hotline Office and investigated to verify the facts. If corrective action is deemed to be necessary based on the findings, we will promptly respond.

Ryohin Keikaku has been participating in the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI) since May 2022, with the aim of addressing the various issues faced by migrant workers in Japan with the technical intern or specified skilled worker residence statuses. JP-MIRAI includes stakeholders such as companies, lawyers and non-governmental organizations, and is led by the Japan International Cooperation Agency (JICA). In FY2024/8, we also participated in the Consultation and Remedy Desk Development Project (JP-MIRAI Assist), a pilot project that was started by JP-MIRAI to provide consultation services for migrant workers. Currently, the service is limited to Ryohin Keikaku employees. In the future, we plan to expand the scope to include workers in our supply chain as a means for the early detection of labor and human rights issues.

Grievance mechanism ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/humanrights/grievance-mechanism/>  
Supplier hotline ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/humanrights/hotline/>  
JP-MIRAI Assist ▶ <https://portal.jp-mirai.org/en/consult>

Main Assessment Items: 13 Categories and 199 Items

Category	Child labor	Checklist Items
	Forced labor	
	Employment contracts	
	Health and safety	
	Freedom of association	
	Discrimination	
	Disciplinary actions	
	Working hours	
	Wages and compensation	
	Environment	
	Monitoring of compliance	
	Ethics	
	Procurement management	
Is there an effective procedure for confirming the age of employees when they are hired to work in the factory?		
Are any employees subjected to illegal withholding of wages, or required to pay training expenses, employment agency fees, tool expenses, uniform costs, or other non-monetary payments with similar monetary value?		
Are employees able to take time off when they are ill or pregnant if they submit a doctor's certificate or note?		
Is there any evidence of forced, penal, bonded, indentured or trafficked labor?		

Rating Scale

Rating	Description
A	No issues identified
B	Relatively low-risk issues identified
C	Issues related to occupational health and safety, wages and compensation, working hours, employment contracts and environmental management identified
D	Multiple issues related to occupational health and safety, wages and compensation, working hours, employment contracts and environmental management identified
E	Significant issues identified that indicate a high-risk situation

Assessment Results

Rating	Tier 1	Tier 2	Total
A	18	1	19
B	144	38	182
C	54	10	64
D	11	2	13
E	14	6	20
Total	241	57	298



Material Issue 1: Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature

Caring for the Environment

Ryohin Keikaku’s business activities are dependent upon and supported by limited natural resources and ecosystems. By addressing interconnected environmental issues, we aim to prevent resource depletion and promote business activities that minimize environmental impact.

Environmental Management

Each division, business unit and subsidiary works to address environmental issues by setting goals and strategies with a strong sense of responsibility and by working together. For projects that require specialized knowledge, the Group collaborates with external specialized institutions in areas such as testing, auditing and management. The targets and progress of each initiative are reported, discussed and decided upon at the monthly meetings of the ESG Management Committee, and reported at least twice a year to the Board of Directors, which incorporates them into Company policy and business activities. In addition, various risks are reviewed and discussed by the Compliance and Risk Management Committee and reported to the Board of Directors

The Ryohin Keikaku Group Environmental Policy was reviewed in October 2024. The policy includes compliance with environmental laws, regulations and the standards in each country/region. It also states our commitment to upholding international environmental treaties, carrying out environmental due diligence and providing appropriate disclosure.

Ryohin Keikaku Group Environmental Policy ▶ [https://www.ryohin-keikaku.jp/eng/sustainability/pdf/RK\\_Group\\_Environmental\\_Policy\\_ver1.0.pdf](https://www.ryohin-keikaku.jp/eng/sustainability/pdf/RK_Group_Environmental_Policy_ver1.0.pdf)

Calculation and Reduction of Greenhouse Gas Emissions

Ryohin Keikaku is aiming for a 50% reduction in the Group’s Scope 1 and 2 emissions by FY2030/8 (compared with FY2021/8). To achieve this goal, we will analyze the impact from future carbon price trends and store expansions. Based on this analysis, we will formulate and implement a greenhouse gas (GHG) emissions reduction plan. We also calculated Scope 1, 2 and 3 emissions for the Group in accordance with the GHG Protocol, an international standard for calculating and reporting GHG emissions, and obtained third-party verification.

Response to climate change ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/environment/climate-change/>

FY2023/8 Greenhouse Gas Emissions Verification Statement (Japanese only) ▶ [https://www.ryohin-keikaku.jp/eng/sustainability/pdf/Verification\\_Statement\\_2023\\_eng.pdf](https://www.ryohin-keikaku.jp/eng/sustainability/pdf/Verification_Statement_2023_eng.pdf)

Introduction of Renewable Energy

Ryohin Keikaku aims to contribute to the realization of a net-zero GHG emissions society by 2050. To this end, the Group aims to source 100% of the electricity used in its business activities from renewable energy, with a goal of achieving 100% renewable energy adoption in its stores and 100% solar panel installation at store facilities by 2030. We have been installing rooftop solar power generation systems at individual stores, an initiative that has now expanded to 25 stores.<sup>1</sup> On the other hand, there has been an increase in GHG emissions associated with electricity at tenant stores and other locations where we do not hold a direct power supply contract. This is a result of new store openings and business expansion. We estimate that if no additional measures are taken, Scope 1 and Scope 2 GHG emissions in Japan will increase by approximately 2.6 times by 2030 (compared with FY2021/8 levels). To achieve our reduction target, in addition to existing efforts, we will need to implement new measures to reduce emissions by an additional 40,000 t-CO<sub>2</sub>. As such, we aim to generate additional environmental value through solar power generation, while also contributing to local communities in terms of both employment and production by constructing power plants on sites such as abandoned farmland and through solar sharing initiatives that integrate agriculture and power generation. We have commenced full-scale studies into a power generation business in collaboration with partner companies, including energy providers. If the entire reduction of approximately 40,000 t-CO<sub>2</sub> required to achieve our target were to be covered by solar power generation, we estimate that around 60 MW of additional power generation capacity would be needed by 2030. As the first step of this project, we aim to develop approximately 12 MW of capacity within the first year. The power generated will be sold on the Japan Electric Power Exchange (JEPX), and we are examining a business scheme that would allow us to obtain the environmental value of this electricity (a virtual PPA). Going forward, we will work to reduce our GHG emissions by installing solar panels at stores, adopting renewable energy plans, creating environmental value through the power generation business, and utilizing non-fossil fuel energy certificates.

1. As of the end of December 2024

Unit: t-CO<sub>2</sub>e Scope: Ryohin Keikaku Co., Ltd.

Item	FY2021/8	FY2022/8	FY2023/8	FY2024/8
Scope 1	919	1,110	1,187	1,376
Scope 2 (market based)	30,595	34,709	39,901	29,793
Scope 1 + Scope 2	31,514	35,819	41,088	31,169
Change compared with baseline year	Baseline year as 100%	113.7%	130.4%	98.9%

Figures for FY2024/8 are currently under review by a third-party organization and may be subject to change. The updated figures will be posted on our website.

▶ <https://www.ryohin-keikaku.jp/sustainability/muji-sustainability/number/> (Japanese only)

Reduction of Scope 3 Emissions

We are promoting initiatives such as considering the introduction of renewable diesel fuel and trucks that run on compressed natural gas (CNG) for domestic truck transport, utilizing ferries for domestic long-distance transport, optimizing the number of deliveries to stores, increasing load efficiency by improving packaging, and expanding collaboration with shipping companies working toward decarbonization in international transport. As a result, the estimated amount of GHG emissions arising from domestic and international transport in FY2024/8 decreased by 14.3% compared with FY2022/8. In FY2023/8, we joined the CDP Supply Chain Membership Program, and have been requesting major production partners to disclose information about their climate change-related initiatives. We provide feedback based on our own assessment of the survey results as part of our efforts to work with production partners to monitor and reduce GHG emissions throughout the supply chain. We also calculate the carbon footprint of each product, and use this information in reviewing raw materials and production processes.

Disclosure Based on TCFD Recommendations

Ryohin Keikaku recognizes the importance of the Task Force on Climate-related Financial Disclosures (TCFD). We will continue to identify the impact of climate-related risks and opportunities on our business, formulate and implement strategies and provide information disclosure in line with the TCFD framework.

Scenario analysis results ▶ [https://www.ryohin-keikaku.jp/eng/sustainability/pdf/Information\\_Disclosure\\_Based\\_on\\_the\\_TCFD\\_Recommendation\\_2023\\_eng.pdf](https://www.ryohin-keikaku.jp/eng/sustainability/pdf/Information_Disclosure_Based_on_the_TCFD_Recommendation_2023_eng.pdf)

Item	Key Points of Initiatives
Governance	<ul style="list-style-type: none"><li>• The Board of Directors receives reports twice a year on initiatives related to ESG management, including the response to climate change, from the secretariat of the ESG Management Committee, which meets monthly. The Board also monitors the status of the activities and holds discussions and provides guidance on policies and initiatives.</li><li>• In FY2022/8, we introduced a restricted stock compensation system for directors (excluding independent directors), based on evaluations of ESG management.</li><li>• To ensure highly flexible ESG management in the Company’s core business activities, inside directors, including the president &amp; representative director, and executive officers regularly discuss relevant matters at the Executive Advisory Committee, which is held weekly.</li></ul>
Strategy	<ul style="list-style-type: none"><li>• With regard to the risks and opportunities associated with climate change, we work to identify factors that could impact our business, and then implement action plans after qualitatively and quantitatively evaluating the size of the impact based on criteria such as importance to business strategy. We also look at financial impact in terms of revenue and costs, and the relevant time frame. We will respond to various types of risk, mitigating or eliminating their impact, while accelerating our growth strategy by offering products with a reduced environmental impact in response to rising customer awareness and expectations regarding sustainability.</li><li>• We conduct scenario analyses of the risks and opportunities associated with climate change, based on the premise that reducing risks and expanding opportunities is essential for sustainably increasing both corporate and social value.</li></ul>
Risk Management	<ul style="list-style-type: none"><li>• We assess key potential risks based on factors such as potential impact and time frame, and implement measures to minimize both the likelihood of occurrence and the severity of impact.</li><li>• The Compliance and Risk Management Committee, which oversees Group-wide risks as part of the risk assessment process, assesses probable exposure to risks at least once a year based on their significance and likelihood of occurrence. We recognize that climate change-related risks are a priority risk for the entire Group.</li></ul>
Metrics and Objectives	<ul style="list-style-type: none"><li>• We have set a target of a 50% reduction in the Group’s overall Scope 1 and 2 emissions by 2030 (compared with FY2021/8). Based on the identified risks and opportunities, we are working to introduce renewable energy and install solar panels at stores and distribution bases, reduce the use of fossil fuels in product manufacturing, and promote reuse and recycling.</li><li>• Our goal is to design all products based on an ESG perspective. As a key initiative, we are working to launch businesses and products that create a positive social impact, with reuse and recycling as the central theme.</li></ul>

MUJI Karatsu and MUJI Hita—The First Wood-Framed Stores in Japan to Obtain ZEB Certification

MUJI Karatsu (Saga Prefecture) and MUJI Hita (Oita Prefecture), both opened in September 2024, are MUJI’s first wood-framed stores as well as the first such stores in Japan<sup>2</sup> to obtain ZEB certification. Designed by Group company MUJI HOUSE Co., Ltd., the stores feature the “SE Structure,” a wooden rigid-frame structure known for its excellent earthquake resistance, enabling the construction of large-scale wood-framed stores. By combining energy-saving and energy-generating technologies, the stores have obtained ZEB certification. ZEB stands for “Net Zero Energy Building,” and refers to structures designed to achieve zero or negative net primary energy consumption. The stores have attained the highest level of energy efficiency within the four-tier ZEB classification. This classification is based on the performance evaluation under the Building-Housing Energy-efficiency Labeling System (BELS). The two buildings were certified in January 2024. The total energy required is reduced through the use of high-performance thermal insulation in the wooden roofs and exterior walls, as well as a highly efficient air conditioning system that optimizes ventilation and temperature using motion and CO<sub>2</sub> sensors. In addition, by using solar power generation and storage batteries to produce the energy used in the buildings, we achieved zero primary energy consumption in each store.<sup>3</sup> Moreover, these wood-framed stores can reduce CO<sub>2</sub> emissions during material production by 44%<sup>4</sup> compared with conventional steel-framed stores. When considering the entire lifecycle—from material production to construction, maintenance, disposal and recycling (excluding the usage phase)—CO<sub>2</sub> emissions are reduced by 35%<sup>4</sup> compared with steel-framed stores.

2. First in Japan for wood-framed buildings and large-scale wood-framed buildings with a total area of 2,000 m<sup>2</sup> or more based on data published by the Association for Evaluating and Labeling Housing Performance (as of May 1, 2024).

3. Figures obtained by converting energy used in equipment such as air conditioning, lighting and elevators into heat

4. The CO<sub>2</sub> reduction rates were calculated using the One Click LCA carbon assessment software, with a simplified evaluation conducted by New Constructor’s Network Co., Ltd.



Exterior view of MUJI Karatsu



Solar power generation equipment at MUJI Karatsu



Interior view of MUJI Karatsu



Material Issue 1: Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature

Building an Environmental Due Diligence Framework

Ryohin Keikaku is building an environmental due diligence framework, making reference to international guidelines such as OECD Due Diligence and the TNFD.<sup>1</sup> We are working to identify and assess the environmental impact of our business activities and supply chain, in addition to preventing or mitigating such impact. In FY2024/8, we formulated a medium- to long-term roadmap for building an environmental due diligence framework. Going forward, by implementing the environmental due diligence process in line with this roadmap, we will work to properly understand the direct and indirect negative environmental impact of our business activities and implement appropriate measures for their mitigation and management.

1. Taskforce on Nature-related Financial Disclosures (TNFD): An international organization that develops frameworks for companies and financial institutions to assess and disclose risks and opportunities related to natural capital and biodiversity

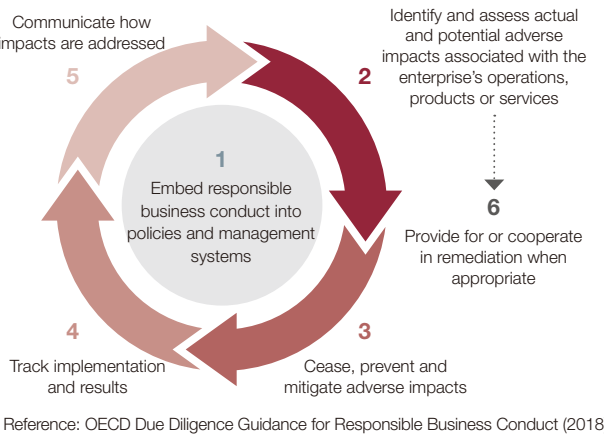
Pilot Assessment of Environmental Risks Throughout the Value Chain of Main Businesses and Raw Cotton Wool

In FY2024/8, we conducted a pilot assessment of the negative environmental impact and our dependencies throughout the value chain of main businesses and the raw cotton wool used in many of our products.

In the assessment of the value chain of mainstay products in our main businesses of apparel, household goods and food, we used evaluation tools such as ENCORE<sup>2</sup> to evaluate the potential environmental impact of Ryohin Keikaku’s businesses. The assessment revealed that the procurement process for plant-derived materials has a wide-ranging impact and dependence on the natural environment. In particular, we found that in the household goods business, which handles a wide range of plastic products, paper and wood items, and metal and home appliances, there is a significant potential impact on climate change and water resources.

In the assessment of raw cotton wool, we used the L (Locate) and E (Evaluate) assessments based on the LEAP approach<sup>3</sup> advocated TNFD. We assessed the potential impact, water risks, and other factors for the eco system at 20 factories involved in spinning cotton, weaving fabric and sewing. For sites that were expected to have a particularly high negative impact, we conducted detailed assessments of each factory and discussed effective countermeasures. The results of this pilot assessment have been incorporated into the newly developed medium- to long-term roadmap for environmental due diligence.

2. Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE): A tool for assessing the potential ways in which economies (sectors, subsectors, production processes, etc.) depend on and impact nature.  
3. A method for evaluating and managing nature-related issues advocated by the TNFD



Sustainable Water Resource Management

We have set out our basic policy on water resources in the Ryohin Keikaku Group Environmental Policy. In FY2024/8, we used two water risk assessment tools to conduct a water risk survey of our own sites as well as of the major production partners who made up 80% of our total transaction amount in FY2023/8. The tools we used were Aqueduct, provided by the World Resources Institute (WRI), and Water Risk Filter, provided by the World Wide Fund for Nature (WWF). Based on the results from our own sites, we will reflect flood risk in store opening criteria and work to reduce water usage. For production partners, we will work to gain an understanding of the current situation through interviews, identify water-related risks at the facility and business-type level, and encourage those with factories exposed to high water risk to make improvements.

Moreover, through our responses to the CDP<sup>4</sup> water security questionnaire, we have identified internal issues and are managing our progress accordingly. We obtained an A- rating in the 2024 CDP water security questionnaire.

Sustainable water resource management ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/environment/water/>  
4. CDP is an NGO based in the United Kingdom that runs a global disclosure system. (<https://www.cdp.net>)

Chemical Management

Ryohin Keikaku is committed to environmentally and socially sustainable product development, and in June 2023 became a member of the Apparel and Footwear International RSL Management (AFIRM) Group, an organization that works to reduce the use and impact of harmful substances in the global apparel and footwear supply chain. Accordingly, we require internal departments and all production partners to comply with the MUJI Product Restricted Substances List, which adds our own standards for textile products to the AFIRM Restricted Substance List (RSL). We ensure compliance in actual operations by conducting random tests of products based on the standards. Through our involvement with AFIRM, we will continue to monitor industry trends and the actions of other companies, and make timely updates to the RSL based on this information. Furthermore, Ryohin Keikaku has restricted and is actively working to eliminate the use of all perfluorinated and polyfluorinated chemicals (PFAS) during the production process for textile products manufactured after FY2023/8.

Chemical management ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/environment/chemical/>

Biodiversity

In the Ryohin Keikaku Group Environmental Policy, we state our commitment to considering the impact of deforestation on climate change and biodiversity, as well as on indigenous peoples and local communities. We have set the goal of only procuring raw materials used in our products and store materials that are certified as deforestation-free by 2050. In FY2024/8, we continued to conduct surveys of the usage of palm oil, wood/paper and cotton as major materials, and promoted initiatives to procure raw materials with consideration for the impact on the ecosystems and local communities of production areas.

Specifically, for palm oil, we assessed the amount used in cosmetics, household goods and food, verified the presence of certifications, and evaluated the feasibility of switching to certified palm oil. Since joining the Japan Sustainable Palm Oil Network (JaSPON) in December 2023, we have been exchanging information with relevant organizations and other companies, and are creating a roadmap to facilitate the future procurement of certified palm oil.

We are also working toward our goal of using 100% sustainable wood and paper by 2030—either certified timber (FSC,<sup>5</sup> PEFC,<sup>6</sup> and SGECS<sup>7</sup>), or materials that can be verified as sourced in compliance with environmental laws and regulations in each country and region, and not associated with illegal logging or deforestation. To achieve this goal, we conduct investigations into legal logging practices in compliance with environmental laws and regulations in each country and region, as well as self-assessments (wood due diligence) to ensure that we do not use wood associated with illegal logging or deforestation. For cotton, we are promoting the procurement of certified materials, including organic cotton certification (ROC, GOTS and OCS<sup>8</sup>), certifications aimed at improving the living and working environments of small-scale farmers and preserving the natural environment of production areas (CmiA<sup>9</sup>), and certifications for recycled materials (GRS and RCS<sup>10</sup>). We have also conducted a pilot assessment of environmental risks based on the LEAP approach advocated by the TNFD in order to better understand these risks.

Biodiversity ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/environment/biodiversity/>  
5. An international certification system operated by the Forest Stewardship Council (FSC)  
6. Programme for the Endorsement of Forest Certification (PEFC): An international certification system that provides recognition of national forest certification frameworks around the world, including those under the Pan European Forest Certification schemes  
7. Sustainable Green Ecosystem Council (SGEC): A Japanese forest certification system mutually recognized by PEFC  
8. Regenerative Organic Certified (ROC), Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS)  
9. Cotton made in Africa (CmiA)  
10. Global Recycled Standard (GRS) and Recycled Claim Standard (RCS)

Initiative with a Brazilian Coffee Farm

Like palm oil, coffee is a commodity with a high risk of contributing to deforestation due to the expansion of commercial production. In the EU, it is mandatory to prove that these products were produced without causing deforestation. The “Coffee 2050 Problem” has raised concerns that, while the global consumption of coffee continues to increase each year, suitable cultivation areas for Arabica beans, which account for about 60% of global coffee production, could be reduced by half by 2050 due to global warming and the spread of pests and diseases. Another challenge is an exodus of small-scale coffee growers from the industry as their incomes become unstable due to market fluctuations. These issues have prompted a call to find a sustainable way to produce and source coffee.<sup>11</sup>

Collaboration with Dattera

In March 2024, Ryohin Keikaku renewed its original blend coffee series and began offering new products developed in collaboration with the Dattera coffee farm in Brazil, which has been certified by the Rainforest Alliance. These products make partial use of beans that fall outside standard export size specifications. Dattera has designated half of its land for nature conservation, using the area to preserve natural forests, maintain reforested land, and protect water sources. It was the first coffee farm in Brazil to receive Rainforest Alliance certification. The water used in the coffee production process is partially filtered and reused. Solar panels have been installed on the farm to supply energy for coffee production.

Development of Coffee That Takes the Environment and Growers into Consideration

Brazil, the world’s largest coffee producer, has established export standards based on bean size and the number of beans damaged by pests or other factors. Coffee beans go through an on-site sorting process to meet export standards. Beans that are smaller than the specified size or have many defects such as blemishes or insect damage are not exported but remain in Brazil for local consumption. In this initiative with Dattera, beans that do not meet export standards due to their small size are separated during the sorting process from those intended for local consumption in Brazil. Beans with defects that do not impact flavor are selected to create a blend exclusively for MUJI. The beans are carefully roasted and blended to bring out their natural sweetness and rich flavor. Using the MUJI-exclusive beans as a base, we created three original flavor profiles by blending them with beans from Ethiopia, Guatemala and Indonesia. By collaborating with Dattera, an industry leader in environmentally conscious coffee production in Brazil, and promoting the use of non-standard beans to expand coffee exports, we support coffee growers while also reducing environmental impact.

11. Based on findings by World Coffee Research (WCR) ▶ <https://worldcoffeeresearch.org/>





Material Issue 2: Address Local Challenges and Revitalize Regions

Opening Stores around the World

Based on our two missions, we will open new stores to support the basic aspects of daily life around the world. We want our stores to become community centers that are seen as an essential part of their areas. We will achieve this by developing various sales channels and promoting store opening variations, and by providing products, services and stores tailored to local needs through independent store management centered on people.

Basic Policy

Japan

Our policy is to continue to expand with a focus on opening stores in residential areas close to people's lives. To better ensure profitability, we will review store locations and formats based on the trends of strong-performing stores, and will continue to aim for a net increase of around 60 stores per year, with the goal of having a total of 1,000 stores in the future. In addition, we will also supply products in Lawson convenience stores and in supermarkets to provide MUJI products to customers who do not live near a MUJI store.

Overseas

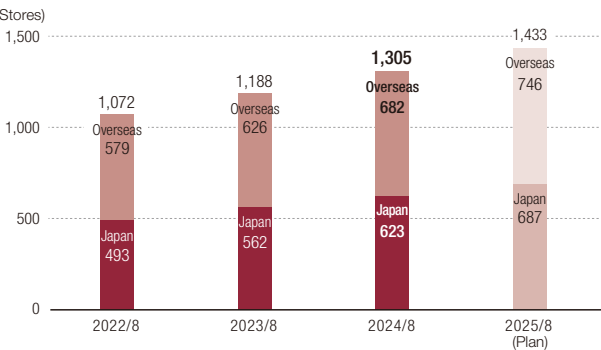
In the Mainland China Business, we will carefully examine unprofitable stores, taking into account economic conditions and other factors. We anticipate a net increase of 26 stores in FY2025/8. In the Southeast Asia Business, we will speed up the pace of store openings, and are planning to open about 30 stores in FY2025/8 in the region. However, rather than expanding into suburban areas and regional cities, we will concentrate on large stores and flagship stores in major cities, and make a renewed effort to attract new customers by increasing MUJI's brand recognition and customer favor with store formats that offer a full range of products and services that benefit the communities and customers. In the North America and Europe businesses, we are considering opening flagship stores in major cities such as New York, Paris and London.

Store Opening Plan and Progress

The number of stores in Japan at the end of FY2024/8 was 623, a net increase of 61 stores after we opened 76 stores primarily in suburban areas. The number of stores overseas was 682, a net increase of 56 stores. We opened 54 new stores in mainland China, Taiwan, Hong Kong and South Korea, and also expanded our store network by opening 19 stores in Thailand, Malaysia, Vietnam and other countries in Southeast Asia. We closed unprofitable stores in North America and Europe.

\* Excluding overseas licensed stores, Café&Meal MUJI and IDÉE

Number of Stores in Japan and Overseas\*



Results for FY2024/8

	Japan	Overseas	East Asia		Southeast Asia/ Oceania	Europe/North America	Total
			Mainland China				
Store openings	76	73	54	43	19	–	149
Store closings	(15)	(17)	(9)	(6)	(1)	(7)	(32)
Net increase in stores	61	56	45	37	18	(7)	117
Number of stores at end of period	623	682	527	398	105	50	1,305

Examples of Store Openings in Various Countries/Regions

MUJI Beijing Chaoyang Joy City Opens in Beijing as the Largest MUJI Flagship Store in the Mainland China Business

In February 2024, the MUJI Beijing Chaoyang Joy City store opened in Chaoyang Joy City, a shopping mall in Beijing. With a renovation that expanded the total floor space to 4,654 m², it is now the largest flagship store in the Mainland China Business. The entire Ryohin Keikaku Group aims to help “build a sustainable society while achieving circularity, and coexisting with nature,” so we used many recycled materials in this renovation project, as we did for MUJI Shanghai Jing An Kerry Centre, which opened in 2023. We are also developing services that are a first in the Mainland China Business, including an initiative for the collection, cleaning and reselling of MUJI furniture and the release of original MUJI wines. Going forward, we will continue expanding into major cities where we have not yet opened stores, including the renovation of flagship locations.



MUJI Tsushima Opens as the First Directly Managed Store on a Remote Japanese Island

In March 2024, we opened a MUJI store in Tsushima City, Nagasaki Prefecture. Although there are supermarkets and drugstores in Tsushima, the island has few clothing or furniture stores, which has forced people in many instances to shop off-island, either by mail order or on shopping trips to less remote places. We have opened a MUJI store on the second floor of the Saiki VALUE Mitsushima grocery store in the center of Tsushima to make it easier for local customers to regularly shop at MUJI. By offering a selection of basic lifestyle products, including daily necessities, apparel and storage supplies, we want to make this a store that is useful to the community.



Sales Channel Development

Partnership with Lawson

In May 2022, we teamed up with Lawson, Inc. to begin sales of MUJI products at Lawson convenience stores. As of the end of August 2024, MUJI products are available at approximately 13,000 Lawson stores in all 47 prefectures of Japan.

In June 2024, we introduced two new products sold exclusively at Lawson stores—right-angle acrylic pile short socks and a cotton towel half handkerchief—with designs based on the Lawson storefront sign. In August, we also began delivery of MUJI products at Lawson stores nationwide that utilize the Uber Eats service.



Collaboration with Japanese Consumers' Co-operative Union (JCCU)

We have been expanding our home delivery business since March 2022. In September 2024, we began supplying MUJI products to CO-OP Sapporo supermarkets. MUJI products were available in five CO-OP Sapporo supermarkets in Hokkaido as of the end of October 2024.

We also began collaborating with the Co-op Deli Consumers' Co-operative Union (a union of six co-ops in eight prefectures), and are pursuing business expansion through partnerships with co-op services nationwide. These efforts complement our presence in regions with few MUJI stores where people live, leading to stronger infrastructure for daily life.



Supply of Products to Supermarkets

We have been supplying products to supermarkets in Okinawa and the Hokuriku, Kinki and Shikoku regions, and in March 2024 we began supplying products to Yamanaka Co., Ltd., which operates supermarkets in the Tokai region, and in August 2024 we began supplying products to Okuwa Co. Ltd., which operates supermarkets in the Kinki and Tokai regions.

As of the end of November 2024, MUJI products were being sold in a total of 40 supermarkets in 11 prefectures. We will continue to expand the number of stores that handle MUJI products in order to benefit the people in each region and contribute to strengthening the infrastructure for their daily lives.



Bringing MUJI Products to Stands in Offices, Factories and Government Facilities

MUJI products are sold in the offices and factories of business partners and in government facilities at 120 locations throughout Japan (as of the end of November 2024). With product selection centered on confectioneries such as irregular baumkuchen on dedicated display shelves, we supply products that let the people who work in those locations take a breather.





Material Issue 2: Address Local Challenges and Revitalize Regions

Strengthening Independent Store Management

Ryohin Keikaku is promoting the evolution of MUJI stores throughout Japan as local community centers. To support that effort, it is important for every staff member to think about what they can do to be of benefit to the customers right in front of them, and act on it. Putting people at the heart of our business and promoting the autonomous growth of staff will lead to high-quality and independent store management for local customers. This will be a driving force for sustainable business growth.

Measures for Independent Store Management

Creating Stores Where People Do the Selling

Guided by our belief in putting people at the heart of our business, and viewing profit as an outcome, not the goal, we have been creating an organizational culture of proactiveness and independence through our shift to a way of doing business that values autonomy, and through efforts to strengthen internal communication. We are also continuing to take steps to ensure the job satisfaction of store employees.

Based on this corporate culture and our organizational structure, we will further accelerate independent store management in which people at each individual store know the local area, and create profit/loss statements and business development plans based on the store’s unique characteristics to meet the needs and expectations of its customers.

Specifically, based on the slogan “People do the selling,” we are strengthening training in specialized skills to enable store staff to acquire skills and product knowledge on their own so they can engage in customer service work with enthusiasm. We are promoting skill development for positions including health and beauty (H&B) advisors, who have specialized skills in skin care products and cosmetics, interior advisors, coffee instructors, and visual merchandising<sup>1</sup> specialists.

In addition, we are expanding training in sales and inventory planning, personnel planning, and training of subordinates to give employees the skills needed for independent store management and operations. We are also working to establish a development trainer system aimed at creating teams where members teach and learn from one another.

1. Visual merchandising is the practice of creating sales floors that attract and motivate customers to make a purchase.

Strengthening 600-Tsubo Standard Stores

We have set 600-*tsubo* (approx. 1,980 m<sup>2</sup>) stores, which offer a complete selection of products used in daily life, as our standard store format going forward. By taking advantage of the large sales floor area, we have raised the overall level of visual merchandising by creating more emotionally engaging displays that span multiple product categories. We are also replicating successful sales spaces at other locations. At suburban stores, we have worked to increase familiarity with our stores by utilizing media such as flyers and television, and holding in-store events. We believe that expressing the MUJI worldview and increasing the level of familiarity with our stores will lead to improved profitability at 600-*tsubo* stores, which are able to present MUJI’s full product lineup. In fact, sales per unit area, which had been in a slump since FY2022/8, have started to improve since the third quarter of FY2024/8.

Going forward, we aim to create stores that best meet customer needs by expanding sales floor space dedicated to H&B items, daily necessities, apparel and other key product categories globally. We will also enhance floor layouts to ensure clear product organization and classification to make products easier to see and then purchase. Moreover, we will further strengthen the creation of sales spaces where people do the selling. We will work to attract new customers by increasing the usage rate and improving the buying experience of services that utilize the MUJI passport app and our online store.

For overseas stores, our policy is to expand the 600-*tsubo* format developed in Japan as the standard. By opening large-scale stores and flagship stores, mainly in major cities in Southeast Asia, we aim to increase MUJI’s visibility and attract new customers.

Expansion of Store Opening Variations

As part of our efforts to create stores based on local characteristics, we are developing locations that handle a limited range of products. By specializing in categories such as apparel or H&B, they will meet the deeper needs of customers through enhanced product lineups and a higher level of customer service.

A Store That Expresses the MUJI Labo Worldview

Since 2005, MUJI Labo has been operating in Japan and at large-scale stores globally as an experimental line focused on refining MUJI’s basic apparel. November 2024 marked the grand opening of MUJI Daikanyama, a flagship store that expresses the MUJI Labo worldview.



Display of a scene from everyday life



H&B, a key product category



MUJI Daikanyama

MUJI Stores as Community Centers

We want to have a positive impact on each region by operating stores that serve as community centers for their area and address local issues in collaboration with local stakeholders. In particular, we conduct store-initiated activities in the areas of environmental consideration, disaster prevention, food and agriculture, health, regional revitalization, and traditional culture. Through dialogue with people in communities we serve, our store activities reflect input from local residents.

Community Market Events: Revitalizing Communities

The Community Market, based on the concept of “connecting people, connecting communities,” is a market-type event held on an irregular basis at MUJI stores throughout Japan, and is planned and operated together with local residents. It may include a variety of programs, including stalls selling local foods, specialty products and handicrafts, as well as local social events. We are creating events that can be enjoyed by people of all ages, and where local residents can rediscover the charms of their region and connect with each other. In FY2024/8, a total of more than 200,000 people participated nationwide.

Workshops and Hands-On Events: Experiencing Tradition and Culture

MUJI stores throughout Japan hold workshops and hands-on events that people sign-up for in advance. Individuals and organizations that are active in the community are invited as instructors for a wide range of hands-on events, including traditional handicrafts and arts & crafts workshops as well as cooking classes. We will continue to strengthen these initiatives so that MUJI stores can serve as places for the activities of people in the community, and provide opportunities for community members to experience tradition and culture.

Details of MUJI events ▶ [https://www.muji.com/jp/ja/event/event\\_top/](https://www.muji.com/jp/ja/event/event_top/) (Japanese only)

Mottainai Market/Osagari Club: Circulating Resources

Based on the idea that wasting limited resources is, well, wasteful, Mottainai Market is an initiative in which still-very usable items that might otherwise be thrown away are instead sold to customers at bargain prices. Items sold include products that were undeliverable to customers due to scratches, stains or other cosmetic defects, and products that were returned after opening.<sup>2</sup>

Osagari Club is a children’s clothing swap event where children’s clothes that have been well cared for are connected with people who may need them, based on the concept of “Passing on clothing that no longer fits to the next child.” People who bring in children’s clothes that are no longer needed can exchange them for other children’s clothes at the event in the same quantity that they brought.<sup>3</sup>

Through these programs, we are contributing to a circular society by utilizing MUJI stores as places for recycling resources.

Mottainai Market ▶ <https://www.muji.com/jp/ja/store/cmdty/section/T10022> (Japanese only)

2. Mottainai Market is implemented at certain stores and the online store.

3. Implemented at certain stores



Community Market



At a workshop



Children's clothing at Osagari Club

MUJI Naoetsu: Aiming to Be “In the Middle of Everyday Living” in the Local Area

MUJI Naoetsu opened in July 2020 with the aim of being “in the middle of everyday living” in the local area. In addition to offering products essential to daily life, this store features many unique initiatives and services, such as the Naoetsu Ryohin Cafeteria and the Naoetsu Ryohin Market, booths set up by partner businesses, and operation of the MUJI to GO mobile sales bus.

The store also partners with local businesses to jointly hold the disaster prevention event ITSUMO MOSHIMO Caravan, and conducts art exhibitions of local Art Brut artists in Open MUJI, a communication space inside the store. It is also deepening ties with the community through various initiatives such as participating in rice cultivation in terraced rice paddies while learning from local farmers.

There is a Healthcare Center inside the store to support healthy living. It also has a dispensing pharmacy on site that handles non-prescription drugs, and accepts people for physical examinations and health consultations using a full range of medical equipment every day. Health-related events open to everyone are also popular.

In addition, the store is deepening its collaboration with Naoetsu Uchimachi Art, an art event that aims to bring out the charm of Naoetsu and create a lively atmosphere in the town. MUJI Naoetsu will continue to strengthen its ties with the community and help to enrich the lives of the people who live there.



Naoetsu Uchimachi Art



MUJI Naoetsu 3rd anniversary event



Material Issue 2: Address Local Challenges and Revitalize Regions

Leveraging IT to Support Independent Store Management

Ryohin Keikaku is leveraging information technology (IT) to implement business process reforms and upgrade digital services throughout the Company to support product development with integrity and the management of stores that also serve as community centers. To that end, we are building an organizational structure aimed at integrating IT infrastructure and promoting further efforts to improve online services for customers.

Basic Policy

Ryohin Keikaku is overhauling its core systems while strengthening its organizational structure. This includes promoting in-house development and building a robust IT infrastructure. We will continue to accelerate our investment in technology to steadily implement business process reforms throughout the Company in support of independent store management and autonomous decentralization.

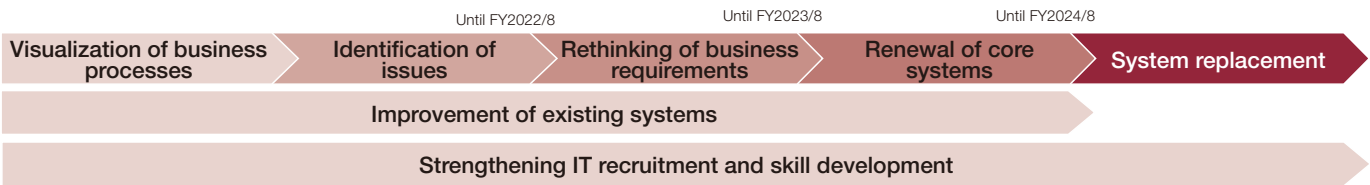
We are revamping our product planning system to integrate budgeting, sales planning and ordering in order to improve order accuracy and reduce missed opportunities. This will also facilitate more precise purchasing and inventory management.

New Core System Construction Plan and Progress

In FY2024/8, we started work on development of a core system to achieve the business operations we envision. We established a structure that links the entire process from budget preparation to the development of semiannual plans, and have completed the global rollout. We will continue to develop the system in FY2025/8. We will integrate sales planning and ordering on a global scale to improve inventory accuracy, reduce missed opportunities and achieve greater efficiency in ordering. We have also established the Global IT Office, which will address both global standards and localization to promote system development tailored to the characteristics of each country and region.

Strengthening Recruitment

In FY2024/8, we hired 33 IT professionals to promote in-house system development. We will continue to recruit IT talent in order to respond quickly to future globalization and the diversification of customer needs.



Using IT to Promote Store Operating Efficiency

Ryohin Keikaku employs a one-stop business model as a manufacturing retailer. It involves developing and manufacturing products and services, and delivering them directly to customers. Because of this, boosting the efficiency of store operations accounts for a large part of the Company-wide business reforms.

In FY2024/8, we continued to install self-checkout registers and revamp POS systems.<sup>1</sup> Thus far, 2,026 self-checkout registers with the new POS system specifications have been installed at 425 stores. In conjunction with this, we have made improvements to cash register operation, and by enabling smooth operation of the self-checkout registers, we have reduced the time needed per transaction by 17 seconds and achieved a 3.3% reduction in labor hours (approximately JPY 350 million per year).

Furthermore, we are promoting operational efficiency through digitalization of store operations such as customer back-orders and shelf-life management, and are making steady progress in improving the in-store environment by replacing the computer equipment and networks used in store operations.

1. A system for managing sales data and product information at the point of sale



Providing “Comfortable Online Services” to Customers

The “comfortable online services” that Ryohin Keikaku is aiming for describes a state in which technology and services are seamlessly and imperceptibly integrated into daily life, like the air we breathe, and do not impact the natural flow of customers or employees. To make that a reality, we want to create a seamless inventory management and purchasing experience both in stores and online, and are reinforcing operations including delivery, back-orders, holds, in-store pickups and returns to ensure a stress-free shopping experience. We are also strengthening marketing and customer relationship management to provide each customer with personalized service.

MUJI passport App

Ryohin Keikaku’s MUJI passport app started out as a simple membership card, and we have since improved its convenience by adding a series of new functions, including access to the online store and content from the owned media platform “From MUJI.”

In Japan, the cumulative number of downloads has exceeded 35.47 million, the number of store followers has reached 20 million, and the number of articles (newsletters, snapshots, etc.) sent out annually to customers is 55,000. For e-commerce, customers are actively using the app as a product research tool to assist them in making purchase decisions at stores.

To get even more customers to use the MUJI passport app, we will continue to make improvements and work to enhance the user interface and customer experience.

Online Store

Our online store (e-commerce business) continues to grow, and now accounts for about 10% of our sales in Japan. In FY2024/8, we implemented some 70 enhancements, including improvements to guest checkout, review and in-store pickup functions, as well as optimizations for search and display speed, app crash solutions and architecture upgrades. These improvements led to stable operation even during the MUJI Week campaign,<sup>2</sup> which contributed to strong sales performance.

For sales on other marketplaces such as ZOZOTOWN and Rakuten, we made sales site improvements, expanded the number of products available and promoted earlier product releases. New customers continue to shop for MUJI products on those sites every month.

2. Exclusive offer period for MUJI members

Shokoku Ryohin and MUJI Furusato Nozei (“Hometown Tax”) Program

For Shokoku Ryohin, which started in 2015 with the aim of helping revitalize local communities through sales of local products, we introduce and sell food and other goods that are specific to regions across Japan.

Currently, we handle approximately 1,800 items from all 47 prefectures. These items are sold at MUJI stores and on the e-commerce site. In September 2024, we expanded Shokoku Ryohin by launching a website dedicated to the “hometown tax” program, a government initiative in which people can donate part of their tax payments to a town of their choice, and receive “thank you” gifts from that locality. By making it easy to obtain the goods offered through Shokoku Ryohin, we will enable people to support the hometown they were born in, or any municipality in Japan.

Start of Package Drop Service

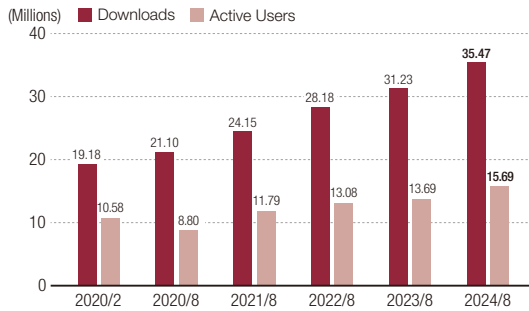
From the end of November 2023, we started a package drop service in which the delivery worker leaves an ordered item in a place designated by the customer rather than handing it to them directly. About 30% of customers use this service, which has helped to reduce CO<sub>2</sub> emissions by about 66 tons, and led to a reduction of 264,000 equivalent working hours for delivery drivers.<sup>3</sup>

In-Store Pickup

Our in-store pickup service allows customers to pick up merchandise they order online at the nearest MUJI store. This convenient service allows them to save on shipping costs as well as enjoy shopping, and the usage rate is increasing every year. As a result, CO<sub>2</sub> emissions were reduced by approximately 90 tons and the hours worked by delivery drivers were reduced by the equivalent of 360,000 hours (compared with the levels if home delivery had been used for all of those orders).<sup>3</sup>

3. Calculated using the estimation method presented in *Estimation of Social Losses Caused by Redelivery in Home Delivery Services* issued by the Ministry of Land, Infrastructure and Transport

Downloads of MUJI passport App and Number of Active Users



Scope: Ryohin Keikaku Co., Ltd.



Online Store ▶ <https://www.muji.com/jp/ja/store> (Japanese only)

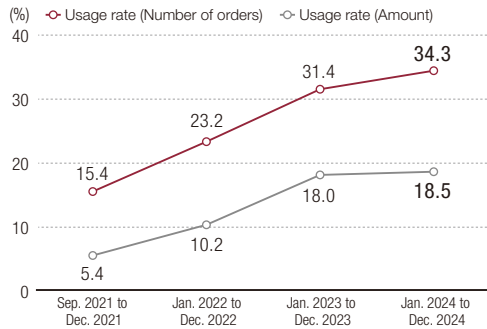


MUJI Furusato Nozei (“Hometown Tax”) Program  
▶ <https://furusato.muji.com/> (Japanese only)



Package drop service

Usage Rate of In-Store Pickup Service for Products Ordered Online



Note: The current version of the in-store pickup service has been in operation since September 2021.



# Businesses That Lead to Solutions to Social Issues and Regional Revitalization

Ryohin Keikaku is building a platform for realizing a truthful and sustainable society in each region. Our stores aim to support the foundations of daily life as community centers, and seek to be an integral part of the regions in which they operate. We are engaged in a variety of projects throughout Japan, both in our stores and in the community at large, and by helping to address local challenges and revitalize regions we will design sustainable communities.

To drive these initiatives forward, we established the Social Good Business Division, and based on our role as a company that is essential in supporting social common capital,<sup>1</sup> Ryohin Keikaku aims to create a system for realizing public good and mutual assistance in society and a situation where the economy, culture and the environment are organically connected.

1. The concept that the natural environment and social institutions are capital that make it possible for all people in a country or a specific region to lead a prosperous, economically stable life and to maintain an appealing, stable and sustainable society.

## Key Initiatives MUJI STAY

### Development of Launching Points for Community Activities: New Lifestyle Proposals

MUJI STAY is an initiative for rethinking what lodging facilities and houses can be and transforming lifestyles themselves by redefining the concept of “living.” By leveraging idle assets, we aim to create multiple places to stay where people can lead the lives they want, whether in the city or the countryside, in Japan or overseas. Currently, we operate MUJI HOTEL, MUJI BASE, MUJI room, and MUJI Camp, and manage them in ways that maximize the natural value of each region.

In September 2024, we launched MUJI room, a project to create places where people can experience life with MUJI products in the region’s existing accommodation facilities, including hotels, *ryokans* (Japanese-style inns), and vacation rental properties, and opened MUJI room LIBER HOTEL in Osaka. In this project, we design the space and produce a local experience in hotel rooms and well-established *ryokans*, and are implementing various initiatives that lead to enjoyment of daily life and coexistence with local communities.

MUJI STAY ▶ <https://stay.muji.com/> (Japanese only)



MUJI HOTEL GINZA



MUJI BASE TESHIMA



MUJI room LIBER HOTEL



MUJI Camp

### Realizing a Truthful and Sustainable Society



## Healthcare Centers

### Health and Safety: Supporting the Physical and Mental Health of Local Residents

Ryohin Keikaku has initiated the Healthcare Center Project as part of its commitment to resolving the social issues of maintaining mental and physical health, preventing illness, extending healthy life expectancy, eliminating health disparities, supporting health maintenance in areas with limited medical services, and preventing social isolation. Healthcare Centers have opened in four stores as of the end of November 2024. The centers provide products, information and services that help people in their communities lead healthy lives. Users have access to a personal medical logbook as well as measuring instruments including a blood pressure monitor and body composition analyzer. In addition, a pharmacist, nurse, registered dietician, physical therapist and other specialists are available for consultation free of charge. Going beyond health maintenance, these centers hold a variety of events and activities that help build connections among local residents. These events include physical exercise classes, yoga, leisurely walking tours, dementia prevention events, parent-and-child baby massage sessions, diet seminars, and a traditional Chinese medicine course.

In September 2024, the first Healthcare Center in a city center opened in the MUJI Grand Front Osaka store. Since the area is frequented by many families with children and business professionals, we introduced KAMPO X, a traditional Chinese medicine business support software (for pharmacies) for the first time, to assist people dealing with health, sleep and other problems amid their busy lives. The Healthcare Center provides a list of appropriate Chinese medicines and proposes products in combination with expert knowledge.



A look inside a Healthcare Center

## ATELIER MUJI and Art Events

### Culture and the Arts: Future Lives Connected to the Past

ATELIER MUJI is an activity that began with the concept of “a workshop where you can go back to the basics of life and find hints for moving forward into the future.” As a reflection of Ryohin Keikaku’s vision of creating cultural crossroads, we organize various events on themes such as art and design, and hold exhibitions at the gallery inside MUJI Ginza as well as online.

In 2024, we held TOKYO ARTSCAPES, our first art event in the Life in Art<sup>2</sup> project. Our goal is to reconsider the value of art in everyday life, and make Ryohin Keikaku’s aspiration of a “truthful and sustainable life for all” more tangible and familiar. At the MUJI Ginza gallery, we held MOTHER—The Realm Between Imagination and Reality by KRANK,<sup>3</sup> known for creating items that combine original functionality with artistic beauty. The exhibition showcased unique creations—including antique furniture and small objects—brought to life through diverse expressions of light and shadow.

2. Life in Art is a project to spread art (culture) based on the theme of everyday art. It was started in 2011 by the interior brand IDÉE.  
3. KRANK is an antique furniture shop founded by Kenichiro Fujii.



MOTHER—The Realm Between Imagination and Reality

## ITSUMO MOSHIMO

### Frameworks for Local Mutual Assistance: Collaboration with Local Governments

“Always ready for emergencies”—that is the concept behind ITSUMO MOSHIMO, a project aimed at raising the disaster awareness of society as a whole by incorporating preparedness into everyday life. As part of the project, we are conducting educational activities that are open to people of all ages, including disaster prevention workshops and events held in collaboration with local governments. We want to make familiar daily necessities and food products a part of disaster preparedness. By connecting communities, businesses and governments without any boundaries, we are helping to enhance the disaster preparedness of whole regions.

In addition, in August 2024 we used the opening of MUJI Karatsu and MUJI Hita as an opportunity to conclude cooperation agreements on regional disaster prevention with the cities of Karatsu (Saga Prefecture) and Hita (Oita Prefecture). In the event of a disaster in either city, we will provide disaster prevention equipment (kamado benches, manhole toilets and charging stations for electronic communication devices) that are set up in our stores. In the event of a disaster, we will strive for the early recovery of store operations to quickly make store products available for purchase by the residents of each city. Through these initiatives, Ryohin Keikaku is aiming to enhance the disaster preparedness of whole regions by fostering seamless collaboration between communities, businesses and governments.

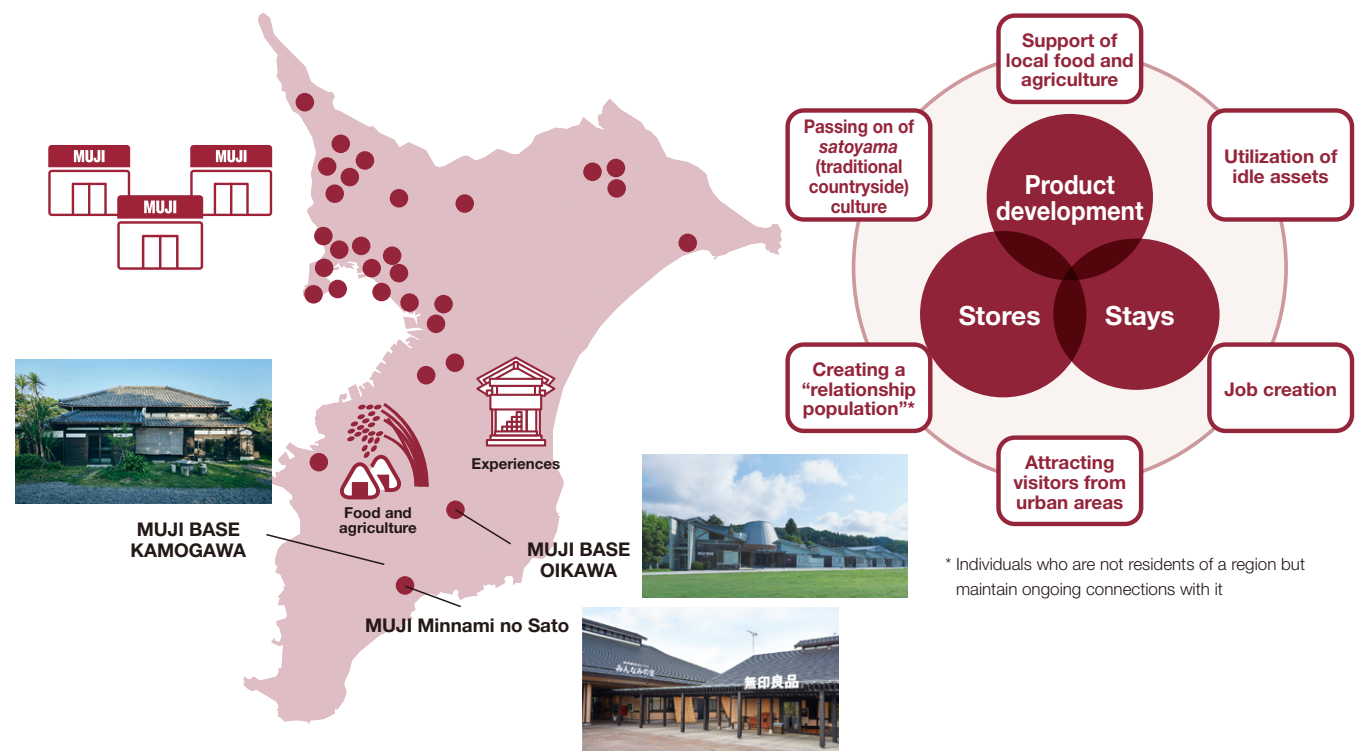


ITSUMO MOSHIMO Caravan



# Building a Regional Circulation System That Connects Food and Agriculture, Culture, Operating Bases and People

At Ryohin Keikaku, we think of our stores as community centers, and are aiming for industrial and economic revitalization using local resources. To do so, we are expanding frameworks for circulating local capital through our stores. The Chiba Division, one of our regional divisions, is creating a “regional circulation system” suited to the characteristics of Chiba. As part of this system, stores in urban areas and small cities will work together to further develop localization activities over 10 years.



## MUJI Minnami no Sato: A Place for Experiencing Satoyama Food and Culture

Under a cooperation agreement with Kamogawa City, MUJI Minnami no Sato, which opened in April 2018, operates a direct-from-the-farm market that sells fresh fruits and vegetables grown by local farmers, and a Café&Meal MUJI that makes liberal use of local ingredients. With these businesses, MUJI Minnami no Sato serves as a base where visitors can experience *satoyama* food and culture. In April 2024, MUJI Minnami no Sato opened Satoyama Deck, a space where visitors can enjoy the scenery while dining on the premises. The facility also collaborates in hosting monthly events with Soil to Soul FARM PARK Kamogawa, an agricultural park opened by local producers on adjoining land. These events let people enjoy the *satoyama* experience, and we are working on creating a relationship population from urban areas.



MUJI Minnami no Sato

## Creating Opportunities to Experience Satoyama Culture with Local Communities

In Kamanuma North Village in Kamogawa, Chiba Prefecture, we have been operating the Kamogawa Satoyama Trust project for 10 years since 2014—a project that seeks to preserve terraced rice fields and the *satoyama* culture. The trust conducts various events each year, including an event to experience *satoyama* culture through rice planting and other activities together with customers, with MUJI stores in Chiba Prefecture serving as the contact points. We plan to create even more relationship populations by providing tours for overseas visitors and accepting requests for training from companies and educational institutions.



Rice planting organized by the Kamogawa Satoyama Trust

## Rice Cultivation in Partnership with Local Producers

The Kamogawa area, where agriculture is the main industry, is facing various challenges, including the aging of farmers, increasing rice prices, and the difficulty of switching to other crops because much of the land in this mountainous region is on slopes.



To solve these issues, we held extensive discussions with local producers on expanding the possibilities of rice to create local products that offer new value, which can lead to higher incomes for producers and help secure successors and new farmers. We proposed production of long-grain rice in response to the current need for food diversification, and the product that emerged from that is Princess Sally rice.

## Chewy yet Fluffy—the Fragrant Rice “Princess Sally”

Princess Sally rice combines the characteristics of basmati, an indica rice with a non-sticky texture and pleasant aroma, and the rice generally grown in Japan, which has a chewier texture, making it more appealing to people who may not prefer the texture of basmati rice. It is compatible with Japanese food, curry, fried rice and other Asian cuisine, and its sweetness and umami flavor are more prominent when eaten on its own. It was developed as a rice that can be enjoyed by people around the world—by Japanese people who may not prefer the dryness of indica rice, and by people who find Japanese rice too soft and sticky.

After obtaining the seed rice, the Chiba Division took the lead in creating a network, including selecting and contracting with producers as well as selecting processors. We started planting in cooperation with seven local producers in April 2023. We purchased and commercialized all of the 14 t of rice



harvested in fall 2023. We have developed various sales channels for the rice, including offering it at Café&Meal MUJI and selling it in the online store and at 160 major MUJI stores, creating JPY 15 million in distribution value. As this rice can be differentiated from others grown in the area, purchase prices will rise, which will lead to higher incomes for producers. Going forward, we plan to increase the number of producers and expand the cultivated area and sales.

## Utilizing Local Idle Assets to Create Hubs for Stays

In 2017, Ryohin Keikaku leased the former Oikawa Elementary School, which had closed due to declining enrollment, from the town of Otaki, Chiba. We sought to utilize the former school in various ways, with the goal of creating opportunities for community interaction and collaboration. Then, in October 2024 we completed renovation of the former school, turning it into an accommodation facility for experiencing the local community, and opened MUJI BASE OIKAWA to promote local industry and create community-based experiences. In the city of Kamogawa in 2019, we opened MUJI BASE KAMOGAWA in a renovated *kominka*, or Japanese folk house, that is more than 100 years old. We are expanding it into a hub for community-based living, and developing it as a facility for medium- to long-term stays that guests can use as a place to experience an alternative way of life.



MUJI BASE OIKAWA multipurpose hall



MUJI BASE KAMOGAWA kitchen space  
MUJI BASE ▶ <https://www.muji.com/jp/ja/special-feature/mujibase/en>



Social Impact Assessment of Localization Activities

In addition to selling merchandise, MUJI stores also serve as community centers. As such, they engage in activities to address local challenges and revitalize regions in collaboration with government agencies, local businesses and non-profit organizations. Lifestyles and social issues vary by region. We aim to create a positive impact in each community by understanding local values and issues and working together with residents through trial and error. In FY2024/8, we carried out a social impact assessment (as a trial) using the social return on investment (SROI) methodology, focusing on two localization activities, to visualize our impact on society.<sup>1</sup> As a result of assessing these two activities, we were able to confirm that the activities are significant because they have substantial social benefits as well as economic benefits in each region.<sup>2</sup>

About Social Return on Investment (SROI)

SROI is one method of measuring the impact of investments in social businesses and activities, and is determined by dividing the impact on society (benefit) by the input (investment cost). Ordinarily, return on investment, obtained by dividing profit by the amount invested, is used in evaluating the economic activity of companies, but for SROI, in addition to the economic aspects, the social impact (benefit) is measured by assigning monetary value to the social and environmental impacts and adding up the economic profit. An SROI greater than 1.0 signifies a positive investment impact.

Social return on investment (SROI) = Impact on society (benefit) ÷ Investment cost

In conducting this assessment, we obtained the opinions of Hitoshi Matsushima, a professor at the University of Tokyo Graduate School of Economics, and Masayuki Yagasaki, a senior assistant professor at the Tohoku University Graduate School of Economics and Management. Dr. Matsushima and Dr. Yagasaki are members of the Chair of Social Common Capital.<sup>3</sup> The SROI assessment results were reviewed by Toru Matsumoto, a professor at the Institute of Environmental Science and Technology at the University of Kitakyushu.

1. Results of an assessment based on answers to a questionnaire carried out over a short period of time  
2. Assessment methods that assign monetary value have limitations and may not fully capture all social benefits.  
3. The Chair of Social Common Capital was established at the University of Tokyo Graduate School of Economics in 2022 through a donation by Ryohin Keikaku.  
For more details ▶ <https://www.scc.e.u-tokyo.ac.jp> (Japanese only)

MUJI Naoetsu’s Mobile Sales Bus

MUJI Naoetsu has operated a mobile sales bus that goes to mountainous areas since August 2020. The bus visits people who have difficulty shopping on their own, such as elderly individuals or people who live far away from stores, and the drivers chat with them and deliver the items they need for daily life to help them live with peace of mind. It carries about 300 different kinds of MUJI products, such as sweets, retort pouch foods and cosmetics. Mobile sales destinations are determined in consultation with local governments and other entities, and the service operates in a total of 18 locations (as of the end of August 2024), mostly in Joetsu City, where MUJI Naoetsu is located.



Social Impact Assessment Result: SROI of 2.5

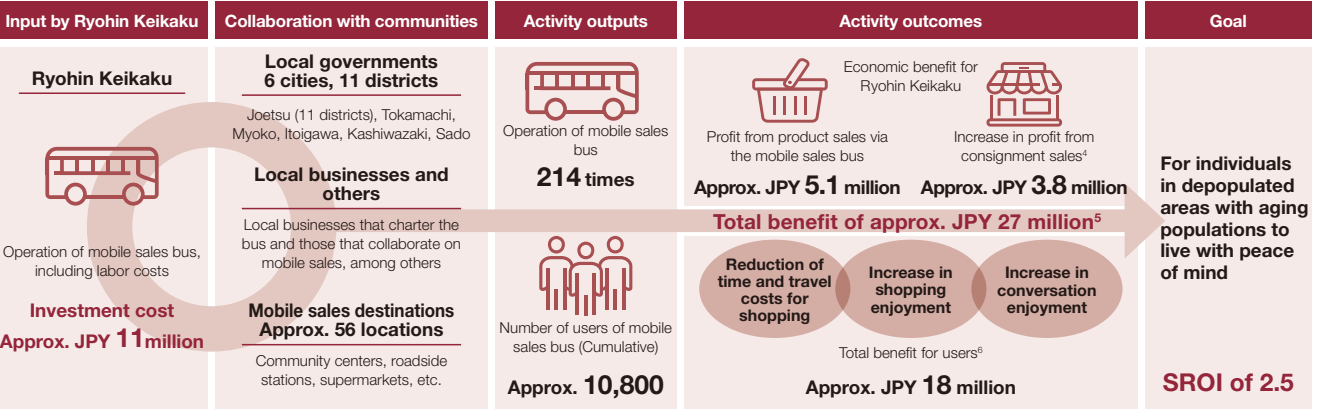
The assessment evaluated activities for one year in FY2024/8, the fourth year since the mobile sales bus began operating in Naoetsu. The operating cost was approximately **JPY 11 million (investment cost)**, while the total outcome of the activity was approximately **JPY 27 million (benefit)**. This results in an **SROI of 2.5**. From the questionnaire results, the benefit to users of this service was about JPY 1,700 per person, with many customers saying they feel happy that they can shop in their own neighborhood without spending time and transportation expenses to go to the MUJI store and the city. They were also glad to have more opportunities to enjoy shopping in an area where there are few places to shop. In terms of the economic benefit, profit from sales was higher than in the previous year because of an increase in permanent consignment sales locations such as public facilities. We have received requests from customers on matters such as expanding the product lineup, and will make improvements accordingly.

Comments from a Local Government Official

Joetsu City, including Yasuzuka Ward, has an aging population. For seniors who have difficulty going shopping alone, picking up and choosing products themselves brings great pleasure. The mobile sales bus provides a good opportunity for them to enjoy shopping.

**Midori Fujita**  
In charge of Community Development, Yasuzuka-ku General Office, Local Policy Section, General Policy Department, Joetsu City

Mobile Sales Bus Impact Map (FY2024/8)



4. Operation of the mobile sales bus led to increased profit for consignment sales partners compared with FY2023/8.  
5. Since exhaust gas is emitted from the mobile sales bus during operation, it is subtracted from the benefits as an environmental impact.  
6. Determined in part by referring to responses in a questionnaire survey of users of the mobile sales bus (conducted September to October 2024, with 207 respondents) regarding the advantages of using the mobile sales service and the amount they would be willing to pay for it. The benefits listed here represent some of the most frequently mentioned responses, including both multiple-choice and open-ended comments.

Library Established in MUJI Yoshizuya Kani Store

MUJI Yoshizuya Kani, which opened in Gifu Prefecture in November 2023, aims to support childcare and the development of the next generation. In addition, in partnership with Kani City under a comprehensive collaboration agreement, it helps pass on the city's natural, historical and cultural resources. As part of these efforts, we established the KANIMILIVE Library, a branch of the Kani City Library, inside the store, and are conducting various initiatives to support the lives of local residents. We conducted an assessment of the following initiatives.<sup>7</sup>

KANIMILIVE Library

The idea to establish KANIMILIVE Library—a branch of the Kani City Library—inside the MUJI store was born from a desire to make it easier for local residents to access books and to spark their interest in reading. Based on opinions received from local residents, books were selected with a focus on ones that children can enjoy alone or with their parents. We also made this a space where parents and children can enjoy books while talking with each other. In addition, we applied creative approaches to integrate the spatial design and bookshelf layout with the store, and developed distinctive methods of arranging books to encourage people to discover titles they might not usually pick up. The library was designed by Ryohin Keikaku's Space Design Division and is operated year-round by Kani City. However, the Himawari-go mobile library, beloved by the people of Kani for more than 30 years, ended its service in September 2023 due to aging and deterioration. Now it is displayed in the Yoshizuya Kani center court, and serves a new role as a symbol of the community's revitalization. The books inside the bus are available for use when it is open on Saturdays and Sundays.



Open MUJI

Various events are held in the Open MUJI event space inside the store for the purpose of revitalizing the community. The objective is for participants to broaden their range of activities by gaining new knowledge and ideas, and by meeting people. Currently, a variety of events take place, including informational sessions hosted by Kani City, local civic groups and universities on topics that are relevant to daily life such as health and child-rearing, as well as workshops on music and arts & crafts.

Health Checks

The health check corner inside the store is equipped with about 10 different kinds of instruments to measure things such as blood pressure and stress levels. They are available for anyone to use free of charge.

Social Impact Assessment Result: SROI of 1.4

The activities of KANIMILIVE Library were evaluated over the one year after its opening. The operating cost was approximately **JPY 140 million (investment cost)**, while the total outcome of the activity was approximately **JPY 200 million (benefit)**. This results in an **SROI of 1.4**. In the questionnaire results, 87% of customers said they visit the store to shop at MUJI, but over 60% of respondents said that they borrow or look at books when they stop in. In addition, 38% answered that their opportunities to read or be exposed to books have increased because of the KANIMILIVE Library. The most cited reason for that was “Because it is easy to drop in while I’m shopping” at 46%, followed by “Because it has books that I haven’t come across before” at 40%. Of those who responded to the questionnaire (13% of total participants) from events such as Open MUJI, 55% said they enjoyed the event together with their children. Establishing the KANIMILIVE Library through collaboration between Ryohin Keikaku and Kani City helped keep costs lower than the cost of building an ordinary library, and also led to increased sales for the Yoshizuya Kani shopping facility. As areas for improvement, respondents expressed a desire for more kinds of books, and for more events.

Comments from Local Government Officials

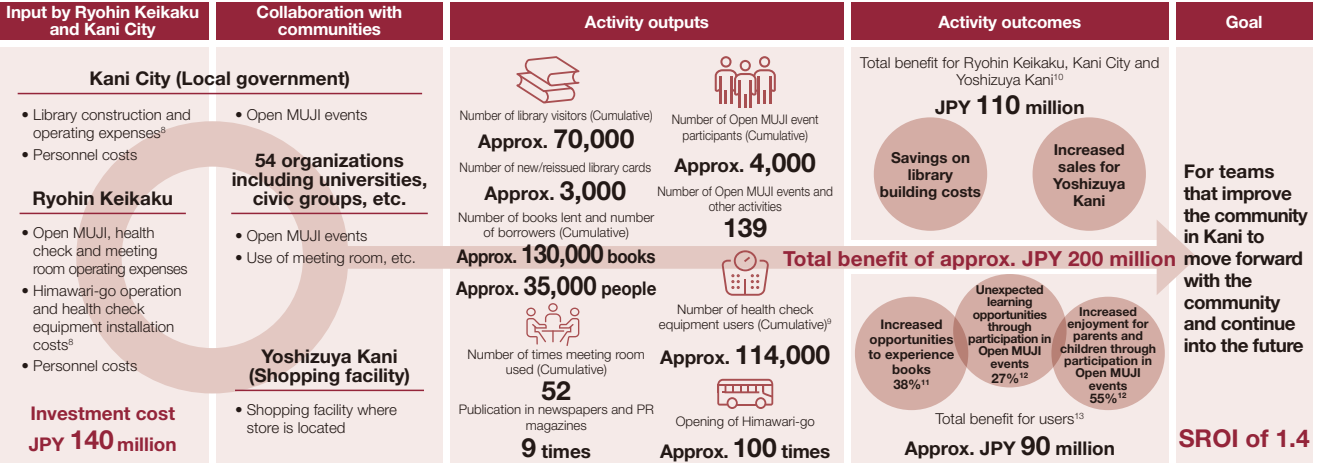
KANIMILIVE Library is intended to be a community center that will be cherished for many years to come. There will be more opportunities for citizens to encounter books, and we expect the library will be used by many people as a place to build connections.

Secretary Policy Division, Municipal Policy Planning Department, Kani City

**Hidekatsu Ogiso**  
Section Chief

**Takuya Yoshida**  
Assistant Manager

MUJI Yoshizuya Kani and KANIMILIVE Library Impact Map (From November 2023 to October 2024)



7. The assessment target was limited to localization activities including the KANIMILIVE Library and MUJI-led events. Activities such as the sales of MUJI products and the regional trading company activities of KANIMILIVE are outside the scope of the assessment.  
8. Of the investment costs, facility construction and equipment costs were divided by the number of years of depreciation (50 years and 8 years, respectively) and recorded as the costs for one year.  
9. Health check equipment became available for use starting in January 2024, and therefore the number of users for the 12-month period was estimated based on the results for January to August 2024.  
10. The combined total of the amount saved in comparison with the cost of building an ordinary library, the increase in operating profit of Yoshizuya Kani, and the impact of publicity from being featured in newspapers and PR magazines.  
11. The answers of people (KANIMILIVE users) who had visited the KANIMILIVE Library/MUJI Yoshizuya Kani at least twice in the questionnaire survey period (conducted in November 2024) were used for reference.  
12. The answers of people who had visited the KANIMILIVE Library/MUJI Yoshizuya Kani at least twice and had attended an Open MUJI event in the aforementioned questionnaire survey were used for reference.  
13. The advantages of using the KANIMILIVE Library and the amount users would be willing to spend, obtained from the results of the aforementioned questionnaire survey, were used for reference. The benefits listed here represent some of the most frequently mentioned responses, including both multiple-choice and open-ended comments.



Material Issue 3: Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role

Human Resources and Organizations for Practicing “Public Interest and People-Centered Management”

Based on its core value of “contributing to society and people” Ryohin Keikaku’s employees act as leaders with a sense of ownership, taking the initiative to practice “public interest and people-centered management” in order to realize “a truthful and sustainable life for all.” At Ryohin Keikaku, it is employees who practice “public interest and people-centered management” that are the Company’s greatest form of management capital. Development of human resources and the creation of organizations is the cornerstone of our management strategy.

Issues to Address

In Japan, the working-age population (15 to 64 years old) was 73 million as of 2024, but is projected to decline to 70 million by 2030.\* This is expected to make recruiting more difficult every year, and workplaces with poor work environments and unattractive companies may not make it in the recruiting market. Recognizing this issue, we have made “practice business activities in which each and every diverse individual plays a leading role” one of our material issues. In each of the areas of recruiting, training, developing systems and creating an organizational culture, we will strive to create an environment where diverse employees can devote themselves to their work with peace of mind and align themselves with the Company’s direction and their own personal goals, while enjoying their jobs. This will result in the creation of more proactive employees who take the initiative as well as a higher level of engagement.

\* Source: Population Projections for Japan (2023 revision) published by the National Institute of Population and Social Security Research

Human Resources Who Support Ryohin Keikaku

We consider it important for each employee to take the perspective of the consumer, empathize with the core value of “contributing to society and people” through our business, and maintain a passion and ambition to realize their dreams, while also working as a collective that takes the initiative in their communities and stores. We will promote engagement with our stakeholders, while providing products and services “to be a part of people’s daily necessities” and promoting activities that enable us “to take root in local society,” which will lead to the creation of new value.

The Qualities We Seek in Employees

<b>1. Passion and ambition to contribute to society and people</b> Being thankful, humble, considerate, conscientious and sincere toward others based on the understanding that we need each other's support. The passion and ambition that comes as a result help us contribute to society and people and resolve social issues.	<b>5. Creativity and conceptual ability</b> The ability to observe things closely, recognize gaps between the current and ideal situation, and discover elements that surprise. The creativity to give shape to the ideas generated from those realizations and findings. The conceptual ability to design business models and frameworks to resolve current issues and contradictions while creating sustainable value.
<b>2. Empathy and sense of ownership</b> Respecting the people close to you, customers and others with diverse values while imagining their daily lives, experiences and feelings. The ability to empathize with and have a sense of ownership regarding those lives and values.	<b>6. Teamwork and collaboration skills</b> The teamwork to build collaborative relationships with people inside and outside of the Company based on the ability to share values and awareness of issues. The ability to achieve great things that could not be accomplished alone and the skills to create new ideas.
<b>3. Professional mindset</b> The mindset to keep working to improve conditions and create new value, with the belief that generating profit by contributing and bringing joy to customers and the region is a worthwhile endeavor.	<b>7. Vitality and thoroughness</b> The vitality to put ideas into practice by oneself. The thoroughness required to continue making improvements until one achieves success.
<b>4. Inquisitive mind and intellectual curiosity</b> An inquisitive mind that continues to envision the ideal future life and society from the perspective of those who live the most considerate everyday life. Intellectual curiosity and the mindset to continue thinking based on actively gathering insights from newspapers, books and art, and by exploring each neighborhood or connecting with others.	<b>8. Spirit of taking on challenges and positive attitude</b> A spirit of taking on challenges and the confidence to face unknown challenges and difficulties without fear. The positive attitude to enjoy every situation.

Strengthening Recruitment

We seek human resources who deeply resonate with our corporate purpose and missions, and who are committed to helping us realize those ambitions. We proactively recruit new graduates and local employees, as well as promote hiring of professionals and offer career advancement opportunities to current store staff.

Through the recruitment of university graduates, as well as people who have worked one or two years after graduation and local employees, we aim to achieve an annual hiring target of 560 people. To this end, we have focused on expanding the pool of prospective candidates by conducting internships and holding information sessions throughout Japan, and approaching students who work part time at MUJI. In addition, we have established a fast and efficient recruitment process centered on online selection. We expect approximately 480 university graduates will join the Company in April 2025, a significant increase from the previous year. Furthermore, in the recruitment of professionals, we are actively working to attract high-level talent with knowledge and experience in a wide range of specialty fields, such as product development, supply chain management, store development and CRM/e-commerce. We want these people to help drive the Company’s global business growth.

To ensure sufficient staffing at stores, we identify the required number of staff for each store, and then regularly monitor staffing levels. We are strengthening recruitment through wage increases suited to the characteristics of each region and by utilizing a flexible hiring system that accommodates diverse backgrounds, including high school students, seniors, foreign nationals, temporary workers and dispatch workers.

Recruiting Results				
	2021/8	2022/8	2023/8	2024/8
Number of new university graduate hires	28	103	142	218
Number of mid-career hires	38	105	224	341
Ratio of mid-career hires to total new hires	57.6%	50.5%	61.2%	61.0%

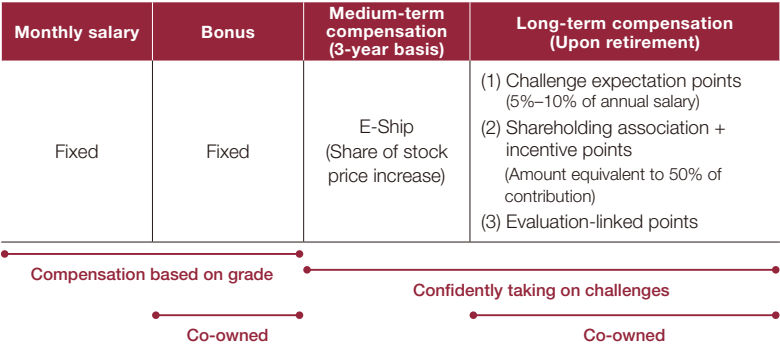
Scope: Ryohin Keikaku Co., Ltd.

Co-owned Management

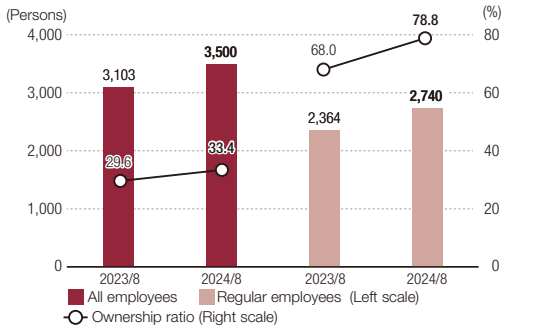
We believe that in practicing “public interest and people-centered management” it is important to foster a sense of ownership and management awareness among employees. It is also key to create an environment that empowers employees to confidently take on challenges over the medium to long term with a sense of security. To this end, we have introduced an employee shareholding association program. By enabling employees themselves to become shareholders (owners) in Ryohin Keikaku, our goal is to create a virtuous cycle in which increases in corporate value resulting from business activities are returned to each employee. We provide two incentive plans: the employee stock ownership plan (ESOP), a long-term plan in which shares are paid out upon retirement, and the trust-type employee stock incentive plan (E-Ship), a medium-term-plan in which dividends are paid every three years based on the Company’s stock price. Both plans are offered to employees, including partner employees. Under the ESOP plan, an amount equivalent to 50% of the contribution is paid to employees as shareholding association incentive points.

In addition, we have established a “challenge expectation point” system, in which ESOP points that can be converted to shares of the Company’s stock upon retirement are awarded to employees who take on challenges at a high level, regardless of their membership in the shareholding association. We aim to create an organization where anyone can enjoy taking on challenges and be rewarded for being proactive. In addition, we want employees themselves to build strong relationships of trust with even more people. Based on nominations and supervisor recommendations, individuals or teams announce the challenges they are taking on a six-month basis, and are awarded with points when progress is confirmed. From June 2024, we also started awarding ESOP points to regular employees who receive a performance evaluation above a certain level, with points linked to the evaluation results. We have introduced systems that support the medium- to long-term growth of employees such as a grade system that ensures employees’ growth and achievements are reflected in their compensation earlier than in the previous system as well as fixed annual salaries. We are building a compensation system that empowers employees to confidently take on challenges and realize co-owned management where they can share in the Company’s growth. The ESOP program is currently only available in Japan, but we plan to launch a global employee stock ownership plan starting with businesses in mainland China, Taiwan, Hong Kong and Singapore, and subsequently expand it to other regions.

Ryohin Keikaku's Compensation System



Number and Percentage of Employees Who Own Shares Held in Trust



Scope: Ryohin Keikaku Co., Ltd.

Strengthening Internal Communications

In order to promote co-owned management, it is necessary for employees to participate in management, and make suggestions to the Company while working in cooperation with managers. We therefore actively share management information, and we are increasing opportunities for communication between management and employees, and between employees themselves. Starting in FY2024/8, we have been increasing staff meetings as a forum for dialogue between store staff throughout Japan and executive officers.

Name	Meeting Frequency	Main Participants	Content
GOOD MEETING	Twice a year	All Group employees	Message from management, presentation of semi-annual initiatives of the whole Group, recognition of products and employees, presentation of good practices
MUJI Dialogue	Once a month	All employees	Message from management and Q&A session
Store managers meeting	Once a month	Store Sales Division employees (store manager level and higher)	Discussion and information-sharing on sales strategies
Employee meeting	Once a month	Headquarters employees	Introduction of the work and initiatives of each division and presentations by the people in charge
Staff meeting	Twice a year	Store staff	Sharing of Company direction and philosophy by executive officers and exchange of opinions and Q&A session



Material Issue 3: Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role

Self-Driven Employees and a Growth-Oriented Organization

Ryohin Keikaku operates globally and aims to build autonomous, decentralized organizations. We will recruit the people necessary to support new store openings in Japan and overseas and provide training to realize independent store management. We will create an environment that enables organizations to grow autonomously and support employees who seek to learn and grow. We want to develop talented individuals with a deep knowledge of each country and region, empowering them to lead growth in their respective areas. In addition, we aim to create a vibrant organization by developing future managerial talent as well as headquarters and overseas personnel, and then fast tracking and promoting such personnel to key positions.

Enhancing Training Programs to Promote Autonomous Growth

We are working to establish and develop education and training systems, as well as opportunities to support autonomous growth, to meet the needs of employees who want to learn and grow through their careers.

Training Store Managers Who Will Promote Independent Store Management

Training store managers who will promote independent store management is critical for realizing “a truthful and sustainable life for all.” We have launched a two-year Store Manager Cultivation Project to instill the mindset and skills needed to be a store manager through a combination of training and on-the-job development. As of the end of August 2024, approximately 650 employees are participating in the program. We are also strengthening elective training and e-learning to develop the business skills necessary for carrying out independent store management. For the development of store staff, as an aid to trainers, we are developing educational tools to support on-the-job training in stores (such as skills management charts and educational videos), and working to promote a training mindset.

Leader Talent Development

We hold the Leadership Talent Development Session as a forum for discussing Ryohin Keikaku's ideal corporate culture, organizational climate and approach to work. As of the end of August 2024, 2024, a total of 291 people had participated. The sessions are discussion-based training on the essential approaches and behaviors required for achieving better results at work, which fosters deeper mutual understanding and more efficient day-to-day operations. We are also working to organize and build a talent pipeline (development plan) for personnel who will gain experience in multiple divisions during their 20s before taking on management roles in their early 30s.

Quality Control and Industrial Engineering Training

At Ryohin Keikaku, we emphasize quality control and industrial engineering<sup>1</sup> as a foundation for promoting operational improvements and developing problem-solving skills. We provide employees with training to acquire and implement quality control and industrial engineering skills and knowledge, enabling them to take the initiative in making improvements in operations or service at stores and in their own departments. The training is open to anyone, regardless of their job position. In FY2024/8, 39 people participated in total. By instilling the ideas of quality control and industrial engineering throughout the Company, we will develop a corporate culture of proactiveness and independence—one in which employees review and improve upon their own work processes.

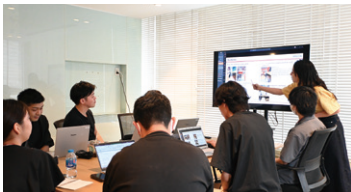
1. A universal approach to identifying and resolving issues in order to increase the quality of products and services, as well as a methodology for maximizing their value by finding and eliminating waste.

Support for Improving Business Skills

We are enhancing business skills improvement training for headquarters employees and managers. Training themes include business strategy, business development, marketing, communication, organizational management and data analysis. We provide a basic version and a practical version so that people can participate based on their level. In the training, for which we invite external lecturers, the programs combine the acquisition of specialist skills and knowledge with hands-on workshops. In FY2024/8, 505 people participated.

Overseas Training

Starting in FY2024/8, we have begun enhancing overseas training to support growth as a global company. The training includes on-site visits to overseas divisions, lectures on markets and the implementation of initiatives aimed at solving local challenges. It is designed for employees aspiring to work in overseas business roles in the future and enables them to experience local markets firsthand. It also aims to have them engage directly with current challenges and future priorities. All employees, including part-time employees, are eligible to apply for the training. In FY2024/8 it was held twice across eight countries and regions, with 96 participants.



Overseas training in Vietnam

Publicly Solicited Initiatives

In aiming to create a corporate culture of proactiveness and independence, we have also been actively developing publicly solicited initiatives. In July 2023, we launched Team ESG, a group of volunteers who are very interested in the topic of sustainability. Approximately 400 people<sup>2</sup> are a part of the project. The team holds study sessions and events on major themes and good practices in the Company related to ESG management. In April 2024, we also launched Team Regional Revitalization, with approximately 460 participants.<sup>2</sup> The team invites external lecturers, and participants learn from one another while enhancing their knowledge regarding how to solve regional issues and finding ways to put that knowledge into practice.

2. As of the end of December 2024



ESG Exploration Camp (November 2024)

Systems for Proactive Career Building

Based on the idea that employees themselves are the owners of their careers, we have established a variety of systems and training programs for proactive career building.

Career Design Workshops

We hold career design workshops to foster an awareness of proactive career building among employees and to support them in doing so. Perspectives on future careers and concerns such as balancing work with life events can vary significantly depending on an individual's life path and work experience. We therefore offer a wide range of workshops to help participants better understand themselves and clarify their career vision.

As one particular program, we hold a career workshop for younger female employees worried about their long-term career development and advancement. The aim is not just to help them envision their career path, but to also make it more actionable by looking at actual issues and potential biases, and then to create opportunities for making changes in behavior.

Internal Recruiting

At Ryohin Keikaku, we conduct internal recruiting on a six-month basis. This system gives employees an opportunity to proactively develop their careers. Employees can apply for any division, including overseas operations, enabling them to take on the challenge of a new job based on their own ambition and skills. In addition, we are also working to create an environment that makes it easy for employees to envision their careers. We set up a website that clearly presents each division's mission, business activities and required skills, and periodically hold division introduction events.

Career Statements and Career Consultations

To give employees the opportunity to regularly reflect on their career plans and discuss them with supervisors, we have established a system in which employees submit a career statement every six months and hold career consultations with their supervisors. The career statements encompass questions for the employee about sources of motivation and fulfillment at work, the kind of workstyle they would like to focus on, and what they would like to achieve at Ryohin Keikaku. The goal is to create an organizational culture in which individual employees proactively envision their careers, reflect on what they want to do at Ryohin Keikaku, and strive to achieve it. In the career statements for November 2024, 79.2% of employees responded that they have something they want to achieve through their work at Ryohin Keikaku.

Training System

Stores		Learn the necessary skills for store management	Learn the important concepts for MUJI				Learn the necessary skills for dealing with people	Learn the necessary skills for work	Headquarters							
Store manager candidate	Store manager	Area or block manager	Business skill training	Team ESG and Team Regional Activities	Quality control and industrial engineering training	Leader talent development session	Overseas training	Store training for mid-career employees	Career design workshops	Goal setting and evaluation training	Management workshops	Tableau training/personal information protection training/harassment prevention training	Business skill training (e-learning) - Business strategy/business development/marketing - Communication/organizational management/leadership - Career development/goal-setting/self-improvement - Data analysis/IT/AI/accounting/finance	Division general manager	Deputy manager	Headquarters employees
			New manager training													
			Sales and inventory planning Staff and work-hour planning Team member development Coaching													
			New store manager training													

Note: Color coding indicates eligible personnel

Stores	Stores and headquarters	Headquarters
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# Material Issue 3: Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role

## Becoming an Employer of Choice

We are setting the foundation for our growth phase, and aim to become an employer of choice and a company where people want to work long term. We want to create an environment that supports employees' health and lifelong sense of security while enabling flexible work styles, long-term employment and work-life balance. To achieve this, we are developing systems based on a flexible approach, improving and streamlining operations to create more breathing room in daily work, and fostering a culture of cooperation and mutual support to promote mental well-being.

### Employment and Labor Policies

In its employment activities, Ryohin Keikaku makes sure to understand the customs of the countries and regions in which it does business. We also make sure to comply with the laws and regulations of those countries and regions.

Ryohin Keikaku publishes the *MUJI Employee Handbook* in three languages (Japanese, English and Chinese) as a way to present its employment and labor policies and has also issued the Group Compliance Code of Conduct. To ensure that all employees understand its content, explanations and training are provided when they join the Company.

1. We aim to achieve lasting happiness for MUJI employees.

2. We strive to ensure the mental and physical comfort, enrichment and professional growth of our employees.

3. We respect the individuality, human rights and privacy of our employees. We work to eliminate discrimination and do not tolerate harassment of any kind.

4. We respect gender, nationality, ethnicity and religious diversity, learn from our differences, and help each other grow.

### Work-Life Balance Proposals

We have systems that make it easy for employees to choose from a variety of work styles in order to continue working with peace of mind, even when life events such as childbirth, childcare and nursing care occur.

These systems include childcare and nursing care leave, a shorter working hours system for medical recovery, and a family care system, and can be used by all employees regardless of gender. Eligibility for the childcare system, which permits employees who are raising children to work shorter hours, was expanded to partner employees in November 2021, and the applicable period was extended again in April 2024 from “until completion of the 4th grade of elementary school” to “until the completion of elementary school.” These are some of the ways in which we are creating an environment where employees can work with peace of mind.

Moreover, we introduced the balanced four-day workweek system in May 2021 to help employees achieve work-life balance that aligns with their values and ideal style of working. The system is designed to accommodate various needs such as childcare, nursing care, health and well-being, self-improvement and social contributions.

In September 2022, we introduced a flextime system with no core hours for headquarters employees. This facilitates high flexibility in work arrangements, including remote work, and through work style options to accommodate various needs employees are able to improve their self-management skills as well as their efficiency and productivity.

### Improving Work Styles in Stores

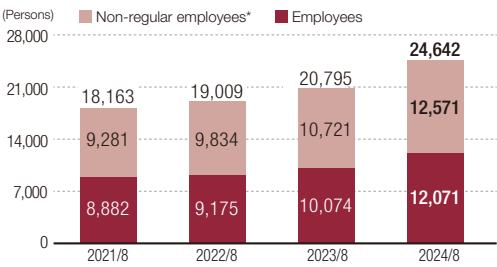
There are currently 19,614 employees working at stores throughout Japan.<sup>1</sup> Store circumstances involve factors such as relocations, shifts on public holidays and night work. We are establishing systems to support a healthy and flexible work style for employees.

Given the growing frequency of store employee relocations as store openings increase, we raised the rent subsidy rate for company housing to 70% from February 2024. In addition, employees can apply to work as regional employees, which exempts them from relocation, or request a temporary exemption from the transfer system. From June 2024, partner employees are also able to use the monthly pay system in order to stabilize their income, as well as the paid leave system that enables the use of paid leave in half-day increments, which had previously been available only to regular employees.

In addition, as part of efforts to strengthen the store management framework we have introduced the “Closer” designation for partner employees responsible for store crisis management and settlement operations. These employees receive a special allowance. We are creating a system that enables multiple people to share workloads, reduces long hours for store employees and promotes the use of paid leave.

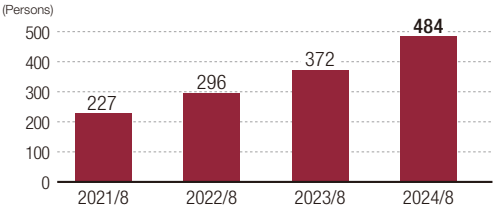
1. Scope: Ryohin Keikaku Co., Ltd.

Number of Employees (Ryohin Keikaku Group)



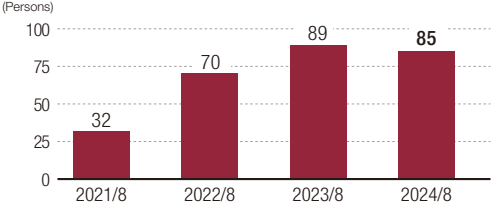
\* Average number of employees per year based on an eight-hour workday calculation method

Average Number of Employees Using the Childcare System



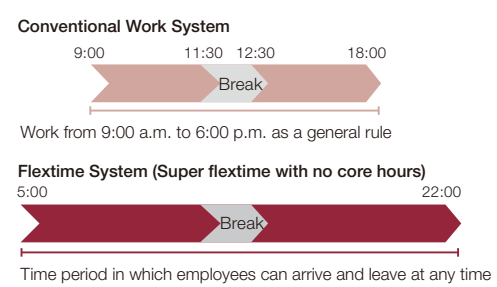
Scope: Ryohin Keikaku Co., Ltd. (including partner employees)

Number of Employees under the Balanced Four-Day Workweek System

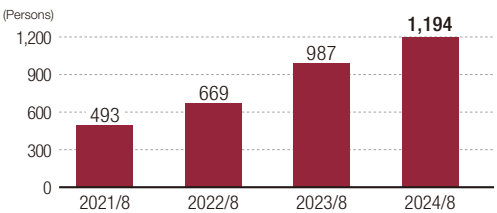


2021/8 covers the four months from May 2021 to August 2021, during which the balanced four-day workweek system was introduced.

Approach to Working Hours



Number of Regional Employees



### Diversity & Inclusion

Ryohin Keikaku recognizes the critical importance of having an environment in which diversity is respected, regardless of gender, age, nationality, or other characteristics, and where diverse human resources can thrive, balance work and life events, and remain motivated. In FY2022/8, we launched the Diversity Committee as a Company-wide committee. Chaired by the director in charge of the Human Resource Development Division, the committee is composed of executive officers, managers and deputy managers, and select employees from relevant divisions, including the Sales & Marketing Division, which has the largest number of employees, and the Corporate Planning Division. More than half of the committee members are women. The committee is tasked with promoting change, including by advancing discussions on policies and systems for building an organization and corporate culture that can make the most of diversity in terms of people, values and lifestyles, and by proposing ideas for transformation.

### Promotion of Participation and Advancement of Women in the Workplace

Promoting the participation and advancement of women in the workplace is a topic of high urgency and priority. One of the reasons is that female employees have a higher turnover rate than male employees, and as a result, the percentage of women in managerial positions is low. While just under 60% of our employees are women, the ratio of female managers at the deputy manager level and above is only 29.8%. In order to ensure that all employees have an equal opportunity to succeed, we believe it is urgent that we become a company where women are encouraged to have a long career and thrive with a sense of security. That is why we are creating an environment that takes into account various lifestyle changes, and the need to balance work with childcare, nursing care, medical treatment and other life events.

In FY2024/8, we conducted a questionnaire as part of efforts to create an environment where women can feel secure and build long-term careers. In addition, we held a follow-up roundtable discussion with female employees to discuss factors that may lead to resignation. We are developing personnel strategies based on the results of this discussion.

(Main Indicators)

**Ratio of female managers at the deputy manager level and above: 29.8%<sup>2</sup>**

**Ratio of female directors: 37.5%<sup>3</sup>**

**Ratio of female employees: 56.1%<sup>2</sup>**

2. As of August 31, 2024

3. As of November 23, 2024

### Enhancement of the Childcare Support System

The childcare support system includes a shorter working hours program, and in May 2024 we introduced a subsidy to partially cover unexpected childcare expenses, such as extended daycare fees due to sudden work demands or emergency costs related to a child's illness. Eligible employees are those caring for children up to the 6th grade of elementary school, with a maximum annual allowance of JPY 240,000 per child.

We have also established a consultation service and updated the childbirth and parenting guidebook to help employees take childcare leave that suits their needs, regardless of gender. Moreover, we provide support and education not only for general employees but also for supervisors, as part of our efforts to create workplaces where employees can continue working with peace of mind while valuing important life events.

### Heartful Project

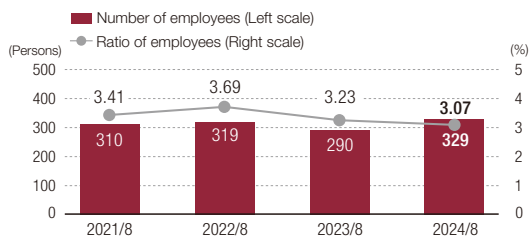
Ryohin Keikaku began hiring individuals with disabilities in Japan in 2000. In 2009, we launched the Heartful Project to promote the “sustainable happiness of co-workers,” “self-development through mutual trust and cooperation” and “expansion and stabilization of employment at stores” for those with disabilities. The project promotes their employment as “Heartful Staff.” We have also developed an employment management and guidance approach tailored to the characteristics and individuality of each person and an evaluation-based step-up system to help Heartful Staff reach their full potential. In July 2024, we established the Heartful Consultation Window, and are strengthening support systems for Heartful Staff. Moreover, in *MUJI HF NEWS*, an in-house newsletter, we highlight the efforts of Heartful Staff working throughout Japan, showcasing their strengths. We also hold regular information sessions on the recruitment of Heartful Staff, aiming to foster understanding by sharing knowledge and case studies related to disabilities as well as specific tools and organizations that support hiring and development.

### Employee Health

We are reviewing our system for regular medical examinations to support employee health. In July 2024, we made comprehensive health screenings available to employees of all ages. We also added gastric X-ray screenings to all medical examination options in response to employee requests. In addition, female employees 40 years old and over are now able to receive an osteoporosis test. The Company has also significantly increased its contribution to medical examination costs, and upfront payments at the reception desk are generally no longer required. Moreover, we have introduced an online system for all processes, from making an appointment to checking the results of the medical examination. Our goal is to increase the ratio of employees taking medical examinations.

Menstrual leave is also available for female employees. To cultivate understanding of the topic, we invite external lecturers to conduct seminars on feminine care for supervisors and anyone who wishes to attend. These initiatives aim to create an organizational culture where it is easier to take leave.

Number and Ratio of Employees with Disabilities



Scope: Ryohin Keikaku Co., Ltd.



Material Issue 3: Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role

Global Human Resources

The Ryohin Keikaku Group operates in 29 countries and region, employing 24,642 people worldwide (including 12,571 non-regular employees).<sup>1</sup> We will promote global coordination on human resource development. We want to be a place where diverse employees have opportunities to take on leadership roles and succeed.

1. Average number of employees per year based on an eight-hour workday calculation method (as of the end of August 2024)

Segment	2021/8	2022/8	2023/8	2024/8	Employees	Non-regular employees
Japan	8,540	9,015	9,503	11,588	2,387	9,201
East Asia	6,574	6,568	7,267	8,198	5,998	2,200
Southeast Asia/Oceania	1,182	1,343	1,657	2,406	1,979	427
Europe/North America	911	1,015	1,103	937	506	431
Other	35	34	31	45	45	0
Company-wide (common)	921	1,034	1,234	1,468	1,156	312
Total	18,163	19,009	20,795	24,642	12,071	12,571

Strengthening the Development and Recruitment of Global Talent

In our overseas business, we are not only expanding store openings but are also engaging in local product development, region-specific planning, brand marketing promotion and supply chain management to support global manufacturing. These efforts contribute to Ryohin Keikaku's growth as a global company. To enhance our business promotion capabilities in each country/region and play a useful role in local communities, we will work to gain an accurate understanding of needs and then meet those needs, assign upper and middle management personnel who have deep knowledge of each area, and strengthen the hiring of local employees. As of the end of August 2024, non-Japanese executives account for 33% of executive positions at overseas subsidiaries.

Group-wide Collaboration Between Human Resource Development and Personnel Teams

With the acceleration of store openings and expansion of business scale around the world, it has become more important to coordinate human resource development throughout the entire Group. We communicate closely with the human resource development and personnel teams in each country and region to understand the current status of their personnel systems. Based on this information, we work to share and align systems with the grade system, compensation system, and recruitment, development and evaluation systems used in Japan. We are also building a system for sharing initiatives undertaken in Japan, especially regarding the development of store managers and independent store management. Managers with experience in Japan are dispatched to other countries and regions to help share our expertise in areas such as developing store operations and sales initiatives, customer service and staff training. In FY2024/8, a total of 38 people were dispatched. In addition to operational improvement skills, we are promoting the concepts of independence and being proactive as we create an organizational culture that promotes independent store management in our overseas business as well.

We have formulated a global HR policy, which we are sharing with management in each country and region as we work to form a common awareness of our approach to human resources. To increase the appointment of local personnel to management positions in overseas countries and regions, we are identifying positions to be localized and promoting recruitment and training. Moreover, in order to promote co-owned management globally, we are gradually introducing employee shareholding programs all around the world.

Employee Interview

I joined MUJI Korea in 2022, having gained experience as a merchandiser at an apparel company. At the time, the Ryohin Keikaku Group was making a big shift toward local product development in its overseas business, and shifting its production in-house. The Group was looking for human resources to handle the entire merchandising process, from product planning and development to manufacturing, quality management, ordering and distribution. I wanted to utilize the experience from my previous job, while taking on the challenge of a wider business domain that encompasses design for all aspects of living. I was also strongly attracted to the MUJI concept of focusing on “this will do” rather than “this is what I really want.”

Currently, I am overseeing the entire manufacturing process as general manager of the Product Division. I am always careful to consider the perspective “Will this be needed 10 or 20 years in the future?” Things that we take for granted today may be radically different in the future. Imagining an open future, I wonder what kind of company MUJI should be in the coming era. With this in mind, we set aside time to discuss MUJI concepts and ideas after confirming the figures at the monthly meetings of the Product Division at MUJI Korea. Our aim is to develop products that will truly be helpful and cherished for a long time in the context of Korean culture and lifestyles.



EVA bathroom shoes that do not catch on the bathroom door

When the design for EVA bathroom shoes that do not catch on the bathroom door developed by MUJI Korea was recognized at the GOOD MEETING,<sup>2</sup> I felt a tremendous sense of fulfillment. This product was developed in collaboration with South Korean business operators and was well-received for addressing the everyday inconveniences of people in South Korea.

I want to continue promoting the concepts and ideals of MUJI in South Korea and searching for ways that I can contribute to resolving social issues. I believe that the accumulation of these efforts will increase MUJI's support base and lead to its real integration into South Korean society. In this way, I hope to help the development of Ryohin Keikaku as a global company.

2. A meeting for all Group employees, including those overseas, held twice a year.



Myungbo Kang  
General Manager, Product Division,  
South Korea Business

Increasing Employee Engagement

We conduct a Culture and Engagement Survey of all Ryohin Keikaku Group employees, including those overseas. The survey is designed to ascertain the current state of awareness among employees regarding topics such as our corporate purpose, approach to work, organizational culture, human relationships, and job satisfaction, so that we can establish a virtuous cycle for creating a better work environment. This proprietary engagement survey includes questions categorized under indices such as “resolving social issues and creating an impact,” “proactiveness and independence,” and “a culture that embraces challenges,” to measure engagement in the organization and culture of Ryohin Keikaku.

Survey Summary

Target: Ryohin Keikaku Group employees, including those overseas<sup>3</sup>

Content: Based on 27 indices, the survey contents were designed specifically for the Ryohin Keikaku Group, and consist of 52 questions in total, including 46 original questions and 6 general engagement questions.<sup>4</sup>

Survey period: July to August 2024 (previous survey: November to December 2022)

Response rate: 96% (previous survey: 82%)

3. Conducted in 12 countries and regions around the world (excluding dispatch employees)

4. The survey is implemented and its responses are aggregated by a third-party organization.

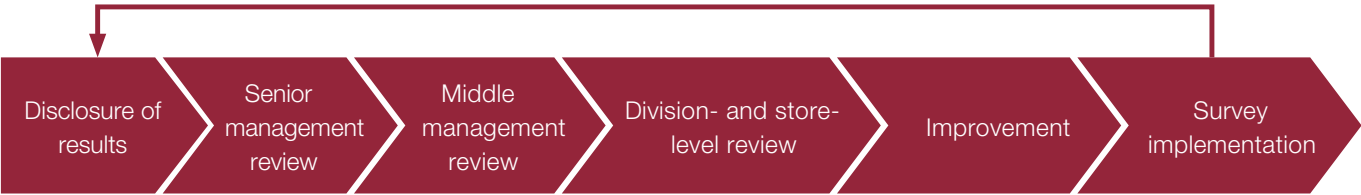
Changes from the Results of the Previous Survey

In working to realize “a truthful and sustainable life for all,” we focus on three indices as the Company's driving force: “I resonate with the corporate purpose,” “My work is useful to society” and “I feel attached to the company.” Each of the indices is calculated based on the responses to preset questions. Compared with the 2022 survey, we have observed an improvement in results for these indices, and for the response rate.

Category		November to December 2022	July to August 2024
Indices	I resonate with the corporate purpose.	76%	78%
	My work is useful to society.	78%	83%
	I feel attached to the company.	64%	72%
Response rate		82%	96%

Improvements Based on the Survey Results

Based on the survey results, we work to analyze, identify and improve issues through repeated discussions across the organization and with people in different roles. The 2022 survey results brought to light issues related to sharing of the Company's direction with employees, creating teams with strong relationships of trust, the burden on stores due to staff shortages and excessive work, and the establishment of environments and systems to enable working with a sense of security. To address the issues identified in the survey, we have made a range of improvements, such as increasing opportunities for communication between management and employees and among employees themselves, enhancing store operations and IT infrastructure, and completing a sweeping review of the compensation system. In addition, at the individual store level, store managers addressed issues and worked directly with team members, which has led to improvement in results in the 2024 survey. We will continue to constantly make improvements and effectivity utilize surveys, with the aim of creating better working environments for every employee.





Material Issue 4: Realize Governance Aligned with “Public Interest and People-Centered Management”

Stakeholder Engagement

We promote “public interest and people-centered management,” where each of our employees has a sense of ownership and takes a leading role in our business activities that contribute to the public interest. These activities include those held at locally rooted stores, and also ones promoted by each employee together with customers, local communities and business partners. By engaging in constructive dialogue with stakeholders and reflecting their opinions and requests in our business activities, we strive to make a positive impact on society. Through our activities, we will fulfill our social responsibility as a company that contributes to the public interest while creating a highly profitable business structure, paying taxes properly and returning profits to shareholders appropriately.

Stakeholder engagement ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/muji-sustainability/stakeholder-engagement/>

Customers

We value our day-to-day communication with customers in stores, think about everything from the customers’ perspective, and co-create products and services with customers.

IDEA PARK

IDEA PARK started as a suggestion box in 2009 to incorporate customer feedback in product development and improvement. We have developed new products and improved existing products based on the opinions and requests from customers. For example, the Jute Vegetable Storage Bag was developed by reflecting the comments of customers through IDEA PARK. Anyone is free to participate in Ryohin Keikaku’s product creation process. By sharing feedback and ideas through co-creation, we can develop products with new kinds of value.



IDEA PARK ▶ <https://idea.muji.net/> (Japanese only)

Online Communications

As a means of communicating with customers, various types of information is sent out in real time from MUJI stores through the MUJI passport app and through social media platforms such as Instagram.

Customer Service Center

The Customer Service Center handles the various opinions and requests that come in from customers every day through stores, phone calls, email, letters, and so on. The questions and inquiries received are registered in a dedicated database and shared with relevant divisions in the Company.

Basic Policy on Harassment from Customers

We strive to provide products and services from the perspective of customers based on the Ryohin Keikaku Group Compliance Code of Conduct. On the other hand, we take resolute action and systematically respond to harassment from customers as it is an act that is harmful to employees’ human rights and the working environment.

For more details ▶ <https://www.ryohin-keikaku.jp/sustainability/co-worker/customer-harassment/> (Japanese only)

Business Partners

We hope to fulfill our social responsibilities with support and cooperation from suppliers based on the Ryohin Keikaku Group Compliance Code of Conduct, the Ryohin Keikaku Human Rights Policy, and the Ryohin Keikaku Group Environmental Policy.

Communication with Production Partners

Ryohin Keikaku aims to engage in manufacturing from the perspective of production sites by building strong, collaborative relationships with production partners.

To establish partnerships that support sustainable growth, both management and employees regularly visit production areas and factories in Japan and overseas. They are directly involved in the manufacturing and production processes—delving into aspects such as the status of production volume and operation of assembly lines—and maintain ongoing dialogue with local business owners, producers and engineers.

In addition, we are requesting production partners to adhere to the Code of Conduct for Production Partners. To deepen understanding of the items in the code of conduct, we regularly hold briefings for business partners and utilize a third-party organization to conduct audits based on the code. We also regularly hold sessions to explain our approach to ESG management, product development and quality control, fostering dialogue with our business partners.

Code of Conduct for Production Partners ▶ <https://www.ryohin-keikaku.jp/eng/sustainability/supply-chain/code-of-conduct>



Visiting a production site

Supplier Hotline

The supplier hotline has been established as a contact point for whistleblowing reports from suppliers. The hotline is intended for use by domestic suppliers (including factories) in Japan that do business with Ryohin Keikaku.

Supplier hotline ▶ <https://www.ryohin-keikaku.jp/sustainability/humanrights/hotline/> (Japanese only)

Shareholders and Investors

Ryohin Keikaku’s IR program promotes constructive dialogue with domestic and foreign shareholders and other investors, with the goal of sustainable growth and medium- to long-term enhancement of corporate value. The opinions obtained through dialogue with shareholders and investors are fed back to management and the Board of Directors, ensuring those ideas are utilized in our business activities.

Engagement with Shareholders at the General Meeting

To encourage the participation of more shareholders, we hold the General Meeting of Shareholders on a public holiday, and a separate Shareholders’ Meeting after the general meeting to further deepen direct communication with shareholders. The combined in-person and online (live-streaming) attendance was about 950 people in 2023 and 1,100 in 2024.



46th Ordinary General Meeting of Shareholders

Engagement with Individual Shareholders and Investors

To build stronger medium- to long-term relationships with shareholders, we expanded the shareholder benefit program and raised the shopping discount rate from 5% to 7% (effective from the end of August 2024). Aside from providing shareholder benefits, we work to deepen relationships with shareholders through the Shareholders Meeting venue and various other events, and are strengthening disclosure to individual shareholders in ways such as posting videos of shareholder events on our website. As a result of these initiatives, long-term shareholders increased from 5% of the total at the end of August 2022 to 21% at the end of August 2024.



Shareholder and Fan Meeting event held at a store

Results for FY2024/8

- Shareholder and Fan Meeting events in stores: 14 meetings with over 400 participants
- We hold Shareholder and Fan Meeting events at stores throughout Japan to explain to shareholders the direction in which Ryohin Keikaku is moving and initiatives at stores. This helps to deepen understanding of our business activities, and the questions and comments we receive from shareholders on store operations, our product lineup and other matters are reflected in the Company’s management.

Engagement with Analysts and Institutional Investors

Ryohin Keikaku’s president and the director in charge of IR participate in financial results briefings, and hold small-scale meetings for analysts and institutional investors on a regular basis. In addition, the director in charge of IR and the IR officer conduct interviews that cover topics such as ESG issues, and interviews with the executive in charge of shareholder voting. The views of investors obtained through this dialogue are regularly reported to the management team. We also hold small-scale meetings between independent directors and domestic and overseas shareholders and institutional investors, and post a summary of the Q&A session on our website. To improve the quality of non-financial information, we are taking steps to promote better understanding of our businesses, including through product exhibitions and store tours.

Results for FY2024/8

- Individual IR meetings: Approx. 400
- Dialogue between independent directors and institutional investors: We held a small-scale meeting between representatives of eight institutional investors and an independent director of Ryohin Keikaku. A lively discussion took place on topics that included the state of the Board of Directors and the progress and challenges of the medium-term business plan.
- Dialogue with the executive in charge of shareholder voting: 11 companies
- Product exhibitions: 2
- Store tours: 7



Dialogue between an independent director and institutional investors

IR Email Distribution Service (Japanese Only)

We send out IR information to everyone who has registered for our IR email distribution service, including information on the Shareholders’ Meeting and other events held exclusively for shareholders, as well as the latest news.





Material Issue 4: Realize Governance Aligned with “Public Interest and People-Centered Management”

Governments

A Total of 34 Cooperation Agreements with Local Governments Nationwide

We are working to realize “a truthful and sustainable life for all” by promoting various initiatives to revitalize regions. These efforts focus on co-creating new value—such as local production for local consumption, job creation and community development—with local governments and residents taking the lead, and MUJI actively participating in the process.

In FY2024/8, we signed a Sapporo Community Development Partner Agreement with the city of Sapporo. As one initiative under that agreement, we participated as a supporter of the 2024 Sapporo International Art Festival. Furthermore, we concluded cooperation agreements on regional disaster prevention with the cities of Karatsu (Saga Prefecture) and Hita (Oita Prefecture). In the event of a disaster in either city, we will provide disaster prevention equipment (kamado benches, manhole toilets and charging stations for electronic communication devices) that are set up in our stores.

Agreement to Promote the Use of Wood in Buildings

In May 2023, Ryohin Keikaku concluded an Agreement on the Promotion of Use of Wood in Buildings Relating to the Expansion of Wood Use with the Ministry of Agriculture, Forestry and Fisheries. This agreement is based on the Agreement to Promote the Use of Wood in Buildings framework established in conjunction with the enactment of the Act for Promotion of the Use of Wood in Public Buildings to Contribute to a Decarbonized Society. Taking advantage of the network and technologies related to the use of wood that we have cultivated in the living space business, we will make more conscious efforts to utilize domestically produced lumber in stores we plan to build in the future. We are actively disseminating information about the significance and benefits of using wood, and are working to promote the use of wood through various activities in our stores.



Signing ceremony for the Sapporo Community Development Partner Agreement



Interior view of MUJI Hita, a wood-frame store

Local Communities and Society

We strive to understand and make a deep connection with communities in order to solve local issues and contribute to local revitalization together with residents.

Town Hall Meeting Events

Our stores are important places for dialogue with customers and local residents. We listen to the voices of people in the regions we serve through various events and create opportunities to strengthen customer relations through store activities and Community Market events.

Since April 2024, we have further deepened those efforts by holding Town Hall Meeting events with a focus on local businesses in a small group format. These events are planned and hosted by the employees of each store, mainly at large stores. Local residents and business operators are invited, and we not only provide them with a deeper understanding of our business activities by presenting the Company’s direction and the initiatives of each store, but also listen to what they want their community to be, and what they expect of MUJI. This leads to business activities more firmly rooted in the community. By the end of August 2024, a total of 18 Shareholder and Fan Meeting events had been held in regions throughout Japan, including Hokkaido, Niigata, Gunma, Tokyo, Chiba, Kanagawa, Gifu, Osaka, Kyoto and Hiroshima, with a total of 635 participants. We plan to hold them in even more regions as we go forward.

Town Hall Meeting Event at MUJI Kyoto Yamashina

At MUJI Kyoto Yamashina (part of the Kyoto-Nara Business Division), five Town Hall Meeting events were held from May 2024 to February 2025, with a total of 239 local residents attending. The event is divided into two parts: “Talk with MUJI” and “Tell us what you think.” We aim to deepen understanding of our business and create opportunities to hear directly from people in the community. In part one, priority themes for our businesses are presented, such as “Things that are good for daily life and the community,” “Deliciousness and its meaning” and “Resource circulation.” We explain our ideas and initiatives for benefiting the community and society through our business activities. In part two, under the theme of “Activities the community wants to lead,” workshop-style discussions take place where people talk about issues regarding the community, and what is being done. We have received positive feedback and requests from the community. Some participants expressed their happiness about the connections being formed and appreciated the opportunity to share their thoughts and opinions about the future of the region with others. The ideas we received from participants are gradually starting to take shape in concrete actions. We will think about what MUJI Kyoto Yamashina and Ryohin Keikaku can do while working closely with the community.



Employees

Employees are the most important stakeholders when it comes to practicing “public interest and people-centered management.” We strive for co-owned management in which employees cultivate a leadership mindset and make suggestions to the Company as they play a role in shaping Ryohin Keikaku’s business. We also believe it is important for each and every employee to have opportunities to take on leadership roles and succeed.

Staff Meeting Events

Staff Meeting events are a forum where the approximately 20 executive officers working in Japan go to MUJI stores and engage in dialogue with store staff.

Any staff member who would like to convey the wishes of customers or feedback about the store and help drive positive change is welcome to participate. In FY2024/8, the events were held over a total of 161 days throughout Japan, with approximately 2,500 participants.

At these events, the management team shares Ryohin Keikaku’s philosophy and policies, while also receiving feedback on the current state of stores. With this understanding, discussions are held to work toward the realization of our vision. This also enables us to stay informed of customer needs and the problems of stores in a timely and detailed manner.



Staff Meeting event

Co-Creation Product Development

*Minna de Tsukuru Baum* was a project for co-created products held in June 2024. Ideas for baumkuchen varieties (divided into eight regions) were collected from MUJI staff in Japan, and the ones selected by customers were made into actual commercial products.

Among the ideas using regional specialties, *Ogura Toast-style Baum*, *Zunda Bean Paste Dome Baum* and *Irregular Salt Bread-style Baum* were selected. The items were released in February 2025.



Staff Ambassadors

As part of our staff ambassador initiative, we support staff members at MUJI who share information about products and services on Instagram and other social media platforms. Currently, about 200 ambassadors are sharing information every day.

