

Summary of Dialogue with the Outside Director and Shareholders (Institutional Investors)

June 11<sup>th</sup>, 2025, 9:30 AM - 10:30 AM, 23 domestic institutional investors attended in person or online  
Attendees from Ryohin Keikaku: Mayuka Yamazaki, Outside Director; Kenta Hochido, Executive Officer

#	Question	Answer
1	How do you view the management after the change in management structure? Are the philosophy and concepts being carried on?	In 2021, Mr. Domae redefined our corporate purpose, missions, and core value. One of our two missions is for our stores to become community centers and address local issues. This is in line with the theme of ‘balancing social responsibility and business viability,’ which I have long advocated as the greatest challenge and also opportunity for companies in the future. This is a very difficult challenge, but I believe it is achievable for Ryohin Keikaku. With the change to a new management structure in 2024, under the new leadership of President Shimizu, we have entered a phase where we are implementing the principles we have established in a practical and grounded manner, and we believe this phase has started smoothly. For several years now, we have been promoting the development of ‘autonomous and self-motivated’ human resources within our company, and in the future, it will become even more important to cultivate individuals who can think independently, determine what needs to be done within their departments, and take initiative in their own roles.
2	What can be done to maximise the potential of the MUJI brand?	There is a growing trend toward re-evaluating the values that MUJI cherishes, such as circularity and coexistence with nature. It is necessary not only to convey these values through our products, but also to create an ecosystem that has a positive impact on society and the global environment. We think that it is important to make our core business processes sustainable.
3	I feel that MUJI's ESG perspective and activities are not yet fully understood. I feel that it would be better to promote better information sharing.	Over the past few years, our ESG team has taken the lead in visualizing our overall ESG activities and disclosing them through integrated reports and other means. In recent years, with the increase in the number of stores, we have recognised the negative impact on the environment, such as CO2 emissions, and are currently considering measures to address this issue. We are working to understand the current situation, address areas that need improvement, and seriously consider what only MUJI can do, and are beginning to take action.
4	As Ryohin Keikaku aims for global growth, are there any companies that can serve as benchmarks in terms of sustainable management?	I feel that IKEA's business ecosystem is sustainable and innovative. Costco is also notable for its stakeholder relations. Costco employees have a strong sense of loyalty to the company, and many customers are passionate fans, which is a distinctive feature. This overlap between customers, shareholders, and employees is similar to Ryohin Keikaku. Additionally, Trader Joe's, which maintains strong user support and high brand power through product development, store design, and customer service without any marketing or CRM, offers many lessons to learn from.
5	Compared to the medium-term management plan announced in 2021, the presentation of the latest management policy document has changed considerably. What discussions took place at the Board of Directors meeting?	The company's overall direction remains unchanged, but some of the previous expressions were difficult to understand, and I feel that they have been made clearer. In addition, rather than setting overly ambitious targets, we have adopted a realistic three-year rolling plan. Basically, we compile figures submitted from the front lines and approve the overall management plan at the Board of Directors meeting.
6	What do you think is currently being valued in the stock price, and what is not yet being valued?	Since becoming an outside director in 2022, there have been changes in strategy and organizational structure, and the results of these changes are beginning to show in performance. While the recent stock price reaction seems a little sharp, I believe that there are few companies in Japan that can position themselves globally as sustainable companies, and I believe there is potential to realise value beyond the current stock price.
7	As current performance of Ryohin Keikaku is expanding, I believe the company is entering a phase where cash will become abundant. I would like to see more specific discussions on capital policy, such as returns and investments.	The Board of Directors is currently discussing capital policy and shareholder returns for the future, and we would like to further deepen the discussion. In October last year, we disclosed our financial policy for the first time in our full year financial results. The Board of Directors is discussing the use of cash, and we will continue to discuss this issue on an ongoing basis.
8	About the skills matrix for directors, while there are items unique to Ryohin Keikaku, such as ‘humanities and the arts,’ I am concerned that there are no skill items such as ‘finance and accounting’ that are found in other companies. Are there any items that you would like to strengthen?	As you pointed out, we do discuss financial matters at board meetings, but I feel that it is necessary to discuss broader issues such as capital policy. In terms of skills, while many people have experience expanding Japanese companies' businesses overseas, I feel that few have experience working at truly global companies. It is not necessarily required for them to be board members, but I believe that it would be better to have more people with a feel for global business involved in management, such as locally hired executive officers who serve as top executives in our Europe and North America business.
9	As the company is expanding business globally, I believe that it is also important to advance globalization in terms of governance.	As you pointed out, I feel that the discussions of the Board of Directors and governance perspectives are still centered on Japan. Taking your comments into consideration, we would like to facilitate such discussions in the future.
10	Regarding the assessment of Effectiveness of the Board of Directors, some items have low scores. How do you interpret this?	Discussions at board meetings have become very active, but there is room for improvement in areas such as adherence to the schedule for sharing discussion materials in advance and ensuring that meetings are conducted appropriately within the allotted time, which is a flip side of the increased activity. The items evaluated for effectiveness are standard, with many comments regarding operational aspects such as secretariat support and agenda setting. Over the past few years, the number of female directors has increased, the composition of the board has changed, and there has been active exchange of opinions.
11	What is the current relationship with labour unions?	After becoming an outside director, I have also engaged in dialogue with labour unions. I do not believe that outside directors are unrelated to labour unions, and I intend to always be mindful of this issue.
12	Regarding global human resource development, do overseas employees have a sufficient understanding of MUJI brand? Please tell us your thoughts and challenges regarding the development of management personnel overseas in the future.	It is necessary to consider Asia, and Europe and North America separately. In Asia, we are developing our business by adapting the Japanese model to local conditions, and we feel that both customers and employees have a good understanding of our brand. In particular, human resource development is progressing rapidly in mainland China. We are not concerned about Southeast Asia, as we have many employees dispatched from Japan. In Europe and North America, we recognise the need to recruit and develop higher-level talent and to establish human resource systems that can support them. We believe that as awareness of our global brand increases, local management talent will also develop.
13	Regarding changes in organizational culture, it seems that Independent Store Management is now required. How do you view the progress of this initiative?	In recent years, the company has been promoting the development of ‘autonomous and self-motivated’ human resources and fostering a corporate culture that encourages such behaviour. Young employees are being promoted to store managers and given discretion, and the percentage of female store managers is also high. In addition, many employees have aspirations to work overseas in the future. These changes in the organizational culture are reflected in the company's current strong performance, and we expect further improvements in the future.
14	As an outside director, have you ever had to give harsh feedback at board meetings or other occasions?	It was not necessarily harsh feedback, but there was some discussion about whether or not to enter into a business that seemed to differ from our company concept. At that time, the discussion went beyond financial considerations and traced back to the essential and important question of ‘what is MUJI?’, and various opinions were expressed.