

# MUJI

## REPORT 2025

RYOHIN KEIKAKU CO., LTD.

## About MUJI REPORT

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

## Information Resources

Financial Information			Non-Financial Information
<b>MUJI REPORT</b> Information on medium- to long-term value creation			
Securities Report (Japanese only)	Consolidated Financial Results	IR Information (website) <a href="https://ryohin-keikaku.jp/en/ir/">https://ryohin-keikaku.jp/en/ir/</a>	Sustainability Information (website) <a href="https://ryohin-keikaku.jp/en/sustainability/">https://ryohin-keikaku.jp/en/sustainability/</a>

## Contents

<b>Introduction</b>			
Our Philosophy	3		
Our History	5		
The Ryohin Keikaku Group by the Numbers	7		
Global Network	9		
Our Businesses	11		
Structure of Our Business Activities	13		
Message from the President	15		
<b>Enhancing Our Corporate Value</b>			
Three-Year Rolling Plan	21		
Review of FY2025/8 and Future Outlook	23		
Overseas Business Strategy	25		
Feature 1: Evolution of Store Operations	29		
Feature 2: Approach to Product Development	31		
Feature 3: Strengthening Marketing	33		
Feature 4: Logistics-Driven SCM Transformation	35		
<b>Ryohin Keikaku's ESG Management</b>			
ESG Management	39		
Material Issues and Indicators	41		
<b>Material Issue 1: Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature</b>			
Ryohin Keikaku's Unique Product Development	43		
Product Strategy: Apparel	45		
Product Strategy: Household Goods	47		
Product Strategy: Food	49		
Respect for Human Rights in the Supply Chain	51		
Responsible Raw Material Procurement	52		
Caring for the Environment	53		
<b>Material Issue 2: Address Local Challenges and Revitalize Regions</b>			
Expanding Store Openings and Sales Channels	55		
Leveraging IT to Support Independent Store Management	56		
Strengthening Independent Store Management	57		
World's Largest MUJI Store: MUJI Aeon Mall Kashihara	59		
Co-creation with Communities	61		
Social Impact Assessment	63		
<b>Material Issue 3: Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role</b>			
Approach to Human Resources and Organizations	65		
Human Resource Strategy for Realizing the Eight Drivers for Growth	66		
Employee Skill Improvement and Career Development	67		
Improvement of Organizational Culture and Employee Engagement	69		
<b>Material Issue 4: Realize Governance Aligned with “Public Interest and People-Centered Management”</b>			
Stakeholder Engagement	71		
<b>Basic Information</b>			
Directors and Corporate Auditors	75		
Corporate Governance	77		
A Conversation between Independent Directors	81		
Message from an Outside Corporate Auditor	85		
Risk Management and Compliance	86		
11-Year Summary	89		
ESG Data	91		
Corporate Information and Stock Information	93		

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

**Period Covered** Fiscal year ended August 2025 (September 1, 2024 to August 31, 2025)

Note: Information outside this period is reported when it is appropriate to show past events and data or recent examples.

In this report, amounts and number of shares that are less than one unit are rounded down, and all ratios and percentages are rounded to the nearest whole number.

### Forward-Looking Statements

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

# Our Philosophy

## Our Corporate Purpose

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

## Our Two Missions

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

## Our Core Value

We will contribute to building a sustainable society while achieving circularity and coexisting with nature through our products, services and business activities. Through our core value of “contributing to society and people,” our employees and associates will proactively respond to issues facing society and the Earth. We will work to reduce our environmental burden and to respect individual human rights throughout the entire lifespan of our products and through all of our services and business activities.

## Our Management Policy

We will practice “public interest and people-centered management,” where our employees have a sense of ownership and take leading roles in our business activities, and the actions of our locally rooted stores, employees and associates contribute to making a positive impact on society.

## Enhancing Our Corporate Value

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

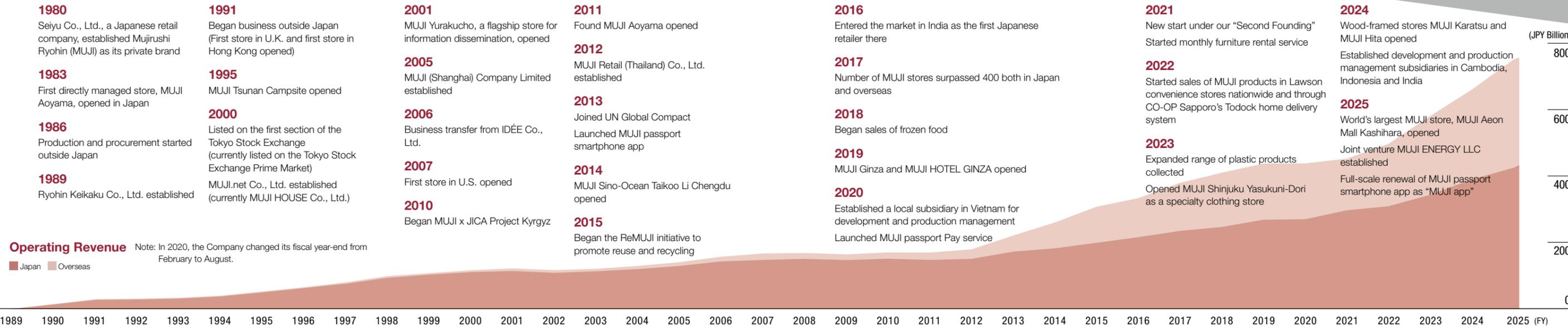


# Our History

Ryohin Keikaku has been working since its founding to help address societal challenges and everyday difficulties in order to realize “a truthful and sustainable life for all.” This approach has led to the Ryohin Keikaku of today.

1980–2000	2001–2015	2016–2020	2021–
<p><b>Our Perspective</b> <b>Redefining the value of goods</b></p> <p>We aimed to minimize unnecessary elements and create products that are truly useful to consumers from the perspective of selection of materials, streamlining of processes and simplification of packaging.</p>	<p><b>The relationship between life and goods</b></p> <p>We sought to give customers a feeling of rational satisfaction, expressed not with “This is what I really want,” but with “This will do.”</p>	<p><b>A truthful and sustainable life</b></p> <p>By providing functional, streamlined products that help simplify and beautify people’s lives based on our concept of “conscience and creativity,” we have contributed to solving social issues with proposals for peaceful, relaxed living.</p>	<p><b>“A truthful and sustainable life for all,” and beyond</b></p> <p>We offer affordable products that are not only essential and useful but also beneficial for the environment, producers and local communities. We will also evolve our efforts to help revitalize local communities, and contribute to the harmonious coexistence and development of daily life, culture and the environment together with each region.</p>
<p><b>Products with simplicity</b></p> 	<p><b>Products that fit all life occasions</b></p> 	<p><b>Products for organizing people’s life</b></p> 	<p><b>Products in harmony with society</b></p> 
<p><b>Evolution of Our Products</b></p>	<p><b>Evolution of Our Stores and Services</b></p>	<p><b>Evolution of Our Stores and Services</b></p>	<p><b>Evolution of Our Stores and Services</b></p>
<p><b>New store openings both in Japan and overseas</b></p> 	<p><b>Launch of flagship stores and new services</b></p> 	<p><b>Expansion of services close to daily life</b></p> 	<p><b>Serving as locally rooted community centers</b></p> 

## History of Ryohin Keikaku



# The Ryohin Keikaku Group by the Numbers

Here are key numbers that highlight our business scale, employees and initiatives for the environment and society.

## Financial Data

### Operating Revenue

**JPY 784.6 billion**  
(18.6% increase YoY)

### Operating Profit

**JPY 73.8 billion**  
(31.5% increase YoY)

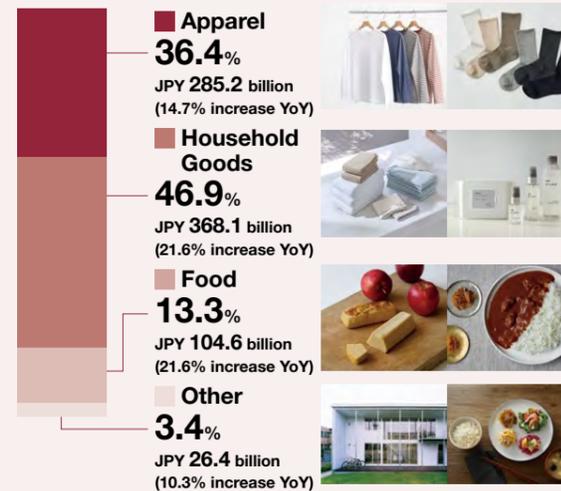
We posted record high revenue in FY2025/8 with profit driven by strong same-store sales, in addition to the increase in the number of stores due to new store openings in Japan and overseas.

### Return on Equity (ROE)

**16.3%**

In FY2025/8, ROE was 16.3%. We are working to improve capital efficiency with a target of maintaining ROE at or above 15%.

### Operating Revenue by Product Category



### Return on Assets (ROA)

**13.5%**

In FY2025/8, ROA was 13.5%. We are working to improve capital efficiency with a target of maintaining ROA at or above 15%.

## Non-Financial Data

### Number of Stores in Japan and Overseas

**1,474**

As of the end of August 2025, the Ryohin Keikaku Group had 717 stores in Japan and 757 stores overseas. (Includes licensed stores, Café&Meal MUJI and IDÉE)

### Number of Employees

**28,432**

As of the end of August 2025, the Ryohin Keikaku Group employed 28,432 people worldwide (including 14,520 non-regular employees).

### Employee Response: There Is Something I Want to Achieve Through My Work at Ryohin Keikaku.

**82.2%**<sup>1</sup>

We work to create a corporate culture where every employee takes ownership of their career, envisions what they want to achieve at Ryohin Keikaku and actively takes on challenges.

### Active Users of MUJI app

**Approx. 17.50 million**<sup>1, 2</sup>

MUJI passport, which was launched in May 2013, was renamed MUJI app and underwent a full renewal in early September 2025. In Japan, the number of active users in FY2025/8 was 17.50 million.

### Percentage of Women in Managerial Positions

**33.2%**<sup>1</sup>

There are 282 women whose job description and level of responsibility are equivalent to that of "deputy manager level or above," regardless of their job title (as of the end of August 2025), and they account for 33.2% of all employees in managerial positions.

### Percentage of Regular Employees Who Own Shares Held in Trust

**78.1%**<sup>1</sup>

We have two incentive programs: the employee stock ownership plan (ESOP) and the trust-type employee stock incentive plan (E-SHIP). Both of these programs are available to all employees, including partner employees.<sup>3</sup> As of the end of August 2025, 34.5% of all employees are enrolled in an incentive plan.

## Environmental and Social Data<sup>1</sup>

### Procurement Rate for Environmentally and Socially Responsible Cotton

**Apparel: 99%**   **Household goods: 57%**

We recognize Global Organic Textile Standard (GOTS), Cotton made in Africa (CmiA), Global Recycled Standard (GRS)<sup>4</sup> and other certifications as indicators of environmentally and socially responsible cotton.

### Procurement Volume of Materials That Contribute to Production Areas

**Kapok: 267 t**   **Andes wool: 66 t**

We actively procure materials (such as kapok and Andes wool) that contribute to local industries.

### Number of In-Store Collections

**424,329**

The above figure is the number of in-store collections of unneeded textile and plastic products in FY2025/8.

### Sales Volume of Reused and Upcycled Clothing Items

**88,302 items**

Collected clothing items that can be transformed into new clothes by making slight modifications are upcycled and sold. Items that can no longer be worn are recycled into raw materials for clothing and other products.

### Number of Local Revitalization Activities

**Number of events held: Approx. 7,300**   **Number of participants: Approx. 490,000**

The above figures are the number of event days and people who participated in Community Market<sup>5</sup> events and workshops, ITSUMO MOSHIMO Caravans<sup>6</sup> and community experience events held throughout Japan in FY2025/8. Our stores throughout Japan and the Social Good Business Division will work to address issues together with local residents, with the goal of revitalizing communities.

### Volume of Plastic Products and Containers Collected

**170.6 t**

In FY2025/8, we collected 160.3 t of plastic storage products (PP/PE) and 10.3 t of PET bottles used for skincare products. Collected products are recycled to maximize the value of petroleum-based materials. Items that meet quality standards are resold as second-hand products.

### Number of Stores with Solar Power Generation Equipment

**27**

In FY2025/8, solar power generation equipment was newly installed at 9 stores.

1. Scope: Ryohin Keikaku Co., Ltd. 2. Includes membership registrations through external communication apps 3. Employees contracted to work 27.5, 30 or 37.5 hours per week 4. An international voluntary standard designed to promote greater use of recycled materials 5. See page 58 for more details. 6. See page 63 for more details.

# Global Network (As of the end of August 2025)

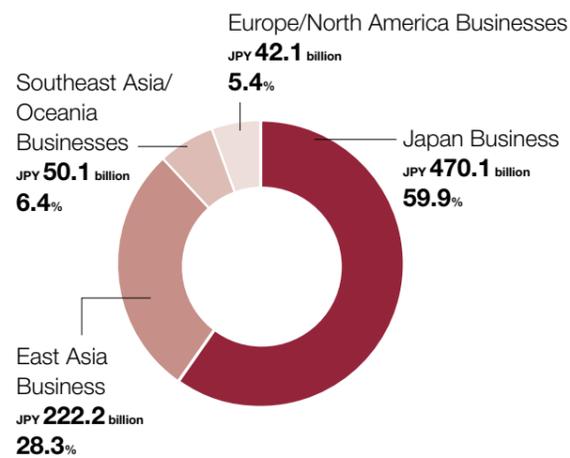
We operate directly managed MUJI stores and a wholesale business in Japan and overseas, with more than 1,400 stores in 28 regions. By enhancing our lineup of locally developed products and services that match lifestyles in each region, we will establish a locally rooted business model. We also focus on hiring employees locally. We will continue to expand globally with the aim of being useful to the people of each region where we operate to help realize “a truthful and sustainable life for all.”

 Employees
  Stores
  Cafés
  Accommodations

Regions Where We Operate ..... **28**  
 Number of Stores ..... **1,474<sup>1</sup>**  
 Number of Group Employees ..... **28,432**  
(14,520)<sup>2</sup>

Distribution Bases in Japan ..... **14<sup>3</sup>**  
 Distribution Bases Overseas ..... **22<sup>3</sup>**  
 Production Management Bases Overseas ..... **6** locations

## Breakdown of Operating Revenue



### Europe Business



**Europe Business**

 632  
(206)<sup>2</sup>  
 32<sup>4</sup>

### East Asia Business



**East Asia Business**

 9,259  
(2,634)<sup>2</sup>  
 557  
 25  
 2

### North America Business



**North America Business**

 401  
(269)<sup>2</sup>  
 16

**Japan Business**

 15,100  
(10,952)<sup>2</sup>  
 691<sup>5</sup>  
 26  
 10

**Southeast Asia Business**

 2,874  
(391)<sup>2</sup>  
 118<sup>4</sup>  
 3

### Southeast Asia Business



**Oceania Business**

 166  
(68)<sup>2</sup>  
 6

### Japan Business



1. Including MUJI licensed stores, Café&Meal MUJI and IDÉE  
 2. Number of non-regular employees (average number of employees per year based on an eight-hour workday calculation method)  
 3. Including sites other than those owned by the Company  
 4. Including MUJI licensed stores  
 5. Including 8 IDÉE stores and 96 licensed stores

# Our Businesses

While our core philosophy has remained unchanged since MUJI's creation over 45 years ago, the scope of our business and activities has expanded greatly.

## MUJI Business

### Product Development and Retail

#### Product Development



**Apparel** More details ▶ Pages 45–46

We offer a lineup of clothing that gives customers what they need, in the form they want, created based on the concept of basic products with straightforward designs that offer just the right amount of comfort.

Operating revenue.....JPY 285.2 billion  
% of total..... 36.4%



**Household Goods** More details ▶ Pages 47–48

We develop basic necessities for daily life in a broad range of categories, with a focus on products that are truly useful and necessary in everyday life.

Operating revenue.....JPY 368.1 billion  
% of total..... 46.9%



#### MUJI 無印良品

**Food** More details ▶ Pages 49–50

We create reasonably priced products that reflect the value and significance of food, focusing on seasonality/freshness, regional food/agriculture and the use of uncommon ingredients.

Operating revenue.....JPY 104.6 billion  
% of total..... 13.3%

#### Store Operations

By offering fairly priced items that have been continually refined in terms of their quality and purpose, and through the promotion of independent store management in which stores are useful to the people in the local community, we seek to realize “a truthful and sustainable life for all.” Our stores are designed around the core concept of simple interiors and exteriors based on natural materials (wood, iron, earth and stone).



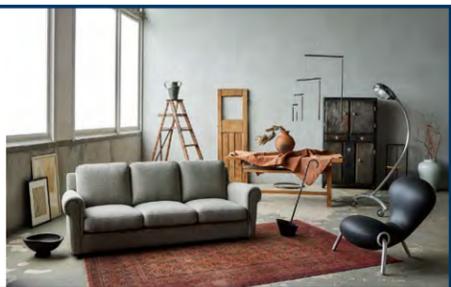
#### Store Formats

While MUJI stores are centered on the standard 600-*tsubo* (approx. 1,980 m<sup>2</sup>) store format, they range widely from large-scale stores of 800 *tsubo* (approx. 2,640 m<sup>2</sup>) or more to smaller stores of 300 *tsubo* (approx. 990 m<sup>2</sup>) or less. Other store formats include MUJI 500, which carries mainly daily necessities and consumables priced at JPY 500 or less; MUJI to GO, which focuses on items useful for travel, getting around and business; and MUJIcon, which is based on the concept of a community store within walking distance where people can drop in anytime to quickly buy what they need.



## IDÉE

IDÉE is a Japanese interior brand founded in 1982. Based on the concept of an “aesthetic way of life,” it offers a wide range of original furniture from designers in Japan and around the world, along with a selection of textiles, greenery, music and books. IDÉE products are sold in the directly managed IDÉE SHOP and in certain MUJI stores. They are also available at our online store. For corporate customers, IDÉE also provides coordination, space planning, direction and design services.



### Food Services



#### Food service business to enjoy the deliciousness of simple food

In some MUJI stores, cafes and restaurants have been established that provide menus that are refined, yet simple enough to let the natural flavors come through, and dishes that incorporate uncommon ingredients. Along with MUJI's products, we provide not only safety and peace of mind but also offer the enjoyment and tastiness of foods that fit various lifestyles and utilize seasonal local ingredients.

#### Café & Meal MUJI

More details ▶ <https://cafemeal.muji.com/jp/> (Japanese only)

#### Number of Major Food Service Locations

- Café & Meal MUJI..... 47
- Coffee & Ice Cream..... 20
- MUJI Diner..... 3

### Architecture and Spatial Design



#### Spaces that builders and users create together for a lasting sense of attachment

We consider the whole town as “the place where we live,” and design spaces in diverse areas utilizing regional resources.

MUJI is involved in a wide range of operations, from the design and construction of large-scale wooden facilities to sales of detached houses, apartment renovations, the design of offices, public spaces, and residential facilities, and the design of recycling friendly office fixtures and other products suited to these spaces.

#### 無印良品の家 無印良品の建築・空間設計

More details ▶ <https://www.muji.net/ie/> (Japanese only)  
More details ▶ <https://www.muji.net/construction/> (Japanese only)

#### Key Initiatives

Number of construction projects completed by MUJI HOUSE Co., Ltd. ....Approx. 4,000  
Number of MUJI architectural and spatial design projects for corporate and government clients ....Approx. 100  
Note: Cumulative results through the end of August 2025 (Japan only)

### Accommodations



#### MUJI STAY: Redefining the concept of “living”

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 operate lodging facilities with the aim of creating places to stay where people can be themselves, whether in cities or regional areas, in Japan or overseas.

#### MUJI STAY

More details ▶ <https://stay.muji.com/ja/> (Japanese only)

#### Number of MUJI STAY Locations

- MUJI HOTEL..... 3
- MUJI BASE..... 4
- MUJI Camp..... 3
- MUJI room..... 2

### Community Engagement



#### Resource Circulation

We are promoting ReMUJI, an initiative to circulate used products as valuable resources to the greatest extent possible.



#### Regional Revitalization

To revitalize regions, we organize events such as the Community Market, where we invite and host local vendors.



#### Disaster Preparedness

We initiated the ITSUMO MOSHIMO project in 2011 based on the idea that it is important to be prepared for disasters in everyday life.



#### Culture, Art and Tradition

We hold art exhibits and other events in collaboration with members of the local community as a way to pass on culture, art and traditions.



#### Healthcare

Health check corners have been set up in selected MUJI stores to support healthy living.



#### Renewable Power Generation

We are committed to responsible energy procurement and are working to reduce our environmental burden.

# Structure of Our Business Activities

Ryohin Keikaku's core value is "contributing to society and people." We operate businesses and provide services aligned with our four material issues, and will continuously enhance the value we offer and contribute to the realization of "a truthful and sustainable life for all" while making a positive impact on the environment and society.

## Six Foundations

- Human Capital**  
Human resources who put "public interest and people-centered management" into practice
- Social Capital**  
MUJI stores around the world
- Intellectual Capital**  
Product development based on three perspectives that have remained consistent since our founding
- Financial Capital**  
Strong cash generation capability
- Manufactured Capital**  
Global product development framework and collaboration with production partners
- Natural Capital**  
Reducing the environmental burden of our business activities

## Our Four Material Issues (Materiality) ▶ Page 39

1. Build a sustainable society while achieving circularity, and coexisting with nature
2. Address local challenges and revitalize regions
3. Practice business activities in which each and every diverse individual plays a leading role
4. Realize governance aligned with "public interest and people-centered management"



▶ Pages 11-12

## Financial Impact ▶ Pages 21-22

(FY2025/8 Results)

Operating Revenue	JPY 784.6 billion
Operating Profit	JPY 73.8 billion
ROE	16.3%

## Impact on the Environment and Society ▶ Pages 7-8 and 41-42

(FY2025/8 Results)

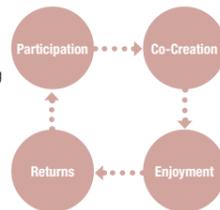
Number of in-store collections	..... 424,239 items	
Number of people participating in local revitalization activities	..... Approx. 490,000	
Percentage of women in managerial positions	..... 33.2%	
Number of individual shareholders	..... 179,000	

### "Public Interest and People-Centered Management"

The MUJI stores that Ryohin Keikaku operates are venues for activities that benefit the public interest. Our aim is to practice "public interest and people-centered management" in which the value and profit generated by the participation of stakeholders are shared with those stakeholders and used to fund further activities.

Stakeholders are encouraged to freely participate in Ryohin Keikaku's activities in various ways, such as by making an investment, cooperating in initiatives or purchasing products.

Stakeholders receive benefits in some form, whether it be dividends, profit or discounts.



Stakeholders participate directly in MUJI's activities, and we also develop new products and services together with them.

Stakeholders benefit in various ways, including through quality products and services, community vitality and growth, and improvement of the environment.

Realizing "a Truthful and Sustainable Life for All"

## Message from the President



**Our business ideas are born out of the MUJI concept. Winning the approval of customers with our products, services and other businesses is the basis of our growth.**

**Satoshi Shimizu**

President & Representative Director

MUJI Aeon Mall Kashiwara

**By combining the success of our reforms with MUJI's core strengths, we will continue to grow steadily based on a down-to-earth management style.**

In an ongoing challenging business environment marked by uncertainty in the global economy, high prices and rising raw material costs, I steer the Company's day-to-day operations with the firm belief that visiting different regions and listening to people on the front lines is essential. In meetings with institutional investors from all over the world, I have often been asked about Ryohin Keikaku's management direction, and have told them that "we will continue to practice down-to-earth management so you can watch our growth with peace of mind." While this stance may seem somewhat unremarkable at first, I feel this approach is being accepted by various stakeholders including investors.

Up to now, there have been many instances where we rapidly implemented management reforms or boldly undertook measures.

The Second Founding, which began in 2021, marked a period in which we transformed every aspect of our business, including products, services and store operations. Adopting new management techniques driven by hiring outside talent and eliminating opportunity losses caused by inadequate marketing were significant achievements. New measures also proved successful, including the use of TV commercials and promotions of specific products.

On the other hand, since we were focusing on new challenges, MUJI's original core competence of delving deeply into lifestyles and design thinking may have stagnated, and we recognized this as an issue.

I am working to thoroughly reaffirm both the achievements gained through reforms since the Second Founding and Ryohin Keikaku's inherent strengths, fine-tuning these assets without waste to drive further growth. This is the "down-to-earth management" that I touched on earlier. We are ready to move to the next stage and further accelerate growth.

**We are aiming for operating revenue of JPY 1 trillion, operating profit of JPY 100 billion and an operating profit margin of 10%.**

Ryohin Keikaku is implementing the three-year rolling plan beginning in FY2026/8. Our goal for this three-year period is to achieve operating revenue of JPY 1 trillion, operating profit of JPY 100 billion and an operating profit margin of 10%. To achieve these targets, we are sharing business successes achieved in various regions, and deploying them throughout our operations to support solid growth worldwide. We are also promoting initiatives to enhance Group-wide productivity, and thereby further improve profitability with the goal of achieving an operating profit margin of 10% in FY2028/8.

## Message from the President

We will pursue further growth during the three years of the plan—building a revenue base through stable operations in our Japan Business and East Asia Business, while positioning the Southeast Asia/Oceania and Europe/North America businesses as the next growth drivers.

We are already seeing some progress, and compared with the original plan announced in November 2024, achieving our targets a year ahead of schedule is now a real possibility. To ensure early achievement of the plan's targets, we are promoting our "gain," "reduce" and "leverage" management approach, with specific measures divided into those three categories.

First, for "gain," the primary engine is growth through accelerated store openings. In Japan, we plan to proceed with store openings, flexibly adjusting store sizes and product lineups according to area characteristics based on the 600-*tsubo* (approx. 1,980 m<sup>2</sup>) standard format. In the Mainland China Business, in addition to new store openings, we are implementing a scrap-and-build strategy that includes renovation and closure of existing stores, to achieve both growth and increased profitability. In other businesses in East Asia, we are entering a business expansion phase and aiming for further growth centered on the South Korea Business. In the Southeast Asia Business, we are taking steps to improve brand recognition and strengthening store expansion through the opening of flagship stores. In the Europe Business, we are preparing to open a flagship store in Paris in the winter of 2026, and will leverage that experience to expand business throughout Europe.

We are also carrying out cost reduction initiatives to boost productivity. We are making structural changes to achieve an operating profit margin of 10% at first. In the face of high purchase costs and the impact of exchange rates, we will promote supply chain management transformation to reduce costs across our businesses.

Furthermore, from the perspective of leveraging our strengths, we will enhance investment in supply chains, human resources and IT to establish the foundation for future growth. We are focusing on investment in human resources in particular, and will build a supportive environment for long-term employment through enhancement of training and education and improvement of the compensation system.

### We have updated our eight drivers for growth, and will deploy expertise cultivated in the Japan Business around the world.

We have updated our eight drivers for growth to help propel further global expansion. The most significant change is that the deployment of successful store operation models from the Japan Business to overseas markets is now set as one of the growth drivers. In our store operations in the Japan Business, each store puts together its own merchandising plan. This is a framework under which each store customizes its sales development plan based on sales and product rollout plans formulated by headquarters, formulates sales and inventory plans, and then develops personnel plans to put them into action. It is a concrete operational system for practicing the independent store management promoted by Ryohin Keikaku. This system cannot be introduced as is worldwide, but we will actively include the parts that can be incorporated to raise the level of store operations with a global perspective.

Store formats are also important in terms of deploying what we have established in the Japan Business to overseas markets. In the Japan Business, the 600-*tsubo* design has been established as the basic format to express the MUJI worldview. We plan to develop our overseas store network by modifying this format to fit the characteristics of each region and the product lines suitable for global expansion.



To strengthen the product development system, the Health & Beauty (H&B) Division will be critical. In this division, with the Japan Business performing well, we are expanding skincare, a core product category, in nine regions outside Japan, with a particular focus on the *Sensitive Skincare* series and the *Fermented Booster* series. The results have been strong and are outpacing the plan in every region. We will further accelerate global expansion with these core products as the main focus.

For household goods, we are expanding our product lineup globally. We aim to make 80% of the household goods products sold

in the Japan Business available globally. As we strengthen our product lineups, we also expect to see improvement in profit margins and other indicators. For food items, we will raise the overseas sales ratio from 4% to 7% or more. Looking at the ripple effect by region, the increase in the food sales composition ratio, especially in the South Korea Business, has contributed to an increased number of customers and produced substantial results. We will closely monitor the progress of our concrete measures, and refine them to ensure that the eight drivers for growth for further global expansion steadily lead to growth.

### Eight Drivers for Growth for Further Global Expansion



1. An abbreviation used in Japan for "online merges with offline." A marketing approach that enhances the customer experience through the integration of online and offline elements.

2. Supply chain management. A management approach for managing and optimizing the entire supply chain from raw material procurement to product manufacturing, distribution and sales.

### Investment in human resources is critical to growth.

Investing in human resources is essential to successfully promoting the eight drivers for growth and spreading the MUJI worldview through store operations and product development. That is why we have made it clear that developing talented people is an important factor in our aforementioned "leverage" management approach, and, as such, we are promoting the recruitment and development of diverse human resources and providing them with opportunities to work globally. We will also improve the compensation system and ensure a supportive working environment for each and every employee.

From my first day as president, in my message to people in the Company I have emphasized two dreams: the MUJI Dream and the Ryohin Keikaku Dream. The MUJI Dream is "to create a world where simplicity is not overshadowed by luxury, but rather, where the intelligence and sensibility inherent in that simplicity are a source of pride," and to share that sentiment and value with stakeholders to realize that world. The Ryohin Keikaku Dream is "to operate the Company in a way that enables every employee to spend time sharing what matters most with their loved ones, and to lead rich, fulfilling lives, both physically and mentally." I believe that management that makes these two complementary dreams come true is key to realizing our goal of "a truthful and sustainable life for all." That is why human resources are so important, and I consider it Ryohin Keikaku's duty to create the basic conditions for secure employment.

**We will communicate and disseminate our brand value to continually reflect on what MUJI represents.**

In our pursuit of global expansion, we engage with diverse people and cultures all over the world. The important point in doing so is to make clear the philosophy and ideas behind what MUJI should be and the kind of value our brand provides, and to ensure that all our employees share in those beliefs. Without these elements, the brand value and worldview of MUJI will not be fully understood.

Based on that thinking, we are working to systematically organize and share Ryohin Keikaku's corporate purpose and MUJI's concept. The worldview we want to share is the idea of creating a world where simplicity is not overshadowed by luxury, but rather, where the intelligence and sensibility inherent in that simplicity are a source of pride.

Going forward, we will advance product and service development by communicating and more systematically organizing the core values, perspectives and strengths to embody this philosophy. The key is to think freely in actual product and service development after ensuring that MUJI's core concepts are steadfastly held throughout our global operations. The specific actions are entrusted to each individual employee, store and team. Employees



will need to ask themselves how our philosophy and brand value relate to their day-to-day work, and translate that understanding into action.

This approach of thinking and taking action independently is not a recent initiative. It is already practiced in daily operations, as symbolized by independent store management. The next step is to reaffirm the significance of that approach, and to accelerate our efforts. We will continue to nurture the autonomy of our employees while communicating our brand value, and will further strengthen team cohesion to instill and establish our philosophy and brand value.

**We are making ESG our core business strategy.**

ESG at Ryohin Keikaku does not refer to just the non-financial information disclosed to investors and our various other initiatives. When I attend important business meetings, I wear a jacket from our *ReMade Clothing* series from ReMUJI that I particularly like. This jacket was made by stitching together fabric from seven pairs of MUJI jeans that were collected after they were no longer needed. When I wear that jacket, I am often asked with great interest, "That's a nice-looking jacket. Where did you buy it?" and I explain the story behind it. It is a popular product that sells out as soon as it is released. This highlights a key aspect of Ryohin Keikaku's ESG management approach. Instead of making sacrifices for the sake of sustainability, we want to make ESG our core business strategy. Being environmentally responsible should never mean compromising on clothing. Instead, we want to make environmentally responsible clothing that people actually choose to wear.

As I mentioned, the MUJI Dream is to create a world where simplicity is not overshadowed by luxury, but rather, where the intelligence and sensibility inherent in that simplicity are a source of pride. It also means we can achieve lifestyles that enable us to live more prosperously with fewer resources, and represents management that is conscious of ESG. Ryohin Keikaku adheres to three perspectives in manufacturing. This means manufacturing products that are as simple as possible and lowering costs without sacrificing quality through selection of materials, streamlining of processes and simplification of packaging. It also reflects an approach where ESG is the core strategy of our business.

In addition to product development, we also pursue activities that have a positive impact on the "social" component of ESG in our core business of operating stores. These activities include ITSUMO MOSHIMO Caravan, an event for learning about disaster preparedness conducted in collaboration with local communities and governments, and Community Market, a limited-time market where we invite local business owners to sell their

products in spaces within our stores, which stimulates community interaction. In this way, ESG management is breathing new life into our stores and products, and is becoming the foundation and a core business approach of Ryohin Keikaku. We want sustainability to be something practiced naturally in our everyday business—not something that requires effort or compromise—and will continue to work to make this practice common.

**In closing, this is my message to our stakeholders.**

Ryohin Keikaku is ready to evolve into a global enterprise that is truly useful in the lives of people around the world. Our business model of supporting the everyday lives of people through diverse products that span all basic needs in the areas of apparel, food and household goods represents the originality of Ryohin Keikaku and is an aspect of MUJI that is unparalleled anywhere in the world. While we consider this one of our strengths, we are not content with the status quo, and continue to fine-tune our operations by drawing on our successes and learning from our failures.

As I touched on earlier, we create products that generate new value and promote their expansion by unraveling and instilling Ryohin Keikaku's philosophy and the MUJI concept, and by fully leveraging the independent thinking and actions of individual employees.

At the same time, supported by our eight drivers for growth and our "gain," "reduce" and "leverage" management approach, we identify issues and steadily implement measures to further hone our business strengths. We have MUJI as our business concept, and the eight drivers for growth as our business approach. By skillfully refining these elements and linking them with the management plan, we will achieve stable and sustained growth. I consider that to be my responsibility as president.

We provide MUJI's products and services and strive to realize "a truthful and sustainable life for all," as we move forward together with people around the world. Even as we become more global, we remain close to the everyday lives of our customers, just as we always have. I believe that the results of those efforts is what will ultimately drive Ryohin Keikaku's growth.



# Three-Year Rolling Plan

We will continue to disclose information on our three-year plan and update it on an annual basis as part of efforts to communicate changes in the business environment to stakeholders. In the three years from FY2026/8 to FY2028/8, we aim for an operating profit margin of 10%, one year earlier than initially planned.

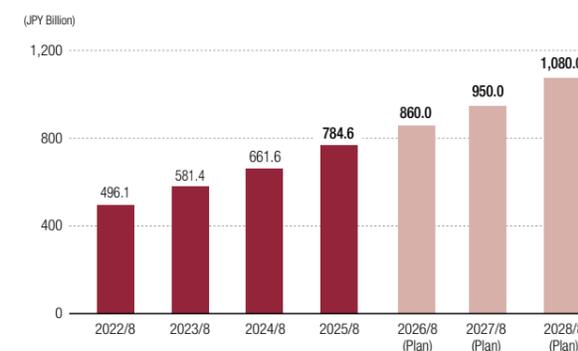
	2022/8	2023/8	2024/8	2025/8	2026/8	2027/8	2028/8	2030
	Results	Results	Results	Results	Plan	Plan	Plan	Our Goals
Operating revenue (JPY Billion)	496.1	581.4	661.6	784.6	860.0	950.0	1,080.0	To be a part of people's daily necessities Stores as community centers Realizing "a Truthful and Sustainable Life for All"
Operating profit (JPY Billion)	32.7	33.1	56.1	73.8	79.0	89.0	108.0	
Operating profit margin (%)	6.6	5.7	8.5	9.4	9.2	9.4	10.0	
Return on assets (ROA) (%)	9.4	8.5	11.6	13.5	13.1	13.6	14.8	
Return on equity (ROE) (%)	10.8	8.7	14.9	16.3	15.1	14.8	15.9	
Number of stores	1,136	1,251	1,364	1,474	We plan an average annual net store increase of 45 in Japan and 70 overseas.			

## Three-Year Rolling Plan Summary

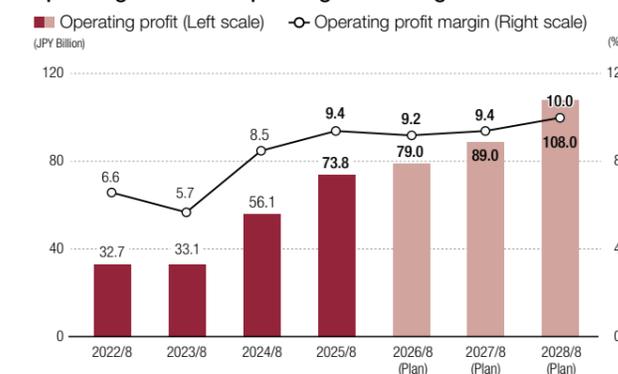
We aim to achieve operating revenue of JPY 1 trillion, operating profit of JPY 100.0 billion and an operating profit margin of 10%.

Category	Direction
<b>1. Gain</b>	<ul style="list-style-type: none"> <li>In FY2028/8, we plan to achieve operating revenue of JPY 1 trillion, realizing growth not only in specific regions but globally.</li> <li>We project an average annual growth rate of 4% for existing stores and e-commerce, with plans for an average annual net store increase of 45 in Japan and 70 overseas.</li> <li>In the Japan Business, we will continue opening new stores while improving profitability. Store sizes will be flexibly adjusted to suit the local market.</li> <li>In the Mainland China Business, we will improve profitability per store and realize the benefits of small-scale renovations.</li> <li>In other businesses in East Asia, we will work to improve profitability per store. In particular, we will expand the scale of operations in the South Korea Business by increasing the number of stores.</li> <li>In the Southeast Asia and Oceania businesses, we will build brand recognition through our flagship stores, while improving revenue and profit at existing stores.</li> <li>In the Europe and North America businesses, we will open a flagship store in Paris in FY2027/8 to drive renewed growth.</li> </ul>
<b>2. Reduce</b>	<ul style="list-style-type: none"> <li>We aim for an operating profit margin of 10% in FY2028/8, and will strengthen our earnings structure for further improvement toward 12%.</li> <li>For procurement, which is affected by foreign exchange rates, we will offset the impact by reducing production costs and managing discounts, while steadily improving the gross profit margin.</li> <li>While maintaining the current business structure, we will enhance procurement capabilities and strengthen cost efficiency throughout the Group.</li> </ul>
<b>3. Leverage</b>	<ul style="list-style-type: none"> <li>We will expand the functions and foundation of MUJI GLOBAL SOURCING, which is responsible for development and production management, and enhance its product development capabilities.</li> <li>We will build infrastructure for both offensive and defensive capabilities, including logistics and IT.</li> <li>We will invest in talent and create a supportive working environment by strengthening recruitment, global talent deployment and development, as well as by improving compensation.</li> </ul>

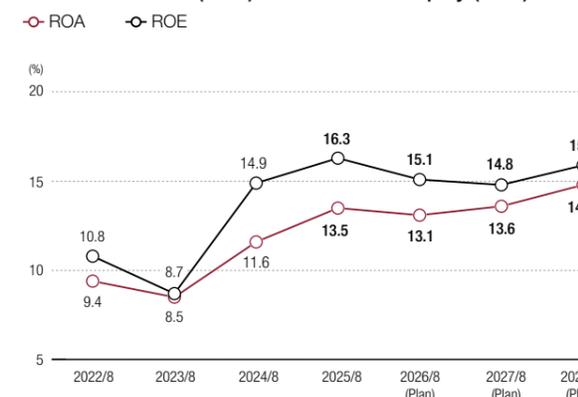
Operating Revenue



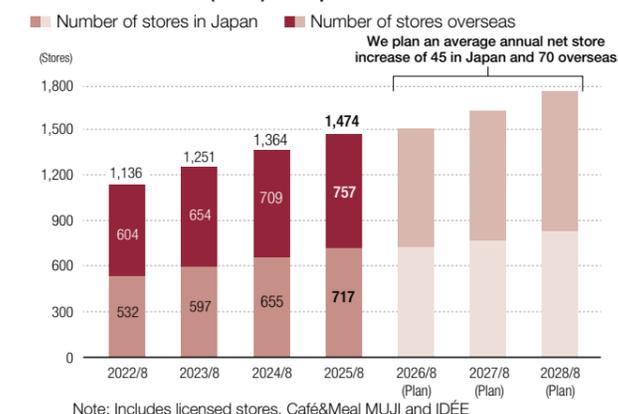
Operating Profit and Operating Profit Margin



Return on Assets (ROA) and Return on Equity (ROE)



Number of Stores (Total) in Japan and Overseas



# FY2025/8 Results and Future Outlook

## FY2025/8 Results

In FY2025/8, operating revenue was JPY 784.6 billion, up 18.6% year on year, and operating profit was JPY 73.8 billion, up 31.5%, a new record high. This was due to expansion of store openings and steady sales growth at existing stores in Japan and overseas, while the operating profit margin was 9.4%, partly reflecting the impact of foreign exchange rates. In Japan, revenue and profit continued to increase, as in the previous fiscal year. In addition to new store openings, results also reflected successful efforts to strengthen skincare products, daily supplies and consumables, and innerwear, and to improve marketing using social media and apps. We also made improvements in store and inventory management. In overseas operations, the East Asia, Southeast Asia/Oceania and Europe/North America businesses all recorded increases in revenue and profit. In particular, the Mainland China Business performed strongly due to expansion of locally developed products and efforts to strengthen marketing, despite an adverse business environment. Net income attributable to owners of parent was JPY 50.8 billion, partly reflecting tax effects associated with a business restructuring in Europe.

## Future Outlook

The three-year rolling plan (FY2025/8 to FY2027/8) announced in November 2024 is progressing approximately one year ahead of schedule, driven by steady performance in both Japan and overseas. In FY2026/8, we expect operating revenue of JPY 860.0 billion, based on projections for stable growth in Japan and growth in all segments overseas. Operating profit is forecast to be JPY 79.0 billion, reaching a new record high for the third consecutive year, driven largely by strong profit contributions from the Japan and East Asia businesses, although the positive impact of foreign exchange rates in the previous fiscal year will be less. The operating profit margin is forecast to be 9.2%, effectively an improvement (excluding the impact of foreign exchange rates in FY2025/8). In the new three-year rolling plan, our target for FY2028/8 is operating revenue of JPY 1,080.0 billion, operating profit of JPY 108.0 billion and an operating profit margin of 10.0%. We aim for sustainable growth in operating revenue and operating profit, with a CAGR exceeding 10%. We will continue working to improve capital efficiency. As a result, we expect to achieve ROE of 15.9% in FY2028/8.

(JPY Billion)	2025/8			2026/8					
	Operating revenue	Operating profit	Operating profit margin	Operating revenue		Operating profit		Operating profit margin	
	Results	Results	Results	Plan	YoY %	Plan	YoY %	Plan	YoY difference
<b>Consolidated</b>	784.6	73.8	9.4%	860.0	+9.6%	79.0	+7.0%	9.2%	-0.2%
<b>Japan Business</b>	470.1	52.1	11.1%	510.0	+8.5%	59.7	+14.6%	11.7%	+0.6%
<b>Overseas Business</b>	314.4	55.3	17.6%	350.0	+11.3%	59.0	+6.7%	16.9%	-0.7%
<b>East Asia Business</b>	222.2	42.7	19.3%	245.5	+10.5%	47.2	+10.3%	19.2%	-0.0%
<b>Southeast Asia/Oceania Businesses</b>	50.1	5.5	11.1%	59.5	+18.8%	6.3	+12.8%	10.6%	-0.6%
<b>Europe/North America Businesses</b>	42.1	6.9	16.4%	45.0	+6.8%	5.5	-20.5%	12.2%	-4.2%
<b>Global SG&amp;A Expenses</b>	—	(33.7)	-4.3%	—	—	(39.6)	+17.4%	-4.6%	-0.3%

## Financial Position and Balance Sheet

Total assets as of August 31, 2025 were JPY 562.7 billion, an increase of JPY 53.1 billion from the end of previous fiscal year. This mainly reflected a JPY 9.7 billion increase in cash and deposits due to improvement in cash flow from operating activities, as well as increases of JPY 15.9 billion in inventories and JPY 16.4 billion in property, plant and equipment associated with new store development in Japan and overseas. We managed to keep inventory growth below the rate of sales growth, and inventory turnover improved from 2.26 times to 2.36 times per year. The inventory turnover rate tends to be lower overseas than in Japan. Going forward, however, we will expand the customer base overseas and improve the inventory turnover rate by strengthening our product lineup as well as by offering a fuller range of items that customers prefer. Moreover, software-related expenses also increased by JPY 7.3 billion as a result of IT system investments. Total liabilities were JPY 226.8 billion, an increase of JPY 14.2 billion from the end of previous fiscal year. Net assets increased by JPY 38.9 billion to JPY 335.9 billion. The increase was mainly due to an increase in retained earnings, reflecting stable revenue and an increase in internal reserves in FY2025/8. As a result, the consolidated equity ratio increased by 1.5 points from 57.5% to 59.0%. We have further increased the soundness of our financial position and reinforced the foundation for future growth investments and business development.

### Balance Sheet

<b>Assets</b> JPY 562.7 billion	<b>Liabilities</b> JPY 226.8 billion
	<b>Net assets</b> JPY 335.9 billion

## Financial Policy

Our financial policy is to utilize our stable cash-generating capability to balance growth investment and shareholder returns. Specifically, we plan to allocate 40% of cash flow from operating activities to store investments such as new openings and existing store renewals in Japan and overseas; 20% to software investment aimed at streamlining operations and improving the customer experience; 20% to the payment of stable, continuous dividends; and the remaining 20% for use as operating capital. This plan enables us to pursue active investment for future growth and stable returns to shareholders, while maintaining financial soundness. Regarding cash flow in FY2025/8, cash flows from operating activities were JPY 73.3 billion, a record high, clearly reflecting improved profitability and an efficient operating structure. By contrast, cash flows from investment activities resulted in a net outflow of JPY 40.9 billion. Cash flows from financing activities resulted in a net outflow of JPY 22.1 billion, as we steadily made growth investments and shareholder returns. We will continue to aggressively pursue further growth opportunities in Japan and overseas, promoting strategic investments for global business expansion. Based on profit growth and our stable cash generation capability, we will efficiently allocate capital with an awareness of the cost of capital, aiming to balance investment for growth and returns to shareholders. Our target for both ROA and ROE is 15% or higher. Looking ahead, we will continue to expand our equity spread by increasing ROE and optimizing the cost of capital, with the goal of sustainably increasing corporate value.

## Investment Plan

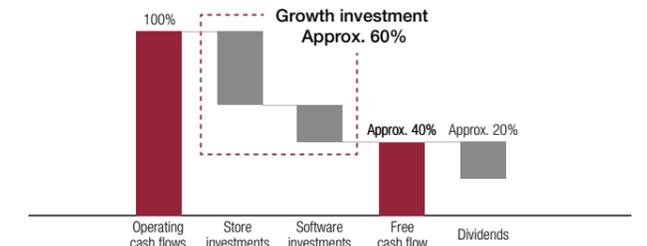
In FY2025/8, store investments were JPY 24.5 billion, on par with the previous fiscal year, reflecting progress with new store openings both in Japan and overseas. Software investments increased by JPY 3.0 billion year on year to JPY 15.0 billion, mainly due to investments for building supply chain infrastructure. Other investments were JPY 1.4 billion, and total capital investments increased by JPY 2.0 billion year on year to JPY 40.9 billion. We will continue to open new stores in Japan and overseas in order to achieve business growth. In particular, we will move forward with store openings overseas, with plans to open flagship stores in Europe and North America. We will also continue to invest in business infrastructure, such as software and logistics, to ensure sustainable revenue. In FY2026/8, we plan to make capital investments of JPY 40.7 billion, on par with the previous fiscal year. This will include store investments of JPY 24.0 billion, software investments of JPY 12.0 billion and other investments of JPY 4.6 billion in areas such as logistics centers and the renewable energy business.

## Shareholder Returns\*

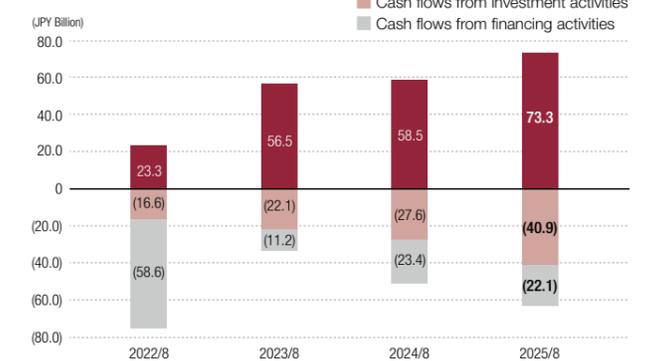
We regard the sustainable enhancement of corporate value and stable, continuous returns to shareholders as important management issues. We are returning profits to shareholders based on a target dividend payout ratio of 30%, while considering the balance of earnings, financial position and investments for future growth. Based on this policy, we plan to pay a dividend of JPY 25 per share for FY2025/8, an increase of JPY 5 from the previous fiscal year. We plan to further increase dividends by JPY 3 to JPY 28 for FY2026/8. We will continue enhancing returns to shareholders while aiming to ensure the sustainable growth of the Company and increase capital efficiency.

\* We conducted a 2-for-1 stock split of common shares on September 1, 2025. The figures here are based on the number of shares after the stock split.

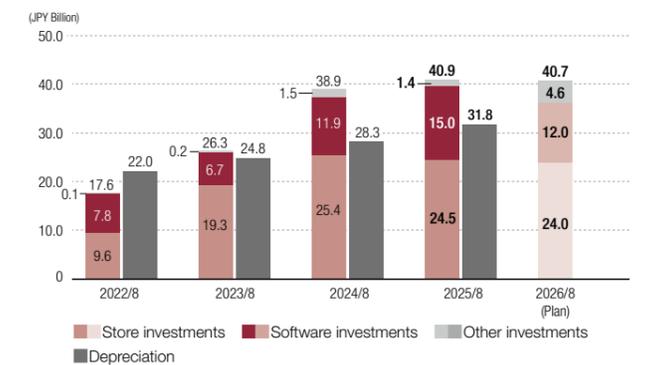
## Capital Allocation Plan



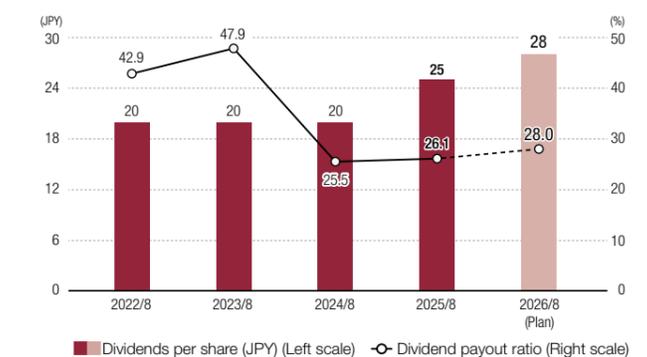
## Cash Flow



## Capital Investment and Depreciation



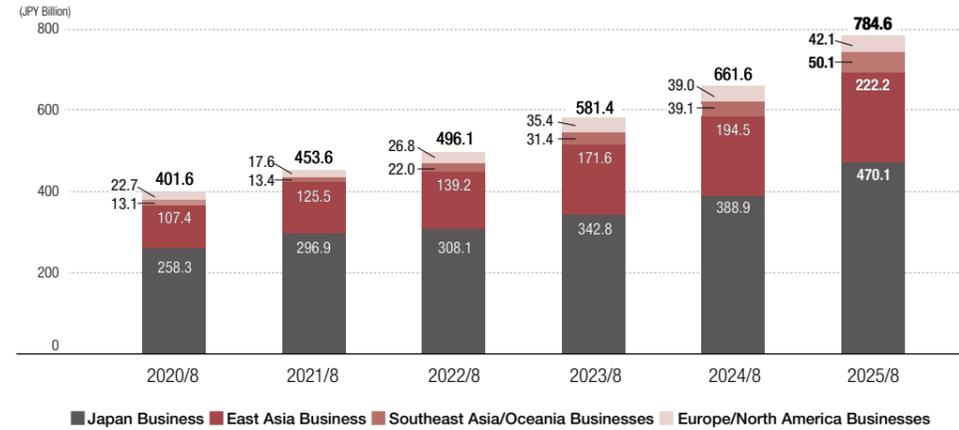
## Dividends per Share and Dividend Payout Ratio



# Overseas Business Strategy

We are accelerating growth as a global brand, with operations in a total of 28 regions across our businesses in Japan and overseas. Through product development and services aligned with each region's market characteristics and customer needs, we aim to ensure sustainable growth and increase corporate value. Overseas operations are an important driver for future growth, and will contribute to the Group's overall expansion in terms of both revenue and profit.

Operating Revenue by Segment



## East Asia Business

The East Asia Business is second only to the Japan Business in terms of revenue and profit, making this a core area for driving the Company's overseas expansion.

**FY2025/8**

- Operating revenue: JPY **222.2** billion
- Segment profit: JPY **42.7** billion
- Number of stores: **557**

Note: The number of stores does not include Café&Meal MUJI and IDÉE.

## Mainland China Business

### Current Status

The Mainland China Business is the largest market overseas. As such, it is extremely important in leading revenue and profit growth. Since the launch of our first store in Shanghai in 2005, we have steadily expanded our store network over the last 20 years, with 422 stores as of the end of August 2025. The Mainland China market requires a flexible response at all times to address rapid changes in the economic environment and consumer trends. Even in such a business environment, we have maintained a consistent brand image, upheld our commitment to providing simple, high-quality products and sincere service and built strong relationships with customers. However, although the Mainland China Business is a market with a large population, the customer base remains small in comparison with the Japan Business. Responding to diversifying needs and expanding support from a wider range of customers are major themes for future growth.

### Growth Strategy

Since 2019, we have been promoting localization of product development. In the Mainland China Business, we have established a structure for completing every business process from product planning to design, manufacture, sales and marketing locally. This enables us to respond swiftly and flexibly to the rapidly changing market, while optimizing quality and cost. Regarding sales channels, we will continue to open new stores, primarily in major cities. We will pursue highly profitable business operations by promoting a scrap-and-build strategy in which we close stores with low sales and shift to more high-profit stores. In addition, the Mainland China market has a high ratio of e-commerce sales even on a global basis. We will strengthen our business model that leverages both e-commerce and physical stores to further expand customer contact points. By strengthening our business base by both deepening localization and promoting a channel strategy, we will attract new customers and realize sustainable growth in the Mainland China Business.



## Taiwan, Hong Kong and South Korea Businesses

### Current Status

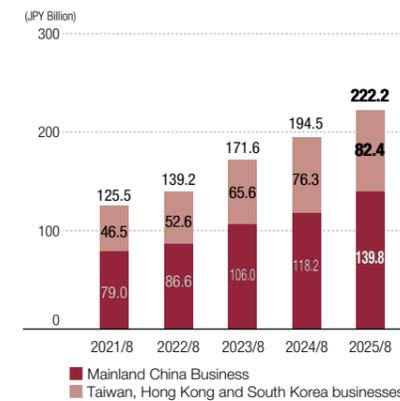
The Taiwan, Hong Kong and South Korea businesses are the next largest sources of stable revenue after the Mainland China Business, and they play an important role in the East Asia Business. As of the end of August 2025, we operate a total of 135 stores in these markets, and are steadily expanding our store network, mainly in urban areas. We have high brand recognition in these areas, and the market environment is receptive to our products and services. On the other hand, lifestyles and customer preferences vary by region, and there are also differences in regulations, requiring a carefully tailored approach suited to local characteristics. Although we have established brand recognition, the provision of products and services adapted to local needs remains insufficient. In comparison with the Japan Business, expanding the product lineup in certain categories such as food and household goods remains a challenge.

### Growth Strategy

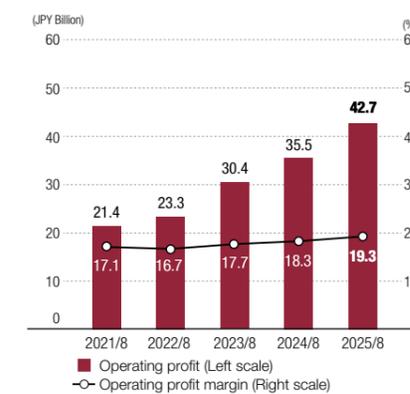
Strengthening product development and creating product lineups aligned with local needs will be important keys to our growth going forward. In the food category in particular, we are developing and rolling out products in collaboration with local factories to reflect the local cultures and preferences of each region. In the South Korea Business, these initiatives have progressed steadily, resulting in growth in both the customer base and earnings foundation. We will continue to open new stores to further expand the scale of operations. In addition, we are working to further grow our customer base by expanding contact points and strengthening relationships through the renewal of our proprietary app. Through these measures, we will respond flexibly to customer needs in each region and achieve stable, sustainable growth.

## East Asia Business Five-Year Trend

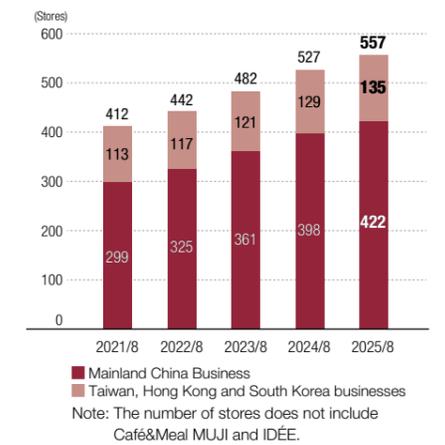
Operating Revenue



Operating Profit and Operating Profit Margin



Number of Stores



## Global Rollout of Skincare Products

From FY2025/8, we began rolling out skincare products that have performed well in Japan, such as fermented booster serums and the renewed skincare series for sensitive skin, to our overseas businesses. As materials and textures familiar in Japan are not always accepted in other markets due to cultural and preferential differences, we carefully communicate product features. As such, we have seen a steady launch of skincare products. When rolling products out overseas, we emphasize communication that clearly explains the product features and our careful attention to quality. For example, in the Mainland China Business, we are enhancing detailed product explanations by local staff and information dissemination through social media and e-commerce channels. This is helping us establish the brand image and reliability that we have built in Japan. Furthermore, by accurately identifying changes in consumer needs and preferences, we can flexibly adjust our product line-up and promotional measures, leading to sales expansion.



## Overseas Business Strategy

### Southeast Asia/Oceania Businesses

The Southeast Asia and Oceania businesses will serve as important markets for the next stage of growth, with significant room remaining for new store openings.

**FY2025/8**

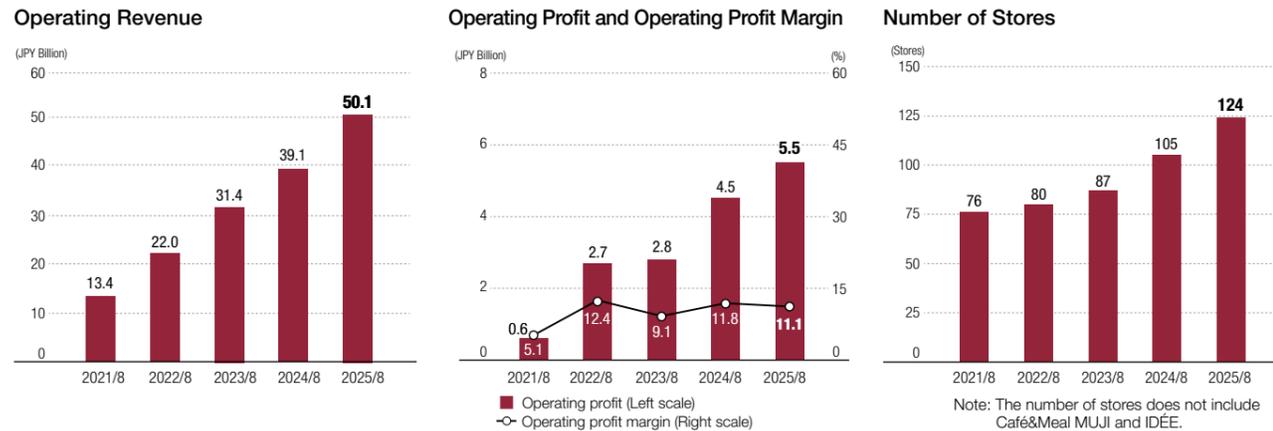
- Operating revenue: **JPY 50.1 billion**
- Segment profit: **JPY 5.5 billion**
- Number of stores: **124**

Note: The number of stores does not include Café&Meal MUJI and IDÉE.

#### Current Status and Growth Strategy

The Southeast Asia and Oceania businesses are important markets for the next stage of growth within our overseas operations, and we operate 124 stores as of the end of August 2025. These regions have fast-growing economies with young people making up a large share of the population. In recent years, the middle class has increased rapidly, and quality of life has been improving. There are three main issues we face in expanding operations in the Southeast Asia Business going forward. First, as we accelerate new store openings, a stronger organizational structure will be required to respond to the rapid pace of expansion. We are proceeding with local recruiting, while dispatching employees with experience as store managers in Japan and providing training to local store managers and staff. We are working to accelerate organizational development by monitoring local stores through store managers assigned from Japan to establish a process from identifying issues to develop and implement improvement measures. Second, we need to further strengthen product development. Due to issues such as import regulations and religious and cultural differences, we are promoting the expansion of products tailored to local needs. Third, we need to further grow the customer base because we are still in the market development phase and brand recognition is not yet high. In doing so, consideration for a product assortment tailored to local lifestyles will be essential. In addition to our current products, we will expand such tailored items as well as more affordable products using a multifaceted approach that includes making cost improvements and collaborating with local manufacturers.

#### Southeast Asia/Oceania Businesses Five-Year Trend



### Overseas Product Development and Production Management

MUJI GLOBAL SOURCING (MGS) is an important platform supporting the Group's global expansion. It is responsible for strengthening product development and production management systems on a global scale. As of the end of August 2025, MGS has operations in six locations in Mainland China, Vietnam, Cambodia, Indonesia and India. By establishing management sites in production areas, we can provide products aligned with local characteristics and market needs. In this way, we are improving both quality and cost competitiveness. By establishing our own production management structure, which was previously handled via trading companies, we are strengthening the recruitment of local talent. By enhancing partnerships with local factories and suppliers, we have built a stable supply chain system that supports locally tailored product development and allows us to respond quickly to market trends and regulatory changes in each region. In addition, MGS leverages its global procurement network to optimize raw material and production processes. In this way, we aim to contribute to the reduction of environmental impact and to ensure respect for human rights in the production process. Going forward, we will continue to coordinate regional growth strategies by strengthening our global procurement and production system centered on MGS. This will enable us to ensure a stable supply of high-quality, attractive products to customers around the world, enhance our brand value, and achieve sustainable growth.



MGS VIETNAM

### Europe/North America Businesses

The Europe and North America businesses have large, untapped markets with potential for long-term growth. With the closure of unprofitable stores now largely completed, we are shifting our focus toward renewed growth and expansion.

**FY2025/8**

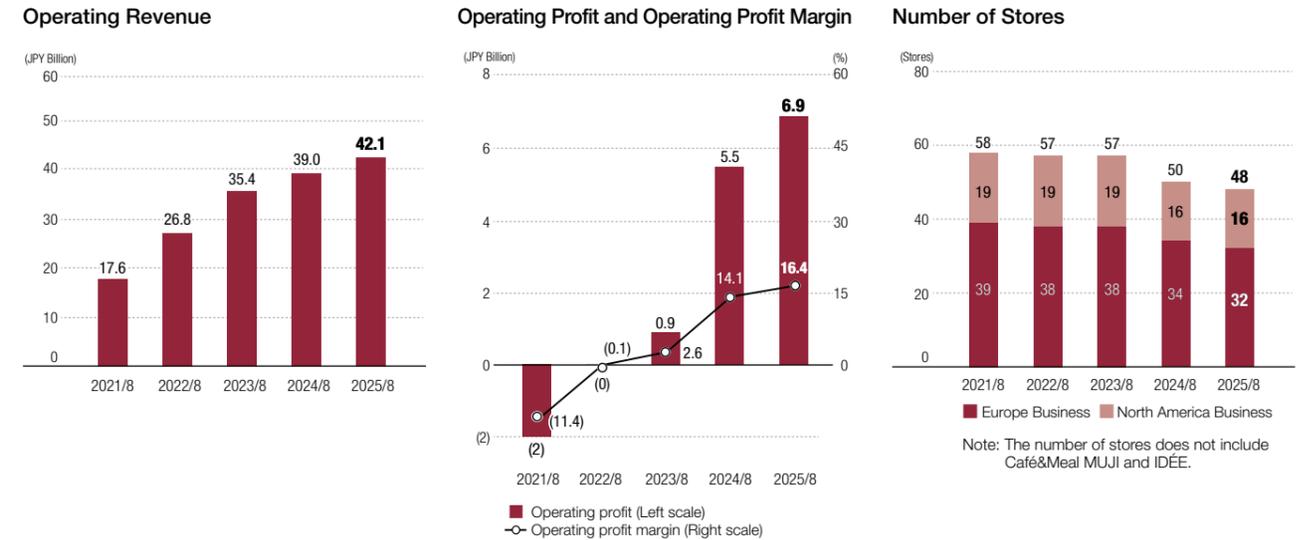
- Operating revenue: **JPY 42.1 billion**
- Segment profit: **JPY 6.9 billion**
- Number of stores: **48**

Note: The number of stores does not include Café&Meal MUJI and IDÉE.

#### Current Status and Growth Strategy

As of the end of August 2025, we operate 32 stores in the Europe Business and 16 stores in the North America Business. Since 2020, we have been closing unprofitable stores and concentrating resources on existing stores. As a result, the businesses returned to profitability in FY2023/8 after many years of continued losses. From FY2024/8, profitability has improved significantly, which has strengthened the business foundation. On the other hand, there are issues to be addressed, such as low brand recognition and an insufficient product lineup compared with operations in Asia. However, the untapped markets are extremely large, with great potential for future growth. Given these developments, we plan to resume new store openings in the North America Business from FY2026/8 and to open a flagship store in Paris in FY2027/8. This will establish a symbolic presence for the brand in Europe and North America and help enhance brand recognition. Going forward, we will work to achieve growth through the above initiatives, while enhancing the product lineup and bolstering marketing to promote better brand recognition.

#### Europe/North America Businesses Five-Year Trend



### Fresh Start in the Europe and North America Businesses

In the Europe and North America businesses, we closed unprofitable stores and worked to improve the soundness of our business structure. To improve profitability, which has been a long-standing issue, we concentrated resources on existing stores and thoroughly streamlined operations. As a result, the businesses have returned to profitability over the past three years, and we have set the stage for a return to growth in the Europe and North America businesses. Based on this foundation, we will resume new store openings in the North America Business from FY2026/8. In the Europe Business, we plan to open a flagship store in Paris in FY2027/8. The flagship store will be our largest in Europe, with an area of 600-*tsubo* (approx. 1,980 m<sup>2</sup>). The store will firmly establish brand recognition by functioning as an embodiment of the MUJI worldview. Opening a flagship store in Paris, which has enormous economic and cultural influence, is a symbolic first step in the growth strategy for the Europe and North America businesses and will be the starting point for future business expansion.



Artist's rendering of flagship store in Paris

# Evolution of Store Operations



**We will achieve further growth driven by the establishment of standard store formats and promotion of independent store management.**

## Takuo Nagahara

Senior Executive Officer  
In charge of Sales Division  
President & Representative  
Director, MUJI HOUSE Co., Ltd.

## Establishment of the 600-*tsubo* Class Standard Format

With a wide assortment of apparel, food and household goods, Ryohin Keikaku supports the everyday lives of customers, and seeks to enrich society through its products. One of Ryohin Keikaku's distinguishing features is its comprehensive product lineup covering apparel, food and household goods, along with its extensive store network. Even in the retail market in Japan, with an aging population and declining birth rate, we believe we can enrich society as well as achieve growth by establishing and opening stores in formats that support daily life.

In the Japan Business, we have positioned the 600-*tsubo* (approx. 1,980 m<sup>2</sup>) class of stores as MUJI's standard format. We are establishing the 600-*tsubo* store as the standard, but we are also trying out various other formats based on factors such as local needs and site conditions—for example, 300-*tsubo* stores that offer a carefully selected range of products needed in daily life—while striving to provide product assortments and services that are useful to society.

Ryohin Keikaku's fundamental vision is to support the everyday lives of people, which we achieve by offering a broad lineup of the apparel, food and household goods they need. The standard format is based on our assessment that 600 *tsubo* is the optimal size at the



present time. Our stores are more than just spaces for displaying and selling merchandise. They are also places for sharing our values through our products and sales floors, and for deepening communication with customers. Taking these factors into account, we believe that 600 *tsubo* is the ideal size for demonstrating who we are and what kind of value we can provide through our products and sales floors.

## Branching Out to Other Formats and Expanding Globally

Stores with a floor area of 600 *tsubo* now account for about 170 of our 623 stores in Japan. As mentioned earlier, this does not mean we will make all our stores 600 *tsubo* or more. We are expanding store openings with formats tailored to local characteristics, taking the needs of each region and the convenience of customers into consideration. For instance, we have MUJI 500 stores where people can quickly stop in and pick up daily necessities and consumables on their way home from work, as well as 600-*tsubo* stores where shoppers can take their time to browse and select from our wide assortment of products on their days off.

For example, in March 2025 we opened MUJI Aeon Mall Kashihara, which has a sales floor space of approximately 2,500 *tsubo* (approx. 8,260 m<sup>2</sup>), making it our largest store in the world. We are working to develop this store through engagement with producers and business operators throughout the Kinki region, primarily in Nara Prefecture, where the store is located, based on the concept of "nature, circularity and culture." Featuring a lineup that also includes ReMUJI, IDÉE and others, it expresses the MUJI worldview, with the whole store structured like a catalog offering all of our apparel, food and household goods. Since its opening, the store has received an excellent response and attracted many customers. As this illustrates, we have established various store formats by making hypotheses and then testing, with formats ranging from small stores that focus on daily necessities and consumables, to standard stores that have

everything needed for daily life, and large stores that embody everything that MUJI is.

Establishing a standard format in the Japan Business has led to the development of store formats in overseas markets, so we see it as an important step forward. Our policy is to make approximately 80% of the household goods products we sell in Japan available with the same specifications overseas. Based on that policy, we calculated that a store area of just under 500 *tsubo* (approx. 1,650 m<sup>2</sup>) was the space necessary to fully display our product lineup. Once the floor area of stores and the product mix become clear, we will be able to establish a logical framework for store operations. For store opening plans in overseas markets, as in Japan, we will make flexible adjustments based on the 600-*tsubo* format, taking conditions at the proposed site and the living needs of people in the region into account. I believe that the establishment of a standard format is having a positive ripple effect, as it leads to a clearer vision for stores and faster decision-making in overseas markets.

## Redefining Community Centers

MUJI stores are locally rooted, and we prioritize interaction with customers who live in that particular area. We want our stores to present solutions to the needs of customers and the challenges they face in daily life through our products and sales spaces, and to be a place that customers will want to come back to again and again. That means facilitating communication between the store and its customers, and we think that is synonymous with serving as a local community center. This approach is required of all stores, regardless of scale—from MUJI 500 to the world's largest MUJI store.

From this perspective, we reviewed our previous definition of "a community center," which was ultimately aimed at "implementing concrete initiatives in collaboration with the local community," and redefined it as our "basic stance" common to all stores. Furthermore, we have clarified that working with local governments, business operators and others to advance local revitalization initiatives is a role our stores should play as hubs of local co-creation, mainly led by large-scale stores such as MUJI Aeon Mall Kashihara. The role that stores must fundamentally fulfill as community centers is distinct from specific initiatives for co-creation with communities. Both are important, and we will clearly define their respective roles and steadily advance each accordingly.

## Basis of Independent Store Management and Our Desired Approach

MUJI stores are characterized by their great diversity, reflecting the different approaches required of each store, as well as differences in size and the resulting differences in product lineups. In addition, as the volume of purchases made through our online store increases, we must raise the operational efficiency of each store to provide maximum value to customers while considering selling, general and administrative expenses and labor costs.

Our stores are becoming more diverse, varying from MUJI 500 stores to standard 600-*tsubo* stores, and 2,500-*tsubo* stores, the largest size. Stores are also diversifying geographically, with locations ranging from the Ginza district of Tokyo to Tsushima Island in Nagasaki Prefecture. Naturally, the issues that arise at each store are different, and if the distance is great, headquarters staff may be slower to grasp the issues and current conditions.

That is why it is important to put in place various mechanisms that stores can use to operate autonomously at a high level.



Examples include a daily checklist of standards for use in making store inspections, a shift and work schedule format that enables each store to conduct appropriate staff planning, and a business planning system for sales, inventory and sales floors based on store characteristics. Rather than headquarters managing all stores uniformly, store staff implement independent store management, which means utilizing these mechanisms to operate the store with a manager's perspective. I believe this is how we can leverage our strengths.

Employees engage with local customers, and managers and staff work as one to operate and maximize the value of their store. We aim to do this in a way where our products and services make customers think, "I'm glad I shopped here. I want to come back again." Having on-site leaders responsible for decision making is the basis of independent store management.

## Promoting the Concept of Independent Store Management Globally

We have another major reason for promoting independent store management. We want to become an organization where the whole team of employees, centered around the store manager, thinks of the customers and enjoys doing business, and to create an organizational foundation and culture in which every employee can grow and flourish. It is becoming difficult in the retail business to achieve results with a top-down approach. As such, we will create an organization in which people at our stores take the lead, and where problems in stores are discovered and resolved as a team. For that reason, leaders take the initiative to carefully listen to each staff member, and praise their achievements. It is important to foster a culture of mutual respect where employees can enjoy growing.

In addition to the development of locally rooted businesses, independent store management also includes aspects such as ensuring each employee can play an active role and developing an organizational culture where stores take center stage. I tell store staff to keep in mind that no profit can be made without a culture and mindset based on the premise of "Putting people at the heart of our business, and viewing profit as an outcome, not the goal." Furthermore, by ensuring that excellent proposals originating from stores are shared across all locations and that headquarters provides solid support for their implementation, we aim to become a company where stores take the lead.

The specifics of independent store management have been communicated in detail, and we are at the stage of instilling it as a common understanding throughout our global operations. As with the standard format of stores, establishment of standards for aligning perspectives in store operations can be considered a major step forward. We will continue to pursue further growth, with expansion of stores themselves and the promotion of independent store management as the two driving forces.

# Approach to Product Development



**We will provide the world with products that are useful in daily life and offer MUJI's distinctive value.**

**Asako Shimazaki**  
Senior Executive Officer  
In charge of Household Merchandising Division

## Ryohin Keikaku's Unique Product Development

Ryohin Keikaku's fundamental policy is to contribute to society and people through its products and services, and, broadly speaking, through its business in general. Our approach to developing products is to focus on how the products will solve a problem in society, while valuing the act of asking ourselves what significance Ryohin Keikaku has in that process, rather than simply making products because they will sell. When we take the perspective of customers' everyday lives, we thoroughly examine whether the product is essentially useful, whether its existence will make life better, and whether it is designed for that purpose.

Unlike the market-in/product-out approach that often comes up when talking about product development, our primary focus is on how customers' lives will improve as a result of the development of that product. An example of that way of thinking is the bamboo steamer basket. As a specific approach to product development, Ryohin Keikaku values drawing inspirations from the wisdom and culture of its predecessors, contrasting what was learned with modern challenges, and reworking and presenting the inherent "goodness" of the item itself. Steamed dishes made using bamboo steamers are actually quite simple and easy to prepare, offering the benefits of preserving the nutrients in ingredients while also making the table look more abundant. However, people had a preconception that it is difficult to cook foods in that way. We repositioned the steamer as an item that enriches modern life to eliminate that preconception. In the process, we also added improvements from the consumer's perspective—for example, to make *chawan-mushi* (a savory egg custard) easy to prepare, we gave the product the right size and depth to accommodate the container. This embodies the idea of taking the inherent strengths of an item, applying MUJI's unique perspective to address modern challenges, and delivering the resulting products to consumers. In this approach, the driving force is the developer's strong feeling that "this product is absolutely necessary

in today's world"—in other words, passion. We are proud that this passion is a strength of Ryohin Keikaku.

Another product that was embraced by customers after reframing its traditional strengths, like the steamer basket, is a fermented rice bran bed for pickling. There is a perception that making *nukazuke* (Japanese fermented pickles) is laborious and difficult, but by offering a solution that simplifies the process, we made preparing the *nukadoko* (fermented rice bran bed) more convenient and easier to incorporate into everyday life. While not directly related to product development, another example that illustrates MUJI's overall approach is a water project to reduce the use of disposable plastic bottles, based on the concept of "Let's Start with Water by Ourselves." In this project, water dispensers were installed in MUJI stores nationwide, and are available to anyone. This has led to real changes in behavior—for example, employees as well as customers no longer have to purchase drinks and are able to get plenty of water. Waste at stores has also decreased. There have also been cases where not only Ryohin Keikaku employees but also the employees of other tenants in the same building stopped in to refill their water bottles, thereby reducing plastic bottle waste in the whole building. This shows how one aspect of people's lives has actually changed.



## Approach to Enhancing Product Appeal

As we expand store size and work to strengthen our store network, Ryohin Keikaku is significantly revising its product assortment. In opening stores throughout Japan, we have expanded our product lineup to create stores where the functional items needed in daily life are readily available—a shift from a limited number of items geared toward conventional urban stores. In categories where we may potentially compete with drugstores and general merchandise stores, we are creating sales spaces that feel a part of daily life in the local community. To that end, we are expanding our lineup of products with the values MUJI is known for, such as environmental responsibility and ease of use.

MUJI has a product range covering all of the basic necessities of life, but simply expanding the lineup is not enough to further strengthen our product appeal. Taking detergents and cleaning supplies as an example, customers tend to choose products by prioritizing practicality and functions such as dehumidification and deodorization. However, a change is taking place in that customers are also paying attention to the packaging and product materials themselves. We believe that identifying issues associated with these changes in product selection, and integrating solutions into design will ultimately lead to stronger product competitiveness. We are taking concrete measures to offer products that reduce the burden on the environment and daily life, including reusable dehumidifying agents, detergents that take ingredients and fragrance into consideration, and tissues and paper towels made from bamboo.

## MUJI Skincare and Cosmetic Products as Daily Necessities

At Ryohin Keikaku, we also regard skincare products and cosmetics not as luxury items, but as products that support the basics of daily life. Skincare products are positioned as essential basic items that support healthy lifestyles for customers of all genders and ages. Therefore, we strive to maintain quality that ensures that customers can use those products with peace of mind, while keeping prices as stable as possible so that the products can be used for a long time. In addition to improving the ingredients and usability, we are proactively updating them in ways such as using 100% recycled plastic materials for bottle containers. Previously, bottles for skin toners were made from clear plastic, but now they have the slightly yellowish color of recycled plastic. The natural texture and coloration inherent to recycled plastic can be appreciated, and I think it matches well with the image of the cosmetics offered by MUJI.

Skincare and cosmetic products are used on the face and body, so they need to be of excellent quality. Moreover, they can be purchased together with household goods and everyday items, without the need for too much thought. This convenience and reliable



quality are reasons that MUJI skincare and cosmetic products are popular among customers regardless of age or gender.

## Strengthening Fabrics While Maintaining a Comprehensive Product Lineup

The environment in which consumers live is changing significantly year by year due to factors such as a declining birthrate and aging population, an increase in single-person households, shifts in environmental awareness, rising prices and constraints on living space. The reality is that when people buy goods, factors such as size, quality and price increasingly cause them to hesitate and ask, "Is this really worth it?" Given these circumstances, the role that Ryohin Keikaku should fill is to present options that feel natural and are not a burden, and to show a way to achieve "a truthful and sustainable life for all" through those options.

To achieve that, we will continue to carry out category enhancements that generate excitement, while maintaining the comprehensive strength to offer diverse product categories. Specifically, I am referring to fabric items such as bedding, towels and slippers. This is an area where we can make the most of the functions and expression of natural materials, a strength of Ryohin Keikaku. For example, even with the same cotton, we can focus on breathability and texture on the skin during the relentless heat and humidity of summer, or use a brushed finish to make it soft and warm for winter. In addition, by changing the materials we use depending on the season, these products can uplift people's spirits and bring enjoyment to their life, much like cosmetics. By keenly detecting the changes that are happening from a consumer perspective, we will create products that stimulate interest in these categories.

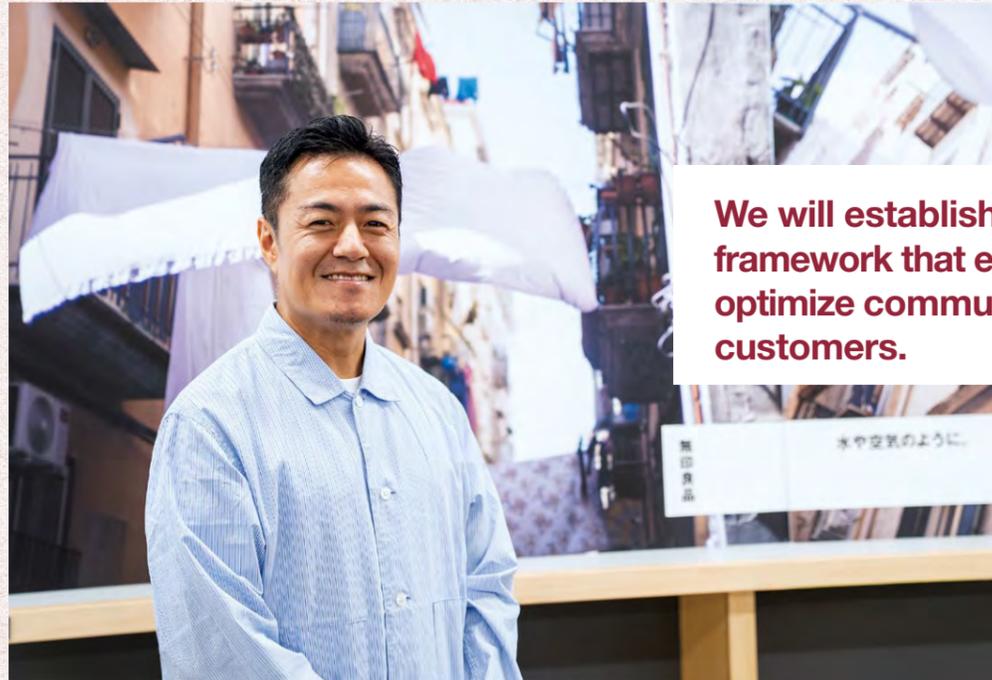
## Global Standardization and Regional Adaptation: An 80/20 Balance

Most MUJI products offer versatility and essential functions, and are basic items that can fit naturally into anyone's life. Therefore, having a product lineup in which the same products can be sold worldwide is ideal. Each region has its own customs and regulations, but by conducting product development with the mindset of "Is this really a necessary function?" and "Is this something that anyone can use?" we expect that about 80% of the household goods products we develop in Japan can be sold globally.

Offering the same products worldwide leads to consistency in the elements that make up our brand, such as quality and design, and makes it easier to convey MUJI's core message. For the remaining 20% of products, we develop products by taking the circumstances of the regions where the products will be sold into account. For example, in rapidly growing markets such as Mainland China, customer needs change quickly, and we have to create products to respond to those changes. In addition, the functions that are absolutely essential differ according to the culture and lifestyle habits of the region. We are conducting product development with a global perspective while keeping this balance in mind.

The values of consumers are steadily moving in the direction of lifestyles that are more compact, lighter and free from unnecessary burden. Ryohin Keikaku will strive to deliver value through its product development to enable customers to achieve lives that are lighter and less troublesome. Making life better through our products and being environmentally and socially responsible are not conflicting goals. We will continue to deliver such products to achieve "a truthful and sustainable life" for people in Japan and overseas.

# Strengthening Marketing



**We will establish a marketing framework that enables us to optimize communication with customers.**

## Takahiro Miyazawa

Member of the Board of Directors and Senior Executive Officer  
In charge of Marketing Division, EC & Digital Services Division, and IT Services Division

## Ryohin Keikaku's Current Approach to Marketing

Ryohin Keikaku has taken the perspective of the everyday lives of people and focused on providing not just products, but items that are fundamentally useful in the lives of its customers. Because of that, we have not been very proactive in strategically implementing marketing. Today, though, the changing social environment is bringing about an abundance of lifestyle-related information, and product information from both physical stores and the digital world is intersecting in complicated ways. We started to feel that our traditional approach to communication with customers was no longer adequate.

The term "marketing" covers a wide range of activities, including production of promotional materials and video commercials as well as building communication channels through the web. In the past, we have sent out information from each store individually through means such as leaflets, blogs and other materials. Since the Second Founding in 2021, however, advertising has been conducted not only by stores, but by sales promotion, advertising and e-commerce and social media-related divisions, utilizing mass media and digital media. As each division was implementing different measures using different media, their messages sometimes did not mesh well with each other. In response, the Marketing Division was established in August 2025 to strategically and centrally manage and unify communications across various media, including mass media, digital media and social media. The core objective of integrating communications into a single division is to bring more consistency to communication with customers who are viewing the media. To that end, we will create a marketing framework that involves implementing the PDCA cycle based on a well-crafted plan. Currently, the overall form of this framework is nearly complete, and once we have formulated a marketing strategy divided into domestic and overseas operations, and are ready to put it into practice, we plan to test it for a year to verify its effectiveness.

In marketing, the main focus of the message we communicate is important. At Ryohin Keikaku, our policy has always been to sincerely convey our purpose without using flowery expressions or provocative language. Based on that approach, we strive to send messages to our customers around the world that are tailored to their region.

## Rebuilding Communication with Customers around the MUJI app

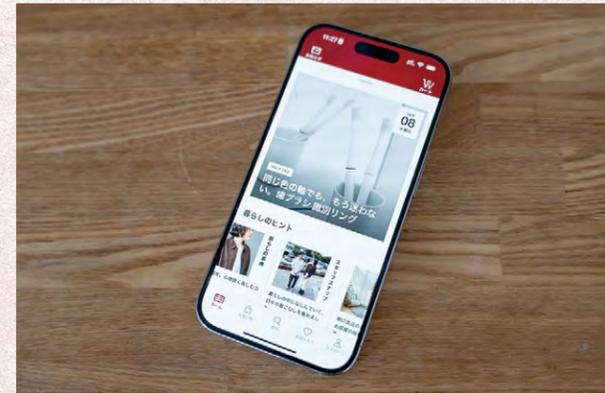
In September 2025, we overhauled the MUJI passport smartphone app and renamed it "MUJI app." The biggest change was that we discontinued the miles program and stage system, which were difficult for users to understand, and switched to a points program where one yen is one point. In addition to being easy to use just by accumulating points, the program allows customers to use their points to donate to initiatives that address various social issues. We call this the "MUJI GOOD PROGRAM." It gives customers the opportunity to do something "Good for you, good for someone else and good for society." In the future, we plan to increase the number of donation partners and expand the ways customers can use their points. We are also exploring the possibility of establishing two-way relationships in which donors later receive activity reports from recipients. We will enhance the functions of the app as we build it into a platform that better facilitates communication.

At the same time, just as with app updates, we are placing a strong focus on growing our owned media.<sup>1</sup> One issue we encountered with the former MUJI passport app was that quite a few users who downloaded the app during MUJI Week<sup>2</sup> rarely used it again after that. We want to provide solutions to everyday problems and convenience to people who downloaded the app for MUJI Week, and to deliver functions and information that will lead them to see it as "useful for making life better." We believed that by updating the app while growing our owned media, we would encourage regular app use and increase opportunities for casual

engagement. Online customers generally make so-called "intentional purchases," where they search for the item they want before making the purchase. However, MUJI has many customers who visit our stores casually without a specific purpose and enjoy discovering products. We are trying to provide an exciting experience that gives them that feeling of discovery and enjoyment online as well. Of course, it is also important to provide enough information about products so that people can also buy them intentionally.

We hope to maintain this balance and use the app to achieve both objectives. We want customers to use the app on a regular basis, make discoveries, and then look forward to going to the store. The app and our owned media will also play a key role in strengthening contact with customers as a result of this OMO<sup>3</sup> model.

1. Media channels owned and managed by the Company
2. Exclusive offer period for MUJI members
3. An abbreviation used in Japan for "online merges with offline."



## Background of "Like Water, Like Air" Campaign

Ryohin Keikaku produces corporate advertisements about once every two or three years. Unlike product advertising, corporate advertisements contain a message and visuals conveying our core thoughts and feelings and the value we want to deliver. A recent example is the series of cleaning-themed ads that ran during the COVID-19 pandemic with the phrase "Pleasant, somehow." Since that time, we have launched our Second Founding and are currently expanding our store network. We have also expanded our product and service lineups. With the growing recognition of the MUJI brand, we believed it was important to reaffirm what kind of presence we aspire to be in society. The phrase that emerged from was "Like water, like air." This expresses our wish not to be showy or special, but rather to be an essential part of daily life, something important that is simply there before you realize it.

The message was decided on over the course of more than a year based on ideas that came from various sources. It later became a major project that involved photographing laundry hanging on clotheslines in six regions, including Japan. The message "Like water, like air" was then superimposed on the visual images of clotheslines to express the MUJI concept and world view, and was displayed in stores around the world. Store staff engage with customers at the cash register with the advertisement displayed behind them. In conjunction with this project, we shared the thoughts and background that went into the ad with people inside the Company to promote their understanding and awareness.



## Steadily Making Business Improvements through IT-Driven Support

IT-driven support is positioned as one of our eight drivers for growth, and the use of technology, including AI, is also essential in improving store operations and promoting OMO.

In a vertically integrated manufacturing and retail supply chain, a wide range of processes—from product planning and production to delivery and final sales through stores and online channels—are carried out end to end. As such, we must exercise a high level of control over these processes. To optimize the supply chain, it is important to establish a workflow in which each step is carefully planned and managed and then translated into concrete execution.

However, at Ryohin Keikaku, various plans have coexisted throughout the product lifecycle from product development to sale. This has led to numerous challenges, such as plans being changed only within certain divisions and information not being consistently shared across divisions. In the future, we will establish a framework in which all divisions share the same data and plans, and where everyone involved can respond with a shared awareness when changes are made. To do that, it is critical to maintain an accurate understanding of what is needed, as well as when, where and how much. Accordingly, we are able to improve speed and accuracy from planning to execution by revising plans and thinking about how to deal with parts that are not progressing as planned.

Our products span apparel, food and household goods, and while the global supply chain is a key strength, we view optimizing these diverse operations as a highly challenging undertaking due to the complexity of system design. At present, we are focusing on the development of a business system that will enable planning with global operations in mind, and expect to start seeing results in 2027. Through this IT-driven support, we will steadily move forward with business improvements and optimization.

# Logistics-Driven SCM Transformation



**We are transforming supply chain management with the goal of ensuring stable product supplies at minimal cost.**

**Yoshihito Furuta**  
Senior Executive Officer  
In charge of Sustainable  
Delivery Business Department  
and Logistics Division

## Optimizing the Supply Chain

Supply chain management (SCM) involves centrally managing and optimizing the series of processes from raw material procurement to delivery of the finished product to customers. It entails much more than simply streamlining logistics and production. It includes all processes starting with raw material procurement and overall logistics planning, and extends to orders placed by stores, production to fill those orders, through to delivery of the finished product. Currently, we are carrying out SCM reforms to optimize operations by visualizing all of these processes. Ryohin Keikaku is distinguished by the diverse range of products it handles, spanning apparel, food and household goods. By visualizing all of these supply chains, identifying challenges and developing solutions, we are striving to maintain stable product supplies at minimal cost.

In carrying out visualization, we focused on two main points. The first is getting an accurate grasp of the volume of products being shipped from factories based on production plans. As a result, we are able to increase the accuracy of transport planning in general, starting with the coordination of maritime transport. The second is managing inventory quantity, and, in particular, tracking inventory levels at distribution centers. By clarifying how much inventory each base should hold, we can properly design the necessary warehouse scale and operational structure. These two perspectives underpin the overall optimization in our SCM transformation, and will be the starting points in sales and inventory planning. At the same time, they will impact all processes, including order management, production management and inventory management. Therefore, we are working to promote quantification from both perspectives and identify the appropriate order quantity based on analysis of inventory levels.

Deciding on where production and processing of products will take place is another key element of supply chain optimization. For example, rather than procuring raw materials in India, shipping them to Vietnam for processing, and then shipping them to Japan, we

can reduce shipping costs by completing all operations from raw material procurement to processing in India. Furthermore, by placing orders semi-annually based on the sales plan, we are able to manage production and purchase costs, which also contributes to stabilization of the production system.

As a result of the steady accumulation of these initiatives on a product-by-product basis, we have made progress in identifying challenges across the supply chain, and have achieved a certain level of results for some household goods products, which we started promoting from the spring/summer 2023 season.

## Truck Transport Reforms in Domestic Distribution

In domestic distribution operations, there are two major challenges related to truck transport. One is the rising cost of truck transport, which we are addressing by reducing the number of trucks we use. By cutting the number of deliveries from five times to three times a week, for example, we are able to reduce the number of trucks needed, which helps to limit overall distribution costs. We are also switching to other means of transport, including ferry transport.



The other challenge is responding to the “2024 problem” in logistics due to workstyle reforms. Ryohin Keikaku is developing a system that will lead to less overtime work for truck drivers, and has introduced a warehouse berth (a space used for cargo handling) and reservation system to minimize driver standby time. By reserving a berth in advance to coincide with the driver’s arrival time, loading and unloading of the cargo can be done immediately after arrival. This has yielded significant results, cutting standby time to 15 minutes, compared with the average of about 60 minutes before the introduction of the system. We have now completed the introduction of this system at all distribution centers, and plan to promote its use by trucking companies.

Making loading and unloading work more efficient is also important in improving logistics. Ryohin Keikaku has introduced a system in which we rent pallets to business partners, and products are shipped while still loaded on those pallets. This facilitates loading and unloading at the pallet level, saving labor in transshipment operations. As a result, the average operation time has been drastically reduced from 1.5 hours to approximately 45 minutes.



In addition, production partners (factories) to which we outsource product manufacturing previously delivered the products to Ryohin Keikaku’s distribution centers, but for some products, we are beginning to implement a system in which Ryohin Keikaku goes to pick up the products at the factory. Arranging the shipping ourselves has made time and cost management easier, and even led to cost savings.

Although the per-unit cost of truck transport is increasing, we expect that the new logistics systems we have created will lead to further reductions in overall delivery costs and in the ratio of logistics costs to net sales. Inventory optimization is especially important, and we will continue to focus on it because it can contribute to more efficient cash flow and more stable management.

## Building Supply Chains Tailored to Each Region

In overseas operations, it is necessary to consider logistics from both the perspective of expanding store networks and production bases. Decisions on whether we pursue a strategy of emphasizing in-store sales or a strategy of growing e-commerce sales will differ by region, but the strategy we decide to use will have a major impact on how we build our logistics structure. With in-store sales, multiple products are grouped together and shipped all at once, but with e-commerce, products are packaged and delivered individually to each customer. These require much different logistics structures.

Ryohin Keikaku is currently aiming for further growth globally, and one challenge is building logistics structures adapted to the

actual conditions of our business operations in each region. We are promoting the optimization of distribution bases according to the land area, the number and location of stores, and market characteristics such as in-store sales or e-commerce sales. For example, in the Mainland China Business, we added another distribution base to accommodate growing demand. On the other hand, for our business in Canada, despite the nation’s vast land area, we have only one distribution base, and utilize a system where we ship individual products to customers from stores even for online orders. In addition, for our business in the United States, we are expanding operations and are preparing to build a new distribution base focused on e-commerce orders.

As these examples illustrate, we need to build optimal logistics structures to match the actual circumstances of each region, taking into account both in-store and online sales. As for specific measures, we are utilizing intermodal container shipping to save on shipping costs and reduce our carbon footprint. To boost transport efficiency, a system to bundle and ship products by region of manufacture is required. For that, we are establishing a Global Transfer Center (GTC), and are coordinating functions to consolidate and ship products from multiple factories. We have already achieved efficiency gains in Vietnam and Cambodia, and plan to deploy these functions in Indonesia, Bangladesh, India and other regions.

## Complexity across Our Product Lines Is a Challenge in SCM Reform, and Presents Room for Growth

Ryohin Keikaku handles a diverse range of product categories spanning fundamental living needs (apparel, food and household goods). This is our unique business model and the source of our competitiveness. On the other hand, the diversity of product categories, one of our strengths, also contributes to complexity in our business. In apparel, for instance, demand fluctuates with the seasons, while demand for household goods is stable throughout the year. We have to achieve appropriate supply chains for these two aspects simultaneously. Dealing with this complexity is Ryohin Keikaku’s core challenge.

We are seeing results from optimization efforts even in household goods, which, as I mentioned, is one of our wide-ranging product categories. I am confident that continued promotion of these initiatives will yield even greater results. The challenges created by the wide range and complexity of our products also point to the potential improvements from the SCM reforms we are implementing. We will steadily progress toward achieving optimization in all of our product supply operations in 2030.



# Ryohin Keikaku's ESG Management

Ryohin Keikaku seeks to make ESG the core strategy of its business, and positions ESG management as the foundation. Aiming to achieve “a truthful and sustainable life for all,” Ryohin Keikaku develops its products, services and business based on four material issues.

## Our Four Material Issues

### 1 Build a Sustainable Society While Achieving Circularity, and Coexisting with Nature

Ryohin Keikaku's Unique Product Development	Page 43
Product Strategy: Apparel	Page 45
Product Strategy: Household Goods	Page 47
Product Strategy: Food	Page 49
Respect for Human Rights in the Supply Chain	Page 51
Responsible Raw Material Procurement	Page 52
Caring for the Environment	Page 53

### 2 Address Local Challenges and Revitalize Regions

Expanding Store Openings and Sales Channels	Page 55
Leveraging IT to Support Independent Store Management	Page 56
Strengthening Independent Store Management	Page 57
World's Largest MUJI Store: MUJI Aeon Mall Kashihara	Page 59
Co-creation with Communities	Page 61
Social Impact Assessment	Page 63

### 3 Practice Business Activities in Which Each and Every Diverse Individual Plays a Leading Role

Approach to Human Resources and Organizations	Page 65
Human Resource Strategy for Realizing the Eight Drivers for Growth	Page 66
Employee Skill Improvement and Career Development	Page 67
Improvement of Organizational Culture and Employee Engagement	Page 69

### 4 Realize Governance Aligned with “Public Interest and People-Centered Management”

Stakeholder Engagement	Page 71
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# ESG Management

## A Consistent Commitment to ESG Management Since Day One

Our core value is “to contribute to society and people.” This is a value that is rooted in all of our business activities. The fundamental philosophy behind MUJI's unique product development has remained unchanged since the brand's founding in 1980. We continue to pursue product development that prioritizes substance over form, while creating environmentally and socially responsible products based on three perspectives: selection of materials, streamlining of processes and simplification of packaging. Aiming to be a front runner of ESG management, we work together with our stakeholders to address social challenges through our business activities. In addition, all of our stores contribute to regions as local community centers, thereby making a positive social impact.

## Four Material Issues

We have set four material issues aimed at becoming a front runner of ESG management in 2030.

### 1. Build a sustainable society while achieving circularity, and coexisting with nature

- Reduce the use of fossil-based raw materials and fuels
- Ensure business operations based on integrity and ethical judgements
- Democratize sustainability<sup>1</sup> in a way that is accessible to everyone
- Inherit culture and tradition

### 3. Practice business activities in which each and every diverse individual plays a leading role

- Maximize the value of diversity and inclusion to achieve open innovation
- Build a self-motivated and autonomous corporate culture
- Achieve high employee engagement and workplaces where everyone can play an active role

### 2. Address local challenges and revitalize regions

- Revitalize regional economies and industry through store openings and business development that highlights local traditions and utilizes local resources
- Build local communities that are active and lively

### 4. Realize governance aligned with “public interest and people-centered management”

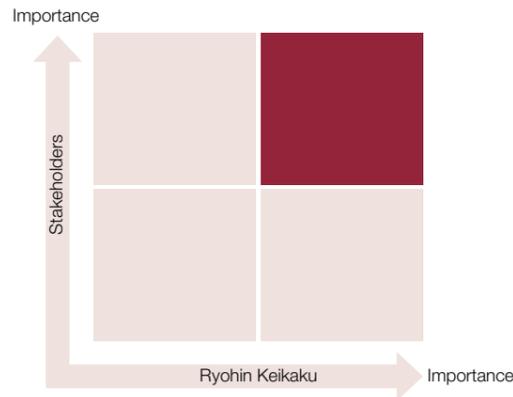
- Generate co-creation with people and local communities
- Realize governance with people in local communities as shareholders
- Encourage co-owned management by employees
- Earn strong support from investors

## Process for Identifying Material Issues

Ryohin Keikaku identified material issues through the following process.

- 1) Identifying and understanding social issues
- 2) Conducting interviews with management executives and experts
- 3) Implementing a scoring system with the help of an external organization
- 4) Using the scoring system to narrow our focus to four items based on assessment of risks and business opportunities
- 5) Positioning these items as material issues after approval by the Board of Directors

In January 2024, we reviewed some of our material issues due to social demand as well as changing market and business conditions.



1. “Democratizing sustainability” means promoting sustainability in a way that is accessible to everyone. We recognize that in the current consumer market, in general, companies strengthen ESG and sustainability initiatives in a way that makes consumers bear some of the cost. Ryohin Keikaku conducts environmental and social initiatives as a matter of course and without creating undue burden to provide its products and services at affordable prices. Through MUJI, we want to reduce our environmental impact in a way that is seamless in daily life—in fact, that is MUJI's founding philosophy. By practicing and broadly expanding this philosophy, we seek to promote sustainability in a way that is accessible to everyone.

## ESG Management Structure

The president & representative director chairs the ESG Management Committee, which addresses medium- and long-term Company-wide ESG issues. Inside directors, executive officers, managers and members in charge of related business divisions participate in the committee's monthly meeting. At least twice a year, the Board of Directors receives reports on sustainability and ESG management initiatives from the Public Relations & ESG Management Development Division, which is the administrative support office of the ESG Management Committee. The Board of Directors supervises the progress of measures and achievement of targets and deliberates and provides guidance on policies and initiatives. ESG subcommittees in each division also meet once a month in principle to formulate and implement short-, medium-, and long-term ESG targets and roadmaps for each division based on our material issues. By doing so, we are further integrating ESG perspectives into our business activities and evolving them into initiatives unique to Ryohin Keikaku. The ESG targets of each division are also incorporated into the individual targets of the persons responsible in each division. For officer remuneration, non-monetary compensation is set according to the degree of achievement of ESG targets.



Note: ESG subcommittees are established in each division, and meet once a month in principle.

## Main Initiatives in FY2025/8

### Progress of Initiatives for ESG Indicators

Each department made progress on its own initiatives toward achieving the Company-wide ESG indicators.

Note: See pages 41 and 42 for more details.

### Launch of Renewable Energy Power Generation Business

As part of our efforts to reduce CO<sub>2</sub> emissions, we established MUJI ENERGY LLC, a special purpose company engaged in renewable energy power generation, in September 2025.

### Accelerating Efforts for Resource Circulation

The volume of products collected increased 44% year on year for apparel and 42% for plastic storage items, and we expanded the adoption of circular materials (single-material and recycled materials) in product development. In the ReMUJI business, we expanded operations to include the resale of household goods and furniture as well as clothing.

### Stakeholder Engagement Enhancement and External Evaluation

We held a total of 58 in-store Town Hall Meeting and Shareholder and Fan Meeting events, with 1,938 participants, and the ratio of individual shareholders holding shares for three years or more increased to 30%. We also held an ESG briefing for investors and media representatives for the first time and were selected as a leading company in sustainability transformation under the SX Brands 2025 program jointly conducted by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

### Team ESG Initiatives

Team ESG, a group of employees who are very interested in the topic of sustainability, now has more than 500 members from different divisions, and has fostered awareness of ESG management in frontline store operations.

The Company-wide target serving as the benchmark for ESG evaluations in FY2026/8 is to ensure that awareness is deeply embedded among management that our regular business activities and organizational operations inherently constitute ESG, and that ESG principles form the foundation of all discussions at the management level. ESG momentum is growing in the Company, giving rise to bottom-up initiatives. We are also further enhancing information disclosure, with preparations moving forward to meet requests for disclosure such as the SSBJ Standards<sup>2</sup> globally.

2. Disclosure standards for sustainability established by the Sustainability Standards Board of Japan (SSBJ)

# Material Issues and Indicators

We have set unique ESG indicators in line with the four material issues in order to track the status of ESG implementation.

Note: The following are the indicators and figures for Ryohin Keikaku Co., Ltd. Some indicators include figures for the entire Group.

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

Indicators	FY2024/8	FY2025/8
<b>Group GHG emissions Scope 1 and 2 (compared with baseline year as 100%)</b>	<ul style="list-style-type: none"> <li><b>75,194 t-CO<sub>2</sub>e (compared with baseline year: 125%)</b> Japan only: 31,154 t-CO<sub>2</sub>e (compared with baseline year: 98.9%)</li> </ul>	<ul style="list-style-type: none"> <li><b>Group-wide GHG emissions and comparison with the baseline year are under review.</b> Japan only: 30,075 t-CO<sub>2</sub>e (compared with baseline year: 95.4%) Note: Figures are calculated as of the end of December 2025.</li> </ul>
	We are aiming for a 50% reduction in Scope 1 and 2 emissions by FY2030/8 (compared with FY2021/8). As a measure to reduce CO <sub>2</sub> emissions, we are installing solar power generation equipment at directly managed stores and switching to green power. In addition, in September 2025 we established MUJI ENERGY LLC, a special purpose company that will engage in renewable energy power generation.	
<b>Procurement rate of textile materials sourced ethically and with consideration for their impact on the environment, society and animal welfare</b>	<ul style="list-style-type: none"> <li><b>Environmentally and socially responsible cotton: 97.4% (Apparel) 47.0% (Household goods)</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Environmentally and socially responsible cotton: 99.0% (Apparel) 57.7% (Household goods)</b></li> </ul>
	We promote the procurement of textile materials that are sourced ethically and with consideration for their impact on the global environment, animal welfare, producers and communities. For cotton, which accounts for a large share of our raw materials, we are focusing on the procurement of cotton with internationally recognized certifications, such as the Global Organic Textile Standard (GOTS) and Cotton made in Africa (CmiA). In FY2024/8 and FY2025/8, the procurement rate was 100% for both wool confirmed as non-mulesed (apparel and household goods) and down certified to ensure animal welfare (apparel and household goods).	
<b>Results of third-party audits of supplier factories</b>	<ul style="list-style-type: none"> <li><b>A assessment: 19 factories; B assessment: 182 factories; C assessment: 64 factories; D assessment: 13 factories; E assessment: 20 factories</b></li> </ul>	<ul style="list-style-type: none"> <li><b>A assessment: 23 factories; B assessment: 235 factories; C assessment: 41 factories; D assessment: 11 factories; E assessment: 10 factories</b></li> </ul>
	In FY2025/8, a third-party organization conducted on-site audits of a total of 320 factories, comprising 308 Tier 1 factories and 12 Tier 2 factories. For factories with D and E assessments, we plan to conduct a follow-up audit within one year and confirm the completion of improvements through a third-party organization.	
<b>Volume of clothing items collected and sales volume of reused and upcycled clothing items</b>	<ul style="list-style-type: none"> <li><b>97 t</b></li> <li><b>55,746 items</b></li> </ul>	<ul style="list-style-type: none"> <li><b>140.1 t</b></li> <li><b>88,302 items</b></li> </ul>
	We are promoting an initiative in which clothing collected from customers is reused and upcycled. We accelerated these efforts by opening MUJI Aeon Mall Kashihara, the world's largest MUJI store featuring circularity as one of its themes, and by implementing collection campaigns. As a result, sales volume in FY2025/8 increased to approximately 1.6 times that of the previous fiscal year.	
<b>Volume of plastic products collected</b>	<ul style="list-style-type: none"> <li><b>Plastic storage items: 112.6 t</b></li> <li><b>Skincare PET bottles: 5.1 t</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Plastic storage items: 160.3 t</b></li> <li><b>Skincare PET bottles: 10.3 t</b></li> </ul>
	Plastic storage items collected at stores that cannot be reused are recycled, with some of the recovered materials utilized in MUJI products. In addition, we plan to recycle PET bottles that have been collected for reuse in MUJI skincare product containers.	

## Material Issue 2: Address Local Challenges and Revitalize Regions

Indicators	FY2024/8	FY2025/8
<b>Number of local revitalization activities</b>	<ul style="list-style-type: none"> <li><b>Number of events held: Approx. 6,000</b></li> <li><b>Number of participants: Approx. 270,000</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Number of events held: Approx. 7,300</b></li> <li><b>Number of participants: Approx. 490,000</b></li> </ul>
	The above figures are the total number of event days and people who participated in Community Market events and workshops, ITSUMO MOSHIMO Caravan events and community experience events held throughout Japan. Our stores throughout Japan and the Social Good Business Division will work to address issues together with local residents, with the goal of revitalizing communities.	
<b>Economic value created in regions (Amount invested in the region by people)</b>	<b>Approx. JPY 0.9 billion</b>	<b>Approx. JPY 1.46 billion</b>
	The above figure is the total value of sales generated from Community Market events, regionally exclusive merchandise development, local specialty products and community experience events.	

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

Indicators	FY2024/8	FY2025/8
<b>Percentage of women in managerial positions</b>	<b>29.8%</b>	<b>33.2%</b>
	The percentage of employees in managerial positions is calculated based on employees whose job description and level of responsibility are equivalent to that of deputy manager. We have been upgrading our various personnel systems, and the percentage of women in managerial positions has been increasing steadily year by year.	
<b>Percentage of non-Japanese officers at Group companies</b>	<b>33%</b>	<b>32%</b>
	This shows the share of non-Japanese nationals in executive positions at overseas Group companies.	
<b>Percentage of annual paid vacation taken</b>	<b>48.8%</b>	<b>52.3%</b>
<b>Turnover rate</b>	<b>5.5%</b>	<b>4.5%</b>
<b>Percentage of eligible employees taking childcare leave</b>	<b>71.7%</b>	<b>129.5%</b>
	We encourage the use of childcare leave as part of our efforts to create an environment where employees can feel secure and continue to work for a long time. Figures are calculated in accordance with the methodology newly introduced by the Ministry of Health, Labour and Welfare in 2023.	
<b>Return to work rate after taking childcare leave</b>	<b>39%</b>	<b>80%</b>
<b>Number of participants in open-enrollment training sessions</b>	<b>1,267</b>	<b>1,929</b>
	We are enhancing our open-enrollment training sessions that promote self-driven growth, including elective business skills training and quality control (QC) and industrial engineering (IE) training.	
<b>Number of employees eligible for "challenge expectation" ESOP points</b>	<b>601</b>	<b>1,859</b>
	We have established a unique challenge expectation system, in which 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. The program is operated within the framework of the employee stock ownership plan (ESOP) to foster a sense of ownership and managerial awareness.	
<b>Culture and Engagement Survey results throughout the Group</b>	<ul style="list-style-type: none"> <li><b>I resonate with the corporate purpose: 78%</b></li> <li><b>My work is useful to society: 83%</b></li> <li><b>I feel attached to the company: 72%</b></li> </ul>	-
	Ryohin Keikaku's unique Culture and Engagement Survey is conducted to create a cycle of improvement for realizing better workplace environments based on employee feedback. Please note that the survey is implemented and responses are aggregated by a third-party organization. The next survey is scheduled to take place in 2026.	

## Material Issue 4: Realize Governance Aligned with "Public Interest and People-Centered Management"

Indicators	FY2024/8	FY2025/8
<b>Number of Town Hall Meeting and Shareholder and Fan Meeting events at stores and number of participants</b>	<ul style="list-style-type: none"> <li><b>Number of meetings: 18</b></li> <li><b>Number of participants: 635</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Number of meetings: 58</b></li> <li><b>Number of participants: 1,938</b></li> </ul>
	To realize "public interest and people-centered management," we are further increasing opportunities for dialogue with stakeholders, and began holding Town Hall Meeting events at some stores in FY2024/8. Including Shareholder and Fan Meeting events, a total of 58 events were held with 1,938 people participating in FY2025/8.	
<b>Number of initiatives completed through co-creation</b>	<b>6</b>	<b>12</b>
	In FY2025/8, products developed through involvement in the Japanese Breast Cancer Society, such as the cotton-blend breast pad, were commercialized after two years of development. In addition, we released a variety of co-created products, including products developed through the "Baumkuchen Created by Everyone" campaign in which people voted for unique kinds of baumkuchen from different regions.	
<b>Number of individual shareholders and shareholding ratio</b>	<ul style="list-style-type: none"> <li><b>Number of individual shareholders: 161,000</b></li> <li><b>Shareholding ratio: 14%</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Number of individual shareholders: 179,000</b></li> <li><b>Shareholding ratio: 12.9%</b></li> </ul>
	We are committed to "public interest and people-centered management" as our core management policy. As such, we are pursuing a governance model where there is a well-balanced shareholder composition of individual shareholders (customers), employee shareholders and long-term institutional investors. In FY2025/8, we created more opportunities for communication with individual shareholders.	
<b>Percentage of individual shareholders holding shares for three years or more</b>	<b>21%</b>	<b>30%</b>
	To further strengthen medium- to long-term relationships with individual shareholders, we held various gatherings, including Shareholder Meeting events.	
<b>Percentage of employees who own shares held in trust</b>	<ul style="list-style-type: none"> <li><b>Regular employees: 78.8% (2,740 employees); All employees: 33.4% (3,500 employees)</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Regular employees: 78.1% (3,213 employees); All employees: 34.5% (4,243 employees)</b></li> </ul>
	We are taking measures to foster employee ownership toward our goal of "public interest and people-centered management." We have two incentive programs: the employee stock ownership plan (ESOP) and the trust-type employee stock incentive plan (E-SHIP). Both of these programs are available to all employees, including partner employees.	
<b>ROA, ROE and dividend payout ratio</b>	<ul style="list-style-type: none"> <li><b>ROA: 11.6%</b></li> <li><b>ROE: 14.9%</b></li> <li><b>Dividend payout ratio: 25.5%</b></li> </ul>	<ul style="list-style-type: none"> <li><b>ROA: 13.5%</b></li> <li><b>ROE: 16.3%</b></li> <li><b>Dividend payout ratio: 26.1%</b></li> </ul>
	To enhance corporate value through improved profitability and efficiency while ensuring stable shareholder returns, we have set target levels of 15% or higher for both ROA (based on ordinary profit) and ROE. We aim to expand the equity spread by improving ROE and optimizing the cost of capital. For shareholder returns, we will maintain our basic policy of a dividend payout ratio of 30%, excluding temporary factors.	

# Ryohin Keikaku's Unique Product Development

## Product Development Based on Three Perspectives That Have Remained Consistent Since Our Founding

The foundation of Ryohin Keikaku's product development process has not changed since MUJI's creation in 1980. We are committed to developing no-frills, quality products. This includes selecting materials that take the global environment and producers into consideration, minimizing waste in all processes and providing customers with what they need, in the form they want.

### 1 Selection of Materials

Tasty and healthy foods. Comfortable clothing. Household goods that are, above all, easy to use. For Ryohin Keikaku, the materials we use to make such products are of the utmost importance; consequently, considerable attention is given to their selection. We search worldwide for the most suitable raw materials. We use many industrial materials as well as materials discarded by others because of their appearance—items that can be acquired in bulk at low cost. The overriding selection criteria is always quality. These activities underpin our ability to create low-priced, high-quality products.



### 2 Streamlining of Processes

The manufacturing process for each product is subject to careful scrutiny. Processes that have no bearing on a product's quality such as sorting, sizing and polishing are eliminated, leaving only the processes that are truly necessary. Even items that have been discarded because they do not meet certain standards of size and appearance are turned into products for sale. Focusing on true quality, our manufacturing processes eliminate waste and reduce costs.



### 3 Simplification of Packaging

When packaging products, Ryohin Keikaku seeks not to adorn them but rather to highlight their natural colors and shapes. For this reason, we use bulk packaging and place products in plain, uniform containers. Faithful to our philosophy of simplicity, this approach is also in keeping with our policy of conserving resources and reducing waste. As such, all MUJI products appear on store shelves in simple packaging bearing only product-related information and a price tag.



## Development of Environmentally and Socially Responsible Products

Ryohin Keikaku develops products with consideration for the impact on biodiversity and human rights and safety. We select materials that take the global environment and producers into account, reduce waste in all processes, and minimize environmental impact throughout the product lifecycle. We develop daily necessities and services with genuine quality and ethical value, designed to enrich the lives of local people, and provide them at appropriate and affordable prices. We conduct lifecycle assessments (LCAs) of some products from the developmental stage, and work to create items with consideration of aspects such as product quality, function and CO<sub>2</sub> emissions.



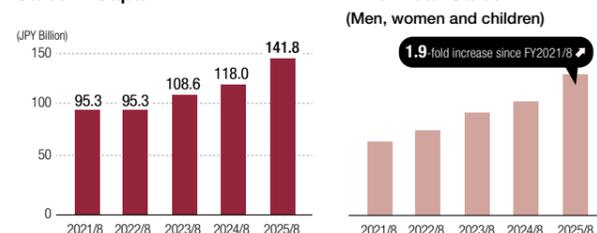
# Product Strategy: Apparel

With a focus on basic product lines, we utilize environmentally conscious and recycled materials and offer products in consistent designs and colors, providing necessary clothing in the necessary forms at reasonable prices. Based on the premise of long-lasting quality and design, we will further strengthen the post-use recycling system.

## Key Issues

- Development of highly refined staple products
- Stable supply of products aligned with fluctuations in demand
- Development of materials, products and resource circulation systems that take the environment and society into account

## Sales in Japan



## Overview of FY2025/8

We focused on mainstay products such as T-shirts, shirts, denim and innerwear, improving their overall quality through refinements in color, design and other aspects. Combined with stronger marketing, this led to an increase in sales—especially of short-sleeved T-shirts and innerwear. By establishing a framework that ensures a steady supply of core seasonal items, we successfully met customer demand and maximized sales opportunities. In FY2025/8, the procurement ratio of plant-based and animal-derived raw materials for apparel was 75%, and we continue to procure materials that are environmentally and socially responsible.

## Enhancing Basic Products

- In both menswear and womenswear, core cut-and-sewn items performed well throughout the year, with classic T-shirts for summer in particular proving popular among a wide range of generations.
- In bottoms for both menswear and womenswear, classic cotton and denim easy-fit pants became top-selling products, and by expanding the lineup, they became one of MUJI's representative items.

## Strengthening Marketing

- We ran our first nationwide TV commercials for the *Warm Cotton* series and *Moisture Wicking Cotton* series, and expanded sales by strengthening promotional measures linked with in-store displays.
- With T-shirts positioned as a representative apparel product, we worked to expand awareness through in-store promotions and communication linked with digital channels such as social media and e-commerce websites.

## Growth of Functional Innerwear

- The *Warm Cotton* series (menswear, womenswear and childrenswear) proved popular among a wide range of generations partly because we changed to 100% cotton in response to strong demand from customers.
- The *Moisture Wicking Cotton* series was renewed with enhanced functionality, leading to a significant increase in sales.

The cotton used in *Warm Cotton* innerwear is treated with a technology that increases the number of molecules that bind with water vapor (sweat and moisture) compared with ordinary cotton, to produce cotton with enhanced moisture absorption and heat generation, allowing the cotton to convert moisture released from the body into warmth. By enhancing the natural functions of cotton itself, the garments continue to be warm, no matter how often they are washed. As a natural fiber, cotton does not excessively absorb oils from the skin, reducing dryness.



T-shirt promotional poster



綿100% あったか綿 インナー

## Strategy for FY2026/8

- Enhance lineup of transitional (between-season) items, based mainly on cut-and-sewn items, easy-fit pants and light outerwear
- Identify target consumers for womenswear, and propose styling that aligns with their preferences
- Expand the lineup of short-sleeved T-shirts with a focus on materials and comfort
- Promote products through stronger marketing both in-store and digital

## Development of Environmentally and Socially Responsible Products

### Expanding the Lineup of Our *Kapok Blended* Series of Products

Kapok trees require almost no pesticides, fertilizers or watering. Since the trees do not need to be cut down to harvest the seed pods, they continue absorbing large amounts of CO<sub>2</sub> as they grow. The fibers of the tree's seed pods were considered too short to be used for thread (spinning), however in recent years, new technology has been developed that makes it possible to spin yarn from kapok fiber, which is now attracting interest as a lightweight and comfortable fiber that has low environmental impact. Kapok was used in 18 of our 2025 spring/summer season clothing items and 17 of our 2025 fall/winter season clothing items, and the total volume of kapok procured for the year was 267 t. Going forward, we plan to continue developing the local economy in production areas through the utilization of unused resources.



Menswear: *Kapok Blended Double Gauze Long-sleeve Stand-collar Shirt*

### Designing Products for Ease of Recycling and Using Single-Material Manufacturing

As part of our commitment to circular manufacturing, we launched the *Recyclable Fleece* series under the concept of "product design predicated on recycling" in the 2024 fall/winter season. All parts, including the main fabric, accessories such as buttons, and thread, are made from a single material: polyethylene terephthalate (PET). This eliminates the need for complex separation and sorting during recycling, making it easier to recycle the product after use. For the clothing items launched in 2025, we renewed several products—such as select crew-neck short-sleeve T-shirts and room socks—to designs that are easier to recycle, expanding beyond fleece materials and increasing the product range to 25.



Womenswear: *Recyclable Fleece Cardigan*

### Inclusive Product Development Reflecting Feedback from Medical Professionals and Patients

In July 2025, we launched *Cotton Blended Breast Pads* exclusively in our online store as a product primarily for people who have had a mastectomy operation for breast cancer. The product was developed in response to a survey of medical professionals and patients, in which we received a large number of responses related to better chest-volume adjustment, with many people saying they were making their own pads or using towels as substitutes. It is made using organic cotton, and includes innovations that are difficult to replicate by hand, such as a pocket for adding extra cloth. The commercialization process took about two years, with repeated trial and error while reflecting feedback from patients and medical professionals.



*Cotton Blended Breast Pads*

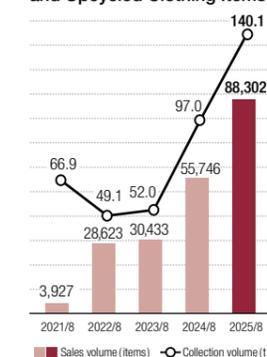
## Resource Circulation Initiatives

### Reuse and Upcycling 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. Collection corners have been established in almost every MUJI store in Japan, and in FY2025/8, 140.1 t of clothing items were collected. Of this total, 88,302 items that were suitable for reuse and upcycling were sold after being turned into *Redyed Clothing*, which are re-dyed clothes; *ReMade Clothing*, which are items that have been made by stitching the usable parts of different clothing items together; and *ReWashed Clothing*, which are carefully washed and resold as second-hand clothes. As of the end of August 2025, 43 stores are handling such items.

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

### Volume of Clothing Collected and Sales Volume of Reused and Upcycled Clothing Items



ReMUJI *Redyed Clothing*

### Elimination of Plastic in Product Packaging

We are reevaluating 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, tag-attaching loops have also been replaced with recycled or FSC-certified paper.\* As of the end of August 2025, 93.5% of our clothing packaging and materials do not contain plastic.

\* An international certification system operated by the Forest Stewardship Council (FSC)



Plastic packaging (2020)

Paper packaging and materials (2025)

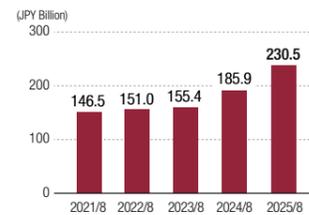
# Product Strategy: Household Goods

We aim 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. Creating environmentally and socially responsible products is a fundamental prerequisite of our design and development processes. Our products are made to last, promote resource circulation and reduce environmental impact.

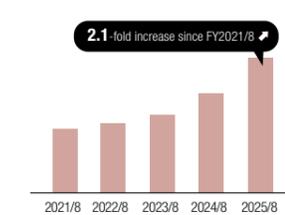
## Key Issues

- Increasing the accuracy of sales and inventory planning
- Establishment of the development concept “Embrace Nature’s Power”
- Expansion of products essential to daily life and the basic necessities that make life better
- Creation of a sales approach based on the principle that “People do the selling”

## Sales in Japan



## Health and Beauty (H&B) Sales



## Overview of FY2025/8

Sales of frequently purchased items, including skincare products and daily necessities, continued to grow from last year. In skincare products, under the concept of “Embrace Nature’s Power,” we implemented successful customer relationship management (CRM)<sup>1</sup> initiatives linking TV commercials and in-store promotions. We also improved stockout rates during peak sales periods, and promoted the development of daily necessities that support everyday living.

1. A management approach aimed at enhancing customer satisfaction and increasing profit by managing customer information, behavioral history and relationships with customers

## Expanding Support for H&B Initiatives

- We renewed all skincare products so that they now use 100% naturally derived ingredients.<sup>2</sup> In addition to the *Fermented Booster* series, new products such as interior fragrances and the plant-based fermented serum haircare series continued to gain popularity.
  - Due to the impact of a particularly hot summer, our *Cool* series of items and sunscreen product lines also proved popular.
  - We conducted training of H&B Advisors, and deployed around 500 people to stores nationwide. We made progress on the creation of a sales approach in which “People do the selling,” which relies on high levels of specialist knowledge and customer service skills to address customer concerns.
2. Includes ingredients derived from natural sources that have been chemically processed



“Embrace Nature’s Power” skincare advertisement



Bamboo Steamer Basket

## Further Promotion of Daily Necessities That Make Life Better and Sales Driven by Hit Products

- We strengthened the development of essential daily necessities that make life better, expanding customer support by providing them at affordable prices at stores throughout Japan.
- After gaining attention on social media, the *Bamboo Steamer Basket* became a hit product that helped drive sales, while new products in our silicon cooking utensils category and insulated beverage mugs and bottles also performed strongly.
- Consumable daily necessities such as *Reusable Dehumidifying Agents* and *Kitchen and Bathroom Cleaning Sheets* performed well throughout the year.

## Establishment of “Embrace Nature’s Power” Development Concept and Enhanced Marketing

- In FY2025/8, we released a nationwide TV commercial for our *Fermented Booster* series under the slogan “Embrace Nature’s Power.” We conducted in-store sampling and promotions and created a sales approach based on the principle that “People do the selling,” centered on H&B advisers. These efforts combined with CRM strategies proved highly effective.

## Strategy for FY2026/8

- Expand our range of essential products that are accessible and easy for anyone to use
- Strengthen our lineup of items for selfcare and healthy living
- Promote products through stronger marketing both in-store and digital

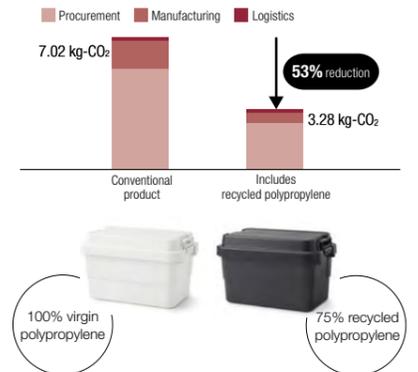
## Development of Environmentally and Socially Responsible Products

### Utilizing Data on the Carbon Footprint of Products

The carbon footprint of products (CFP) is the greenhouse gases emitted throughout all or part of a product or service lifecycle (from raw material procurement to manufacturing, disposal and recycling) converted to CO<sub>2</sub> equivalents. We calculate CFP as one indicator for assessing the environmental impact of a product, and are promoting its use in reviewing raw materials and manufacturing processes. We have calculated the CFP of around 100 products, primarily plastic items. For example, with our *Dark Gray Recycled Polypropylene Storage Box Large*, using 75% recycled polypropylene, we have reduced the CFP by approximately 53% compared with the conventional version using 100% virgin polypropylene.<sup>3</sup>

3. We calculated “cradle-to-gate” CO<sub>2</sub> emissions from material procurement, manufacturing and transport to main warehouse. The calculation does not include CO<sub>2</sub> emitted during the use of the product at home, or during its disposal. Calculation by Ryohin Keikaku Co., Ltd. based on manufacturing data for April 2022 to March 2023. IDEA v.3.5 is used for the CO<sub>2</sub> emission coefficient.

### CO<sub>2</sub> Emissions per Product (CFP)



Fermented Booster series

### Skincare Series with 100% Naturally Derived Ingredients

We have been renewing our skincare, makeup and haircare products in stages, and they now use 100% naturally derived ingredients inspired by the concept, “Embrace Nature’s Power.” In FY2025/8, we completed the renewal of all skincare items. In addition to natural ingredients such as plant extracts and essential oils, we also use plant-based surfactants and other components. For example, for the rice bran ferment used as a moisturizing agent in the *Fermented Booster* series, we use defatted rice bran generated during the rice oil pressing process, repurposing it as a new resource. Rice bran has long been used as a food ingredient in Japan. It comprises the outer layer and the germ of the rice grain and is rich in nutrients.



Irregular Red Cedar Blocks

### Daily Necessities That Can Be Reused Multiple Times for Efficient Use of Resources

We are also developing daily necessities with a focus on moving away from single-use disposable items and reducing waste. We renewed our *Irregular Red Cedar Blocks* made from pieces of red cedar, a wood known for its deodorizing properties. When the aroma becomes weak, rubbing the surface with sandpaper brings back the scent so it can be used repeatedly. *Reusable Deodorizing Bamboo Charcoal* is made from bamboo, which grows very quickly and produces a large amount of resources in a short time, and can be used repeatedly by drying it in the sun.

Reusable Deodorizing Bamboo Charcoal

## Resource Circulation Initiatives

### Increasing the Volume of Plastic Products Collected and Developing Products Using Collected Materials

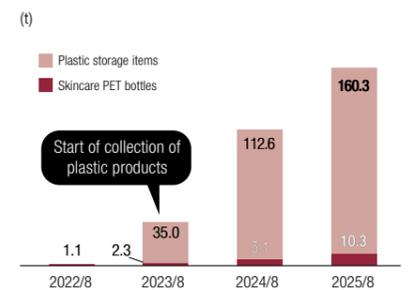
At MUJI stores in Japan we have collection corners for a wide range of plastic products, including skincare PET bottles, as well as polypropylene and polyethylene storage items and dust bins. Among household goods made from plastic, 83%<sup>4</sup> are eligible for collection at stores. We collect these items regardless of whether they are damaged. After sorting them by material type, items that meet quality standards are refurbished for resale as second-hand goods, while those that do not are shredded, washed and recycled as raw materials. In May 2025, we started using some of the raw material recycled from items we collected in several products, including *Polypropylene Stand File Boxes* (A4-size; clear). We also collect the *Body Fit Beads Sofa* at select stores and are developing new products that utilize the recovered materials.

4. Figures are calculated based on weight as of FY2023/8.

### Examples of Products Eligible for Recycling



### Volume of Plastic Products Collected



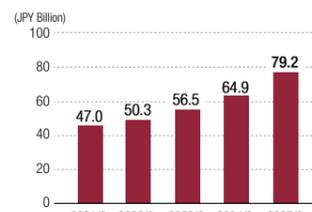
# Product Strategy: Food

Based on an overall approach of “connecting with communities and making everyday meals better tasting and healthier,” we are committed to developing products that reflect 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.

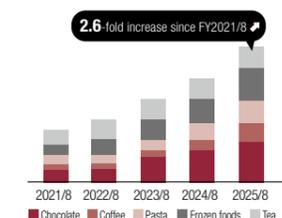
## Key Issues

- Establishment of new mainstay products that can stand alongside existing products such as curry and baumkuchen
- Adapting sales floors so that they convey product appeal
- Ability to offer products and services in line with social changes and issues, as well as local lifestyles
- Expansion of new services

Sales in Japan



Sales of Chocolate, Coffee, Pasta, Frozen Foods and Tea



## Overview of FY2025/8

Food Merchandising Division sales in Japan increased 22% year on year in FY2025/8. Whereas sales were previously driven primarily by mainstay products such as curry and baumkuchen, wider customer recognition and growth of product categories including chocolate, coffee, pasta, frozen foods and tea have led to a shift toward a structure in which these categories also support overall sales in the Food Merchandising Division.

### ● Mainstay Products (Curry and Baumkuchen)

**Curry:** Media coverage increased significantly, leading to new hit products such as *Roasted Spice Beef Curry*, while sales of mainstay products such as *Butter Chicken Curry* made with selected ingredients continued to grow.

**Baumkuchen:** The “Baumkuchen Created by Everyone” campaign in which customers voted on unique regional variations, contributed to growth among customers in their teens and twenties.

### ● A Product Lineup That Can Stand Alongside Our Mainstay Products

**Chocolate:** We held special experience-type pop-up events centered on chocolate to expand customer recognition, contributing to the growth of seasonal mainstay products such as *Cacao Truffles*.

**Coffee:** After a full renewal in March 2024, this product line grew considerably. *Café Au Lait Base*, which is easy to prepare by simply adding the desired amount of milk, saw a surge in popularity following its launch in April 2025.

**Pasta:** Our pasta line was renewed in September 2023, incorporating lessons learned from authentic Italian pasta. Although this product line continues to grow, results were mixed. We focused particularly on the *Instant Pasta Sauce* series, which has performed well.

**Frozen foods:** Sales grew steadily in line with an increase in the number of stores carrying the products.

### ● Seasonal Offerings and Products That Support a Healthy Lifestyle

**Seasonal offerings:** Offerings for seasonal events such as New Year, Christmas and Valentine’s Day grew, and we also expanded product development of seasonal offerings for spring, summer, fall and winter.

**Products that support a healthy lifestyle:** We expanded our range of products to support healthy diets, such as the *Nutritious Snacks* and the *Wellness* series.

### ● Food Services

The number of stores in Japan offering coffee and ice cream expanded to 20, with original ice cream flavors developed in collaboration with local makers proving popular. We also launched a new catering business, in which we developed menus that make use of underutilized local resources and non-standard ingredients.



Roasted Spice Beef Curry



Ice cream and coffee featuring flavors unique to the local area

## Development of Environmentally and Socially Responsible Products

### Chocolate Made from Cacao Cultivated with Consideration for Farmers and the Environment

We developed a chocolate using cacao beans grown on Indonesia’s Sulawesi Island, fermented together with locally sourced limes. Introducing lime into the fermentation process creates a fruity flavor distinct to Indonesian cacao, while adding the refreshing taste of lime. The product was developed in collaboration with an ingredient manufacturer engaged in local initiatives that support sustainable cacao production. These initiatives include creating systems to increase farmers’ income and providing cultivation guidance to improve quality and yield.



Lime-Fermented Cacao Chocolate

### Development of Frozen Foods to Effectively Utilize Local Resources

Over the past few years, as global warming has led to a rise in sea temperatures, yellowtail has shifted their habitat northward. This has resulted in increased yield in Hokkaido. However, the amount of yellowtail consumed in Hokkaido is much smaller than the yield, and it has not been possible to make effective use of this resource. We therefore developed *Fried Hokkaido Yellowtail* as one proposal for enjoying this underutilized ingredient. The product has been available on a limited basis at 15 MUJI stores in Hokkaido from April 2025, with the aim of making effective use of local resources and reducing food loss, while also creating a new food culture in Hokkaido.



Fried Hokkaido Yellowtail

### Development of Coffee That Takes the Environment and Farmers into Consideration

After a full renewal in 2024, our original blend coffee now contains approximately 50% beans sourced from Brazil’s Datterra coffee farm, which is certified by the Rainforest Alliance.\* Beans that fall outside standard export size specifications, despite delivering the same flavor, are blended exclusively for MUJI. With the growing demand for sustainable production and procurement of coffee, which is considered to have a high risk of deforestation, we are collaborating with Datterra to ensure the traceability of environmentally responsible coffee beans and to promote the effective use of raw materials.

\* A certification program for farms that meet standards for sustainable agriculture, such as forest and eco-system conservation and appropriate labor conditions.



Café Au Lait Base made using original blend coffee

## Resource Circulation Initiatives

### Converted Beverage Containers from Aluminum Cans to PET Bottles Made with 100% Recycled Material

We are using PET bottles made with 100% recycled material for nine types of unsweetened tea and five types of carbonated drinks (as of the end of August 2025). Furthermore, the product labels are made with environmentally responsible biomass film. 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 the CFP of 100% recycled PET bottles is equal to or lower than that of conventional aluminum cans. In November 2024, we switched to PET bottles made with 100% recycled material for unsweetened beverage containers, and in May 2025, we converted the bottles for carbonated drinks.



Beverages in recycled PET bottles

## Strategy for FY2026/8

- Expand the lineup of products (chocolate, coffee, pasta, frozen foods and tea) that can stand alongside mainstay products
- Based on an overall approach of “connecting with communities and making everyday meals better tasting and healthier,” strengthen the product lineup for everyday meals and seasonal or life-event occasions. In addition, enhance the lineup of summer products to support customers during periods of extreme heat.
- Strengthen the lineup of products that support a healthy lifestyle and appeal to their value
- For food services, find underutilized local resources to make new products and industries, and contribute to addressing regional challenges

## Connecting with Communities and Making Food Taste Better: Contribution to Communities through Local Production and Local Consumption of Local Ingredients

The food and agriculture team travels to locations throughout Japan to meet with producers and explore how locally underutilized food resources can be effectively used. Ingredients that can be commercialized are sold as MUJI products, while those that are difficult to commercialize due to procurement volume or processing resource constraints are offered as menu items at Café&Meal MUJI. We have also launched a new catering business, which will expand the potential for using local ingredients.

### Examples of Utilization of Local Resources

- **Onsen Bell Peppers (Oita Prefecture)**  
We support environmentally responsible production that uses heat from Yufuin’s hot springs to control greenhouse temperatures.
- **Rabbitfish (Oita Prefecture)**  
Rabbitfish, often cited as contributing to seaweed depletion and traditionally underused, can now be served in restaurants due to our innovative processing methods.



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

# Respect for Human Rights in the Supply Chain

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. We comply with international standards for respecting human rights, and are strengthening our internal framework 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 production partner factories and monitoring results.

## 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. We identify and assess the potential negative impacts of our corporate activities on society and take appropriate steps to prevent and mitigate such impacts.

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) and explained 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.

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 and the Code of Conduct for Production Partners. We also provide factory monitoring results to managers and employees responsible for procurement, production management, product planning and quality within the supply chain.

Human Rights Policy and Internal Framework ▶ <https://www.ryohin-keikaku.jp/en/sustainability/human-rights/policy>  
Human Rights Due Diligence ▶ <https://www.ryohin-keikaku.jp/en/sustainability/human-rights/due-diligence>

## Monitoring Production Partners

Based on reports from international organizations and NGOs as well as past experiences, Ryohin Keikaku recognizes human rights risks in its supply chain and is working to strengthen engagement with factories to prevent and mitigate negative impacts. As part of efforts to engage with factories, a third-party organization conducts regular on-site audits based on the Code of Conduct for Production Partners, covering aspects such as human rights violations, labor conditions and environmental impact.

## Assessment Method

Ryohin Keikaku generally conducts third-party audits once every two and a half years for all Tier 1<sup>1</sup> factories. Auditors visit each factory to review records and documents such as labor contracts, pay slips, work records and timecards, as well as to confirm occupational health and safety conditions through on-site inspections. They also conduct interviews with factory employees (without management present) as well as with members of management. If dormitory facilities are provided, they will also be subject to inspection to ensure adequate living space, proper hygiene management and other important conditions. From 2023, third-party on-site audits have been gradually extended to Tier 2<sup>1</sup> and subsequent-level factories that supply apparel and textile products. The audit items and assessment methods are the same as those applied to Tier 1 factories.

## Risk Assessment

Ryohin Keikaku evaluates factories on a five-level scale (from A to E) according to the severity and number of findings identified in audits, using this as an indicator of human rights and environmental risk.

## Disclosure of a List of Production Partner Factories

Ryohin Keikaku believes in enhancing transparency throughout the supply chain, and discloses a list of its production partners.

1. The Company defines Tier 1 suppliers as business partners that contract directly with us, as well as manufacturers that deliver products to us either directly or via trading companies or other intermediaries. Manufacturers that supply parts or raw materials for our products to Tier 1 suppliers are defined as Tier 2 suppliers.

Monitoring Production Partners  
▶ <https://www.ryohin-keikaku.jp/en/sustainability/supply-chain/monitoring>

List of Production Partners  
▶ <https://www.ryohin-keikaku.jp/en/sustainability/supply-chain/partners>

## Main Assessment Items: 13 Categories and 199 Items

In collaboration with a third-party organization, we have established original audit items based on the Code of Conduct for Production Partners and International Labour Organization (ILO) conventions.

### Category

Child labor/Juvenile workers
Forced labor
Terms of employment
Health and safety
Freedom of association
Discrimination
Disciplinary actions
Working hours
Wages and compensation
Monitoring and compliance
Corporate ethics
Procurement management
Environmental management

### Checklist Items

- 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?

### Five-Level Risk Assessment

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

# Responsible Raw Material Procurement

## Responsible Raw Material Sourcing Guiding Principles

Ryohin Keikaku depends on natural resources for many of the raw materials used in its products. Unsustainable use of resources, including deforestation and land conversion, is a factor driving serious environmental and social issues, such as biodiversity loss and climate change.

For this reason, we recognize that we have a corporate responsibility to ensure the sustainable procurement of raw materials and to operate in accordance with our own internal standards. To make our position even clearer, we formulated the Ryohin Keikaku Group Responsible Raw Material Sourcing Guiding Principles in December 2025. These guidelines will enable us to share our approach to procurement more broadly throughout the Group and with external stakeholders, promoting responsible procurement that takes human rights, the environment and animal welfare into account.

Raw Material Procurement ▶ <https://www.ryohin-keikaku.jp/en/sustainability/environment/material>

## Procurement of Textile Raw Materials

Ryohin Keikaku develops products using plant-based and animal-derived textile raw materials. In FY2025/8, we procured 37,958 t of textile raw materials for use in clothing, with plant-based and animal-derived raw materials accounting for approximately 75% of the total.

### Procurement Ratio of Textile Raw Materials for Clothing<sup>2</sup>

(Scope: Ryohin Keikaku Co., Ltd.)

Category	Share (%)	Subcategory	Share (%)	Item	Share (%)
Plant-based and animal-derived raw materials	75%	Plant-based fiber	69%	Cotton	64.7%
				Linen	2.5%
				Hemp	1.4%
				Kapok	0.4%
		Animal-derived fiber	3%	Wool	3.4%
				Silk	0.04%
		Regenerated cellulose fiber	3%	Lyocell	2.4%
Rayon	0.4%				
Paper yarn	0.03%				
Technical raw materials	25%	Synthetic fibers	25%	Polyester	20.5%
				Nylon	2.7%
				Others	1.4%

2. The weight of raw materials is calculated based on the Textile Exchange's "Fiber Uptake Calculations & Reporting Best Practices Guide" and "Fiber Conversion Methodology," using the quantity of each product, the weight of materials used during manufacturing (including waste generated during the production process), the material composition ratio and the fabric-to-fiber conversion factor. Some plant-based and animal-derived raw materials such as jute and cashmere have not been calculated, and are not included in the data. Raw materials include shell fabric materials, but exclude materials used for filling, lining or trims on garments.

Ryohin Keikaku recognizes that ensuring the sustainable procurement of plant-based and animal-derived raw materials is an important issue. On the other hand, synthetic fibers, which account for about a quarter of the total, are also largely petroleum-derived. Various environmental risks have been pointed out, including resource depletion and the microplastic problem during disposal. Therefore, we actively select environmentally responsible materials—those chosen with consideration for their impact on the global environment, animal welfare, producers and local communities. We aim to ensure that 100% of our procured main raw materials are environmentally responsible materials by FY2030/8. Environmentally responsible materials are those evaluated and approved by the Ryohin Keikaku Group as being in line with its policies on human rights, the environment and animal welfare. Please see the Ryohin Keikaku Group Raw Material Sourcing Guidelines for Textile Products on our website for the definition of and standards for main raw materials.

Ryohin Keikaku Group Raw Material Sourcing Guidelines for Textile Products

▶ [https://www.ryohin-keikaku.jp/pdf/sustainability/environment/material/202512\\_RK\\_Group\\_Raw\\_Material\\_Sourcing\\_Guidelines\\_for\\_Textile\\_Products\\_en.pdf](https://www.ryohin-keikaku.jp/pdf/sustainability/environment/material/202512_RK_Group_Raw_Material_Sourcing_Guidelines_for_Textile_Products_en.pdf)

### Procurement Ratio of Environmentally Responsible Materials<sup>3</sup>

Raw material	Indicator	Target	Target FY	Merchandising Division	2021/8	2022/8	2023/8	2024/8	2025/8
Cotton	Percentage of environmentally and socially responsible cotton	100%	FY2030/8	Apparel <sup>5</sup>	100%	100%	82.9%	97.4%	99.0%
				Household goods <sup>6</sup>	85.6%	87.4%	66.7%	47.0%	57.7%
Wool	Percentage of non-mulesed <sup>4</sup> or recycled wool	100%	Ongoing	Apparel <sup>5</sup>	100%	100%	99.9%	100%	100%
				Household goods <sup>6</sup>	100%	100%	100%	100%	100%
Down	Percentage of down certified to ensure animal welfare or recycled	100%	Ongoing	Apparel <sup>5</sup>	100%	100%	100%	100%	100%
				Household goods <sup>6</sup>	100%	100%	100%	100%	100%
Polyester	Percentage of materials utilizing recycled or plant-based raw materials	100%	FY2030/8	Apparel <sup>7</sup>	—	—	—	—	77.8%
Nylon	Percentage of materials utilizing recycled or plant-based raw materials	100%	FY2030/8	Apparel <sup>7</sup>	—	—	—	—	44.1%

3. Aggregation period: From FY2021/8 to FY2024/8, figures are for textile materials used in products developed and sold in the spring/summer and fall/winter seasons each year. For FY2025/8, the figures are aggregated in line with the fiscal year. 4. Wool produced without subjecting sheep to painful procedures such as mulesing 5. Scope: MUJI clothing, and accessories and footwear 6. Scope: Textile products in MUJI's household goods category. Textile products include items such as cotton pads and pouches. 7. Scope: MUJI clothing, excluding accessories and footwear such as shoes, bags and umbrellas

# 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 promote business activities that prevent resource depletion and minimize negative environmental impact.

## Environmental Management

Under the Ryohin Keikaku Group Environmental Policy, each division, business unit and Group company sets its own goals and strategies and works together to reduce environmental impact, including responding to climate change and conserving natural capital. For projects that require specialized knowledge, we collaborate with external specialized institutions in areas such as procurement, 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 the results into Company policy and business activities. Key potential risks are assessed by the Compliance and Risk Management Committee at least once a year based on the severity and the likelihood of occurrence, and reported to the Board of Directors.

Ryohin Keikaku Group Environmental Policy ▶ [https://www.ryohin-keikaku.jp/pdf/sustainability/environment/management/OurPolicies\\_01\\_en.pdf](https://www.ryohin-keikaku.jp/pdf/sustainability/environment/management/OurPolicies_01_en.pdf)

## Reduction of Greenhouse Gas Emissions

Ryohin Keikaku is aiming for a 50% reduction in Group-wide Scope 1 and 2 greenhouse gas (GHG) emissions by FY2030/8 (compared with FY2021/8). To achieve this goal, we will analyze the impact of future store expansions and other factors, and subsequently formulate and implement a reduction plan. We also calculate and disclose 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 obtain third-party verification.

GHG emissions verification report for FY2024/8 ▶ <https://www.ryohin-keikaku.jp/en/sustainability/muji-sustainability/esg-data>

## Introduction of Renewable Energy

Ryohin Keikaku aims to contribute to the realization of a net-zero GHG emissions society by 2050. Our goal is to source 100% of the electricity used in our business activities from renewable energy. In Japan, GHG emissions from use of electricity are increasing due to 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 goals, we are installing solar panels on the roofs of individual stores. We have expanded this initiative to 27 stores.<sup>1</sup> At two of these stores, storage batteries have been installed in an effort to increase the ratio of renewable energy used. We are also making progress on switching electric power contracts to renewable energy options. On the other hand, at tenant stores and other locations where we do not hold a direct power supply contract, these measures cannot be applied. Therefore, in September 2025 we launched a renewable power generation business to generate our own electricity and secure environmental value.

1. As of the end of August 2025

## MUJI ENERGY LLC Established

Ryohin Keikaku established MUJI ENERGY LLC,<sup>2</sup> a special purpose company that will engage in renewable energy projects, through a joint investment with JERA Co., Inc. in September 2025. Over the coming year, we plan to develop a solar power facility with a generation capacity of approximately 13 MW. The electricity produced will be equivalent to approximately 20% of the annual electricity consumption of stores in Japan. By allocating the environmental value to MUJI tenant stores, we expect to reduce CO<sub>2</sub> emissions by approximately 8,000 t. Furthermore, we have established our own development standards for solar power installation, considering local residents and biodiversity. We will conduct on-site reviews of every proposed site and proceed with solar power installation only where these standards are met.

2. MUJI ENERGY LLC ▶ <https://www.energy.muji.com/> (Japanese only)



Solar power generation facility

## Reducing CO<sub>2</sub> Emissions in the Supply Chain

To reduce GHG emissions (Scope 3) in our supply chain, we are working to assess and lower CO<sub>2</sub> emissions in logistics and the production of products and store fixtures. We are promoting initiatives such as considering the introduction of renewable diesel fuel and CNG trucks<sup>3</sup> for domestic truck transport, utilizing ferries and railways for 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. The estimated amount of GHG emissions arising from domestic and international transport in FY2025/8 decreased by 4.4% compared with FY2022/8.

We also calculate the carbon footprint of each product, and use this information in reviewing raw materials and production processes. We held a briefing for suppliers on calculating CO<sub>2</sub> emissions for organizations and products.

To reduce GHG emissions at our stores, we are switching from virgin plastic fixtures to recycled plastic and wood.

3. Trucks that run on compressed natural gas (CNG)

## Disclosure Based on TCFD and TNFD Recommendations

Ryohin Keikaku conducts disclosure in line with the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) to assess risks and opportunities associated with climate change and natural capital, and to promote the formulation and implementation of strategies. With regard to the risks and opportunities associated with climate change and natural capital, we work to identify issues that could impact our business, and then discuss and implement action plans after quantitatively and qualitatively evaluating the size of the impact based on criteria such as importance to business strategy, financial impact in terms of revenue and costs, and the relevant time frame. We also conduct scenario analysis related to risks and opportunities.

Details of disclosure based on TCFD recommendations ▶ [https://www.ryohin-keikaku.jp/pdf/sustainability/environment/climate-change/Information\\_Disclosure\\_Based\\_on\\_the\\_TCFD\\_Recommendation\\_2023\\_eng.pdf](https://www.ryohin-keikaku.jp/pdf/sustainability/environment/climate-change/Information_Disclosure_Based_on_the_TCFD_Recommendation_2023_eng.pdf)

Details of disclosure based on TNFD recommendations ▶ [https://www.ryohin-keikaku.jp/pdf/sustainability/environment/biodiversity/20250901\\_TNFD\\_E.pdf](https://www.ryohin-keikaku.jp/pdf/sustainability/environment/biodiversity/20250901_TNFD_E.pdf)

## Environmental Due Diligence

Ryohin Keikaku is building an environmental due diligence framework, making reference to international guidelines such as OECD Due Diligence and the TNFD. 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 FY2025/8, we identified five key raw materials—cotton, wood, paper, palm oil and coffee—based on the degree of potential dependence and the magnitude of impact on natural capital, as well as their usage volumes and strategic importance. For cotton, we conducted an assessment in line with the TNFD LEAP approach,<sup>4</sup> identified risks and opportunities and considered countermeasures. We also formulated the Ryohin Keikaku Group Responsible Raw Material Sourcing Guiding Principles for apparel and household goods, as well as supplementary procurement guidelines for each material (textile products, wood/paper and palm oil) to ensure the sustainable procurement of raw materials.

Details of environmental due diligence ▶ [https://www.ryohin-keikaku.jp/pdf/sustainability/environment/management/ryohinkeikaku\\_environmental\\_due-diligence\\_en.pdf](https://www.ryohin-keikaku.jp/pdf/sustainability/environment/management/ryohinkeikaku_environmental_due-diligence_en.pdf)

4. An approach proposed by the TNFD for assessing and managing nature-related issues

### Five Key Raw Materials (Examples of products that use the raw materials)



## Use of Environmentally and Socially Responsible Cotton

Cotton makes up 65% of the fiber used in MUJI clothing, and is one of the most important materials for us. Ryohin Keikaku has set a target of 100% procurement of environmentally and socially responsible cotton. We are promoting the use of organic cotton,<sup>5</sup> sustainably harvested cotton<sup>6</sup> and recycled cotton.<sup>7</sup> We have used organic cotton since 1999, and most of the cotton we use currently is organic. Organic cotton is grown using farming methods that harness natural processes—without synthetic pesticides, chemical fertilizers or genetic modification—and are designed to protect the health of farm workers and the soil. By using environmentally and socially responsible cotton, we aim to achieve harmony among the Earth, the people who produce cotton and the people who wear it—helping nurture well-being for all.

5. Cotton with the following certifications: Regenerative Organic Certified (ROC), Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) or equivalent certification

6. Cotton that has obtained Cotton made in Africa (CmiA) or equivalent certification aimed at improving the living and working environments of small-scale farmers and preserving the natural environment of production areas.

7. Cotton with the following certifications: Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) or equivalent certification



Harvested cotton

### Visiting a Cotton Farm in India

As a result of assessing the cotton supply chain using the TNFD LEAP approach, we found that the greatest potential risk is in the raw material cultivation process. To better understand the conditions at cotton farms, Ryohin Keikaku employees involved in the environmental assessment process conducted a sample survey in July 2025 by visiting farms in India, one of our sourcing regions. We conducted interviews with our upstream suppliers and farmers, and verified the status of monitoring water usage, water quality and soil conditions. The visits confirmed that farms were making maximum use of rainwater, practicing organic farming without chemical fertilizers, and working to improve soil quality through the adoption of regenerative agriculture. This survey covered only a limited number of farms. Going forward, we will strengthen our engagement with members of the supply chain, with the aim of improving the sustainability and traceability of all cotton used in MUJI products.



**Material Issue 2: Address Local Challenges and Revitalize Regions**

# Expanding Store Openings and Sales Channels

We will open stores in Japan and overseas that provide the essentials of daily life and operate as community-based, independently managed stores. We want our stores to become community centers that are seen as an essential part of the area. We will achieve this by developing various store formats and expanding sales channels, while providing products and services tailored to local needs through independent store management centered on people.

## New Store Openings in Japan and Overseas<sup>1</sup>

### Japan Business

In Japan, we continued opening stores primarily in suburban areas. As of the end of August 2025, the number of stores had increased by 60 from the previous fiscal year to 683. Our policy is to continue to expand. We aim for a net annual increase of around 45 stores, with a focus on opening stores in locations close to where people live. Although we will mainly focus on the standard-format 600-*tsubo* (approx. 1,980 m<sup>2</sup>) store, which is expected to generate stable revenue, we will also develop new store formats, including large stores such as MUJI Aeon Mall Kashiwara and small stores in urban areas. We will leverage the characteristics of each store format with the aim of establishing a 1,000-store network in Japan.

### Overseas Business

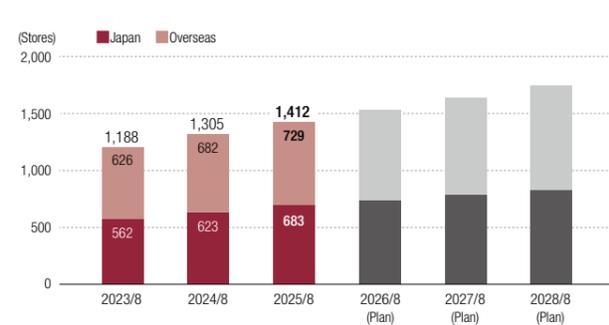
Overseas, we opened stores primarily in the East Asia Business and the Southeast Asia Business. As of the end of August 2025, the number of stores had increased by 47 from the previous fiscal year to 729. Our policy going forward is to continue expanding our store network, with a net annual increase of around 60 stores. In the Mainland China Business, we have improved sales per store by promoting a scrap-and-build strategy. In the Southeast Asia Business, we are expanding store openings in shopping malls, centered on businesses in Malaysia and Vietnam. In the Europe and North America businesses, we completed the closure of unprofitable stores, and intend to resume store openings in FY2026/8.

Total Number of Stores (FY2025/8)

Japan Business	683
Overseas Business	729
East Asia Business	557
Mainland China Business	422
Southeast Asia/Oceania Businesses	124
Europe/North America Businesses	48
<b>Total</b>	<b>1,412</b>

1. Excluding Café&Meal MUJI and IDÉE

Number of Stores in Japan and Overseas



## 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 2025, MUJI products are available at approximately 13,000 Lawson stores in all 47 prefectures of Japan. In April 2025, we launched our first two jointly developed food products, *Irregular Baumkuchen Bran & Strawberry* and *Irregular Baumkuchen Bran & Orange*. We have also continued to improve our product lineup and store environment, focusing on daily necessities, care products and apparel to meet the needs of customers at convenience stores. We are also strengthening sales promotion activities and marketing that communicate MUJI's worldview.



### Initiatives with Consumer Cooperatives (CO-OPs)

We have been expanding collaboration with CO-OPs since we commenced home delivery services in March 2022, and began supplying MUJI products to CO-OP supermarkets in March 2024. In May 2025, we concluded an alliance agreement with CO-OP Hiroshima and started operations at two CO-OP Hiroshima supermarkets. As of the end of August 2025, the home delivery business had expanded to six CO-OPs and CO-OP business federations, and we are supplying our products to 28 supermarkets operated by four CO-OPs across Japan. As a new initiative in FY2025/8, we began supplying MUJI frozen products through CO-OP Sapporo and CO-OP CS Net.<sup>2</sup> Moreover, at CO-OP Sapporo we are collaborating to enhance the infrastructure and content needed to grow e-commerce sales as we work to expand new sales contact points. We will further expand collaboration with CO-OPs and help build essential living infrastructure as we continue to support communities with limited access to MUJI stores.

2. Co-op Chugoku-Shikoku Consumers' Co-Operative Business Federation

# Leveraging IT to Support Independent Store Management

Ryohin Keikaku is leveraging information technology (IT) to implement business process reforms throughout the Company with the aim of supporting the overall supply chain for products essential to daily life and independent store management. We are working to improve digital services on the app and online store to provide customers with “comfortable online services.”

## Core System Construction

Construction of a new core system has been ongoing since FY2022/8, and we continue to make progress, focusing on the development of a platform for our product planning system, including the supply chain planning system, procurement system and inventory management system. In FY2025/8, we launched the Company-wide business process reform initiative, MUJI Global DX Program, and will accelerate the development of global IT infrastructure and strengthen its application to our business to support further growth worldwide. We are also promoting the use of generative AI to enhance the productivity of headquarters operations and the efficiency of responses to customer inquiries.

## Using IT to Promote Store Operating Efficiency

We have been streamlining store operations to give store staff more time to interact with customers and the community. In FY2025/8, we replaced payment terminals to reduce the amount of time spent at the register. We also improved the search function and operability of the electronic product catalogs used by store staff, so that they can respond more quickly to customer inquiries using only a mobile device. Looking ahead, we will expand the range of digital payment methods, and promote systemization to enable more customer service options such as ordering products using only a mobile device. Furthermore, we are developing an app for creating monthly work shifts, which will be automatically linked with the attendance management system used by store staff, as part of an ongoing effort to streamline operations using IT.

## Full-scale Renewal of MUJI passport as MUJI app

The MUJI passport smartphone app, which was launched in May 2013, was renamed MUJI app and underwent a full renewal in September 2025. We also revamped the existing MUJI Mile Service initiative and relaunched it as the MUJI GOOD PROGRAM. The app itself serves as a membership card, and by presenting it when shopping, users are awarded points. In addition, the app design has been revamped to enable users to obtain the information they want more intuitively. Users can view personalized information from MUJI on the app and use the online store for shopping—making MUJI a familiar presence in daily life.



## MUJI GOOD PROGRAM—Making Donations to Various Social Contribution Activities

Whereas the previous MUJI Mile Service awarded users points that could be used for shopping when they had accumulated a certain number of miles, the MUJI GOOD PROGRAM enables users to use their points not only for shopping, but also to make donations to support efforts to address various social issues. We collaborate with organizations working on a variety of themes aimed at delivering social benefits. Themes include disaster prevention and emergency humanitarian assistance, food and health, building communities and the future, and supporting daily life and culture. Moreover, to encourage customers to take part in our resource circulation initiatives, we have introduced a system in which customers can earn points by joining ReMUJI product collection activities or by declining shopping bags.



# Strengthening Independent Store Management

We aim to promote independent store management of locally rooted MUJI stores that meet the needs and expectations of local customers and serve as community centers in each region. To support that effort, it is important to foster an organizational culture that encourages every staff member to develop the skills and mindset of a business owner, think independently about what they can do to be of benefit to the customers right in front of them, and act on it. At the same time, by developing frameworks that support high-quality independent store management, we aim to enhance customer satisfaction and achieve sustainable growth.

## Independent Store Management

Ryohin Keikaku defines independent store management as “building an organization centered around the store manager, where all staff members take the lead, enjoy doing business as a team, and think and act on what they can do for customers.” Through independent store management, we aim to create stores that are closely aligned with local customers. We would like them to be spaces that people want to visit again and again. To realize independent store management, we aim to create an environment in which all store staff think and act independently, foster an organizational culture centered on stores, build the mindset of a local business owner or merchant, and establish the standards and systems that enable teams to enjoy doing business.



## Fostering an Organizational Culture Centered on Stores

To create an autonomous and self-motivated organizational culture in which store staff think and act independently, we utilize the monthly store managers meeting, which brings together store managers from all over Japan. We aim to foster a culture centered on stores in which store managers share the issues they identify in daily operations and communicate with other store managers, supervisors, and headquarters employees participating in the meetings. Furthermore, stores share best practices in areas such as services, sales floors and enhanced dissemination of store information. We are further strengthening efforts such as developing a platform that supports continuous store-driven improvement proposals and active communication with headquarters, enhancing systems for putting such proposals into action and expanding training programs such as quality control and industrial engineering.<sup>1</sup> These efforts have led to concrete operational improvements that have reduced the number of labor-hours required. Improvements include greater efficiency in creating monthly shifts, planning daily work schedules and checking food expiration dates. By creating manuals for these new operations through *MUJIGRAM*,<sup>2</sup> we are promoting the implementation of these procedures at all stores. Improved and streamlined operations originating from the stores will create a virtuous cycle in which store staff are able to focus even more on actions that increase customer satisfaction.

1. See page 67 for details.  
2. MUJI store operational manual

## Mindset and Skills of a Local Business Owner or Merchant

Centered around store managers, we aim to create teams where store staff can play active roles and enjoy their work with the mindset of a local business owner or merchant. By fostering stores where everyone can grow by taking the initiative, we will deliver the best possible shopping experience to customers. For example, we have created a system that enables staff to set their own sales targets for products that they want to promote, share product information and ideas for sales floors with others, and record and manage daily sales results. Store managers and employees responsible for overall operations are now able to independently develop six-month budgets and create business plans. We also conduct ongoing training through the Store Manager Cultivation Project and the store managers meeting. These sessions focus on explaining the principles of independent store management, teaching how to create business plans and sharing best practices. To strengthen skills, supervising headquarters divisions and sales divisions collaborate on initiatives to develop specialized skills for store staff. For example, as of the end of August 2025, we have over 530 active health and beauty (H&B) advisors in Japan—people who have specialized knowledge of skincare products and cosmetics. We are also developing human resources with other specialized skills, including interior advisors who have specialized knowledge of furniture and spatial design and visual merchandising<sup>3</sup> specialists who have acquired the skills necessary to fully express MUJI's worldview.

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

## Establishing Standards and Systems to Support Independent Store Management

Aiming to create stores that local customers will want to visit again and again, we put the fundamentals of retail operations into practice, such as greeting customers upon arrival and departure, ensuring cleanliness and working to eliminate lines and stockouts. We have also established the operational standards required to implement them. We will work to establish these standards through *MUJIGRAM*. Specifically, we have established daily inspection standards for routine store checks and have created shift and work-schedule formats that support appropriate staff planning at the store level. We are also systematizing business planning in ways that reflect the sales characteristics of each store, including sales deployment planning, sales and inventory planning, as well as sales floor planning through floor space design and visual merchandising. We provide training programs to ensure employees



Creating teams who function as local merchants centered around the store manager



H&B advisors

have the skills to implement those business plans based on the characteristics of each store, along with the necessary tools. These programs enable store staff to conduct business under the independent store management concept, and to build stronger relationships with local customers.

## Independent Store Management on a Global Scale

As a result of strengthening various measures to realize independent store management, both sales per unit of floor area and sales per labor hour grew year on year in FY2025/8. In particular, at new stores that opened in FY2025/8, the high level of accuracy of planning led to an increase in the rate of achievement of sales targets. As we accelerate store openings globally, we will carry forward the organizational culture, mindset and independent store management model refined in Japan to our operations worldwide. We will continue to dispatch management personnel with experience in the Sales Division to overseas posts, while increasing personnel exchanges between Japan and overseas. Through these initiatives, we will foster an organizational culture centered on stores and enhance training to develop the mindset of a local business owner or merchant. Furthermore, we will coordinate systems for independent store management—such as business planning—and the necessary expertise underpinning these systems, including collaboration among merchandising, sales, and management divisions on a global scale. By integrating this approach with local initiatives, we aim to standardize operations.

## Aiming to Realize Stores That Co-create with Local Communities

At large stores and regional flagship stores, we are communicating and collaborating with local residents, business operators and governments to promote co-creation initiatives in addition to realizing independent store management. We want to have a positive impact on each region by collaborating with local stakeholders in the development and operation of stores that serve as community centers. In particular, we promote store-led activities based on the themes of resource circulation, disaster preparedness and local products.

## Community Market

The Community Market, based on the concept of “connecting people, connecting communities,” is a market-type event held at select MUJI stores that 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 where local residents can rediscover the charms of their region and connect with each other. In FY2025/8, over 210,000 people throughout Japan participated.



Community Market

## Town Hall Meeting

We hold small-scale Town Hall Meeting events, planned and hosted by the employees of each store. We engage with local residents and local business operators by presenting the Company's direction and store initiatives, while also listening to their aspirations for the community and their expectations of MUJI, thereby strengthening business activities rooted in the local community. In FY2025/8, 58 events were held (including Shareholder and Fan Meeting events) in regions throughout Japan, including Hokkaido, Niigata, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Gifu, Shizuoka, Kyoto, Osaka and Hiroshima, with 1,938 participants.



Town Hall Meeting

## MUJI Sakata: Contributing to Regional Development

MUJI Sakata opened in Sakata City, Yamagata Prefecture in March 2025. It is one of the largest stores in the Tohoku region by sales floor area. In 2019, Ryohin Keikaku entered a partnership agreement with Sakata City to promote regional development. To address local issues such as population decline and aging demographics, which have made shopping more difficult for residents, we have been implementing measures such as mobile sales using light pickup trucks in mountainous areas and the establishment of pop-up shops in the central shopping district. To better support the daily lives of local residents, we have opened a store at IROHA “GURA” PARK, a newly developed retail complex in the area. We will enhance our product and service offerings at the store, while taking steps to revitalize the region. Furthermore, by establishing our first Healthcare Center in the Tohoku region and holding Town Hall Meeting events, we aim to be a store that listens closely to members of the community and co-creates initiatives with them.



World's Largest  
MUJI Store

# MUJI Aeon Mall Kashihara

MUJI Aeon Mall Kashihara is designed around the concept of being a community center that provides a space for wholesome gatherings of local people. We are working to develop products, services and the store itself, through our interactions with producers and businesses throughout the Kinki region, centered on Nara Prefecture.

## A Store with Every Current MUJI Offering, Based on the Concept of “Nature, Circularity and Culture”

MUJI Aeon Mall Kashihara opened in Kashihara City, Nara Prefecture in March 2025, based on the concept of “nature, circularity and culture.” Working together with producers and businesses throughout Nara Prefecture and other parts of the Kinki region, the store conducts product development and provides a variety of services. It also serves as a hub for local interaction and resource circulation initiatives. With the world’s largest MUJI sales floor area of 2,500 *tsubo* (approx. 8,260 m<sup>2</sup>), the store displays and sells diverse products in separate zones based on different aspects of daily life. Even for large items with variations in color, design and size, we bring together actual products—from the main units to individual parts—in a single display. Designed like one complete catalog, the store brings together everything that MUJI is today.



MUJI Aeon Mall Kashihara

## Nine Specialty Zones Proposing Wholesome Regional Lifestyles

The expansive store interior features a broad range of MUJI products in the apparel, food and household goods categories, organized into nine separate zones representing different aspects of daily life.



1 | ReMUJI



2 | Books & Café



3 | Community



4 | Clothing



5 | Care items



6 | Daily goods



7 | Furniture and fabric



8 | Storage



9 | Food

## A Local Community Center

As a MUJI first, we have introduced a bookstore with approximately 100,000 titles and Books & Café, where you can enjoy rice balls and rice bowl dishes made with local ingredients, as well as tea, coffee and ice cream. Customers can enjoy a meal as they read, and take their time browsing books before they buy. In addition, the food sales floor includes an expansive Shokoku Ryohin space that offers a lineup of regional products. It sells local products from the Kinki region centered on Nara Prefecture, with products separated into categories such as rice, noodles and tea. The store offers products that have been jointly developed with local companies and holds various events such as Community Market and workshops. These events, mainly held in the Open MUJI community space, help to foster deeper interaction and connections with local people.



An Open MUJI event

## A Center for Resource Circulation

Our resource circulation initiatives can be divided into five types: recovery of resources, which involves collecting used products; sales of products for reuse, which involves cleaning and inspecting products that can still be used; sales of products with minor imperfections, which involves selling products with minor stains or scratches at reduced prices; sales of used furniture, where we sell used furniture from Japan and overseas after cleaning and repairing it; and sales of second-hand books, which connects second-hand books with new readers. The store has further expanded the scope of collectible MUJI products to include furniture and household goods, as well as clothing, accessories and footwear. We are also expanding sales of reused products. At an onsite repair workshop, a staff of around 10 employees with experience as furniture makers or construction workers conducts repairs and maintenance of furniture from Japan and overseas, getting it ready for sale. In FY2025/8, the volume of reclaimed wood reused through the procurement of used furniture totaled 14 t. By reusing old wood rather than discarding it, the store is promoting resource circulation.



Sales of used furniture

## Interview with the Store Manager of MUJI Aeon Mall Kashihara

MUJI Aeon Mall Kashihara was opened in Nara, an area with a rich natural environment that is known as the birthplace of Japan. We decided to open the store based on the concept of “nature, circularity and culture,” as we wanted to communicate our idea of circulating a mix of the old and the new. In 2022, as we were discussing whether to proceed with the opening, there were some concerns about its feasibility: specifically, how we would communicate MUJI’s worldview in a store of 2,500 *tsubo*, the largest area of any MUJI store in the world, and whether the store would really succeed. However, the Kashihara site met our particular preconditions. It is a retail zone, and an area steeped in diverse culture and history, and above all, it could accommodate a space of 2,500 *tsubo*. As a result, we decided to take on the challenge of creating a MUJI flagship store, the largest in the world, and one which would serve as a community center that provides a space for wholesome gatherings of local people. Six months after opening, the store is enjoying the support of a huge number of customers. Another distinctive feature of the store is its various initiatives to promote resource circulation. Over roughly six months, the store has welcomed approximately 1.5 million visitors, with about 100,000 customers taking part in resource circulation activities, including product collection and the purchase of reused items. This response has provided encouragement for us going forward. I strongly resonate with Ryohin Keikaku’s corporate purpose and its two missions, and I believe this store is made up of staff who are truly dedicated to putting them into practice. Returning to our original concept of “People do the selling,” we are able to do more than simply sell products; we are able to communicate the value of the products to customers, based on each staff member’s preferences and interests. For example, if one of our staff members likes coffee, they can consider how to present the value of MUJI coffee and act on their own initiative. With ample space of 2,500 *tsubo*, it is easy to give shape to each person’s ideas. Through these kinds of activities, I hope to increase the quality of communication with customers and become a model for independent store management.



Hiroshi Shimoda  
Store manager  
MUJI Aeon Mall Kashihara

## Material Issue 2: Address Local Challenges and Revitalize Regions

# Co-creation with Communities

We aim to realize “a truthful and sustainable life for all” by operating stores that support people’s daily lives as local community centers, as well as by conducting business and initiatives that are deeply rooted in the local community. We are committed to revitalizing regions throughout Japan by creating new employment opportunities and industries through initiatives related to accommodations, regional products, disaster preparedness, and healthcare, led by our stores in each region.

### Chiba

In Chiba, we have been developing regional revitalization activities for the past 10 years. Stores in urban areas and small cities are working together to create a “regional circulation system” suited to the characteristics of the region.

#### MUJI BASE: A Regional Experience-focused Accommodation Facility That Utilizes Idle Assets

We operate MUJI BASE OIKAWA, an experience-focused accommodation facility created by leasing and renovating a former elementary school in Otaki Town (Chiba Prefecture), and MUJI BASE KAMOGAWA, a refurbished 100-year-old traditional Japanese home. These facilities offer stays and experiences that let guests immerse themselves in MUJI’s worldview.



MUJI BASE OIKAWA

#### Creating A Place for Experiencing Satoyama Food and Culture

We have been appointed by Kamogawa City as the designated administrator of the comprehensive community hub, Minnami no sato, and operate MUJI Minnami no Sato in collaboration with local producers from the Minami-Boso area. Visitors can enjoy *satoyama* food and culture at a direct-from-the-farm market that sells fresh fruits and vegetables grown by local farmers, and at Café&Meal MUJI, which makes generous use of locally sourced ingredients. Moreover, in Kamogawa City, we have been involved since 2014 in the activities of the Kamogawa Satoyama Trust project, which seeks to preserve terraced rice fields and pass on the *satoyama* culture.



Rice planting organized by the Kamogawa Satoyama Trust

#### Community Guide for Chiba: Promoting the Appeal of Local Resources

We have created a Community Guide for Chiba to promote the appeal of local resources. With a focus on food and experiences, the guide highlights the attractions of Chiba Prefecture’s roadside stations and local producers. In December 2024, we published a prototype featuring 30 producers in the Minami-Boso area. Due to the strong response it received, we made it a regular publication beginning with the 2025 edition. The 2025 edition (published in April) featured 59 local producers and 22 establishments in Chiba Prefecture. It is being distributed at roadside stations and MUJI stores in Chiba and neighboring prefectures.



Community Guide for Chiba

### Hiroshima and Okayama

In Hiroshima, we work to pass on local traditional culture with activities centered on Open MUJI located inside MUJI Hiroshima Alpark, where we hold traditional *Kagura* dance performances and concerts by local musicians. In addition, at Community Market events, we sell products jointly developed by high school students and local companies as part of high school inquiry-based learning programs. We also hold events with welfare facilities for people with disabilities, as well as events organized in collaboration with Hiroshima City, the birthplace of baumkuchen in Japan, where we encourage people to share baumkuchen with their loved ones. In Okayama, we are promoting community revitalization with shopping street associations and shopping street support teams, with MUJI Okayama Omotecho Shotengai serving as our starting point.



Event at MUJI Hiroshima Alpark



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

At MUJI Hiroshima Alpark and MUJI Yume Terrace Gion in Hiroshima, we have set up Healthcare Centers where people can consult about health-related issues. We hold events where people can measure their vegetable intake while purchasing local produce as part of an effort to create healthy local communities. Furthermore, we concluded an alliance agreement with CO-OP Hiroshima and jointly hold health-related events in stores, including regular sessions of the Hiroshima GENKI Exercise program and dementia learning workshops.



Healthcare consultation

### Kyoto and Nara

In Kyoto and Nara prefectures, we work with local producers and processing companies to develop products using traditional vegetables grown in the Kinki region, ingredients that do not meet standards for appearance, and discarded materials. These products are sold in MUJI stores. We will continue to promote local production for local consumption, aiming to contribute to the revitalization of local industries, and to promote initiatives inspired by food. In addition, at MUJI Aeon Mall Kashihara, we have set up an expansive Shokoku Ryohin section offering products from Nara Prefecture as well as specialty items from throughout Japan, showcasing regional food cultures.



Ochazuke (macha or roasted green tea poured over rice)  
Grown in the Magnificent Nature of Nara’s Yamato Plateau

#### MUJI room SAKAMOTOYA: Accommodation Facility Created Together with the Local Community

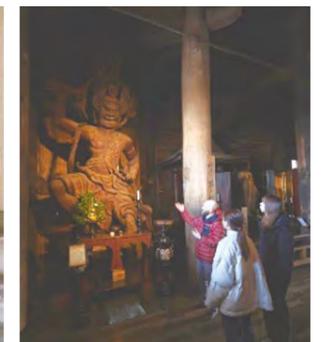
MUJI room SAKAMOTOYA opened in March 2025. In the project, three of the six rooms of the Sakamotoya ryokan, a traditional Japanese inn founded in 1928, were renovated into spaces that embody the MUJI worldview. The inn is located in Yoshino, a town in Nara Prefecture that has flourished since ancient times as a place to revere nature. The decor makes use of local resources, such as Yoshino cedar, making it a space featuring MUJI furniture and the work of artists active in the Yoshino area. As a way to give guests a feeling of local life, the inn provides amenities crafted using the gifts of nature in the Yoshino area, as well as breakfast and dinner options with food prepared using local ingredients. We also offer local experience plans, such as a guided walking tour of Mt. Yoshino that highlights the harmony of history and nature.



Exterior view of MUJI room SAKAMOTOYA



Guestroom at MUJI room SAKAMOTOYA



Guided walking tour of Mt. Yoshino

# Social Impact Assessment

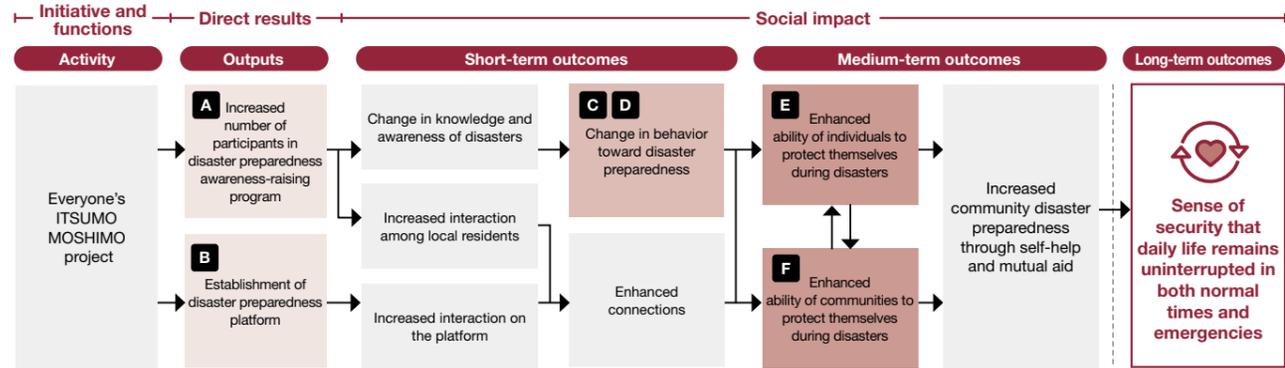
Ryohin Keikaku strives to make a positive impact on communities by engaging in activities that contribute to regional revitalization. In FY2025/8, we conducted a social impact assessment<sup>1</sup> of our disaster preparedness program “ITSUMO MOSHIMO—Always ready for emergency” at our stores throughout the country and our culture and arts initiative, which marked the 24th year since its launch in 2001. By tracking the flow of social impact using an impact logic model and applying the social return on investment (SROI)<sup>2</sup> methodology to evaluate two initiatives, we were able to assess—both qualitatively and quantitatively—that each initiative generates significant social impact in its respective region.<sup>3</sup>

## ITSUMO MOSHIMO—Always Ready for Emergency

This project is aimed at raising the disaster awareness of society by incorporating preparedness into everyday life. Through community-based disaster preparedness events like the ITSUMO MOSHIMO Caravan, we promote the idea of preparing for emergencies using everyday items, rather than treating preparedness as something special.



### Social Value Creation Process (Impact Logic Model)



### Main Results in FY2025/8 (Impact Indicators)

Outputs	Short-term outcomes	Medium-term outcomes
<b>A</b> Number of participants in the ITSUMO MOSHIMO Caravan <b>20,745</b>	<b>C</b> Sales volume of disaster preparedness-related products at MUJI <b>Approx. 3.81 million items</b>	<b>E</b> Stockpiling implementation rate <b>68.1%</b>
<b>B</b> Number of partner organizations participating in events <b>130</b>	<b>D</b> Increased awareness of disaster preparedness (creation of opportunities for conversations in families) <b>79%</b>	<b>F</b> Willingness to participate in local activities <b>92%</b>

**SROI of 3.4**

Social return on investment = Impact on society (benefit) ÷ Investment cost<sup>4</sup>

To assess social impact, we evaluated the increases in disaster preparedness awareness and understanding, strengthening of community cohesiveness, and the change in disaster preparedness behavior based on survey results, in addition to advertising effectiveness.

Participant feedback and examples of change

- The program made me review my preparations, including supplies.
- I will revisit my preparedness measures, as they did not adequately address situations where cell phone use is not possible.
- I decided to stockpile disaster preparedness items for my family.
- I thought that my family and I should decide on a meeting place in the event of an emergency.

#### Comment from Exhibition Participant in the Caravan Events

Recently, natural disasters such as torrential rains and earthquakes have been increasing in frequency and scale. Emergency situations are becoming routine everywhere. ITSUMO MOSHIMO Caravan events have contributed significantly to the creation of a society that is well prepared for disasters in daily life. We are working on a project to create safe toilets that will help save lives. We will continue working with Ryohin Keikaku to expand opportunities for people to experience and learn about disaster-use toilets.



**Takashi Saigo**  
President and CEO  
STARLITE Co., Ltd.

#### Comment from the Person in Charge at Ryohin Keikaku

The number of the ITSUMO MOSHIMO Caravan participants and partner organizations in the events has increased each year, and we have been able to communicate the idea of “ITSUMO MOSHIMO—Always ready for emergency” to many people. Going forward, we plan to more consistently monitor behavioral changes among participants, while shifting to store-centered initiatives and enhancing our communication methods, to help share the concept of ITSUMO MOSHIMO throughout Japan.

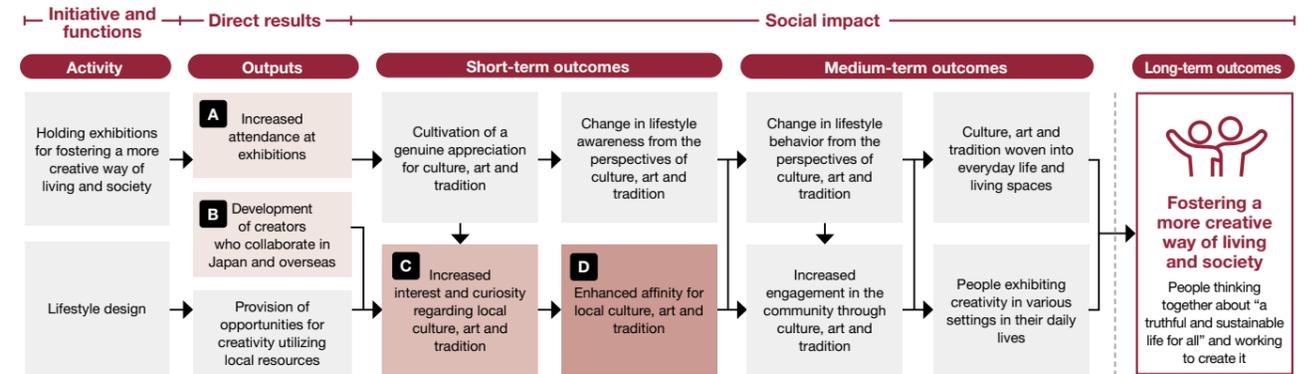
## Culture, Art and Tradition

With “culture, art and tradition” as the themes, we organize various exhibitions and events to introduce MUJI’s ideas, product development process and various other initiatives. We aim to enrich people’s senses through these experiences, and to foster a more creative way of living and society. We are promoting a full range of cultural activities with the main themes of proposing creative lifestyles based on the aesthetics of life, art experiences rooted in daily life and fusion with local culture.

In FY2025/8 we held six exhibitions at ATELIER MUJI GINZA, inside MUJI GINZA, and five at the MUJI Grand Front Osaka store. We held a total of 15 exhibitions at MUJI stores in Tokyo and Osaka, and two exhibitions in Beijing and New York.



### Social Value Creation Process (Impact Logic Model)



### Main Results in FY2025/8 (Impact Indicators)

Outputs	Short-term outcomes	Medium-term outcomes
<b>A</b> Number of visitors to local art events <b>525,000</b>	<b>C</b> Increase in intellectual curiosity <b>79%</b>	<b>D</b> Percentage of people who will recommend the exhibits to others <b>92%</b>
<b>B</b> Number of partner creators <b>240 people and groups</b>		

**SROI of 2.9**

Social return on investment = Impact on society (benefit) ÷ Investment cost<sup>4</sup>

To assess social impact, we evaluated increases in interest in local culture, art and traditions based on survey results as well as art-related sales, opportunities to experience art events, and advertising effectiveness.

Participant feedback and examples of change

- I like the approach of discovering what the idea of MUJI means in each place.
- I learned for the first time about product planning that aligns with Asian cultures.
- The art proposals that make everyday life more enjoyable were wonderful.
- I am actively sharing the appeal of environmentally responsible living.

#### Comment from Partner

One significant achievement was recognizing the potential to evolve from “MUJI,” which rethinks corporate activities through a local lens, toward lowercase and plural “mujis.” I came to realize that global corporate expansion does not have to mean applying one uniform model worldwide. It can instead take the form of engaging with multiple local “vernaculars” rooted in the everyday lives and realities of each community. From the perspective of cultural anthropology, I think companies in the future will be required to develop a dialogue-based approach that continually reexamines how it positions itself. This exhibition also made me aware of elements that are obscured by terms like “users” or “consumers,” which are concepts that do not align well with an anthropological perspective.

**Collaboration Details:** Professor Nakamura wrote a column about “Everyday Living Around the World—Vernacular MUJI: Asia Edition,” from a cultural anthropological perspective. He also participated in related speaking events, engaging in dialogue about MUJI merchandisers and manufacturing in Japan and overseas.



**Yutaka Nakamura**  
Cultural Anthropologist  
Atelier Anthropology LLC  
Professor, Department of Art Studies and Graduate School, Tama Art University

1. Results of a social impact assessment by the Company. 2. Social return on investment (SROI) is determined by assessing the impact on society (benefit) in monetary value, then dividing this by the cost of the investment in the activity. An SROI greater than 1.0 signifies an investment impact. 3. Under the impact logic model, we have qualitatively organized outcomes that we wish to realize through our activities over the short, medium and long terms, and indicators for them. In the SROI assessment, some of the indicators were converted into monetary values. Therefore, it is possible that not all of the impacts have been completely evaluated. 4. Negative impacts could potentially include CO<sub>2</sub> emissions from holding events and transportation by participants; however, these are not included in the assessment. Expenses include venue leasing, setup costs, and personnel expenses, among others.

## Approach to Human Resources and Organizations

Our corporate purpose is to realize “a truthful and sustainable life for all.” As such, our employees act as leaders with a sense of ownership, conducting business activities proactively and independently in ways that benefit the public interest. Therefore, we consider employees to be our greatest form of management capital, and human resource development and organization-building are the cornerstones of our management strategy. Based on our belief that sustainable growth is not possible without investment in human resources, we put people at the heart of our business and are working to strengthen the human resources and organizations that will be responsible for improving our corporate value.

### Key Initiatives

#### 1) Human Resource Plan for Realizing the Eight Drivers for Growth

We have set out a clear human resource plan toward 2030, and are conducting appropriate personnel placement by strengthening recruitment and talent management. In particular, overseas operations are now in a growth phase led by the Southeast Asia Business, and we will put in place organizational structures to support store openings, product development and production management. In addition, we will develop and promote local talent as part of our efforts to localize our operations in each region, and create businesses that contribute to local communities.

#### 2) Employee Skill Improvement and Career Development

We have established systems and continually invest in and support human resource development so that every Ryohin Keikaku employee can set their own goals and enjoy working toward achieving them. As part of that process, we will strengthen human resource development measures to help employees improve their ability to realize “independent store management,” the cornerstone of our business operations. By ensuring that all employees possess a high level of independent store management ability, we aim not only to enhance future profitability but also to foster greater job satisfaction for employees and enable them to take charge of their career development. In addition, we will move away from a strategy of expanding recruitment of mid-career professionals to a focus on promoting and developing internal talent, with the aim of building a sustainable organization and talent base. We are also bolstering career support as part of that effort, and will create an organization in which employees can proactively improve their skills.

#### 3) Improvement of Organizational Culture and Employee Engagement

By promoting operational efficiency, we will improve productivity per labor hour and profitability, and reinvest the resources generated into human capital investment. We will create work environments where our diverse employees around the world can thrive and be active while balancing life events with meaningful and challenging work. Furthermore, to realize the ideal organizational culture, we are making improvements in areas such as the percentage of women in managerial positions and the percentage of non-Japanese in management in overseas operations, and will continue to roll out comprehensive, flexible measures to support those efforts based on our approach that puts people at the heart of our business.

### Striving to Be a Socially Beneficial Company That Grows with Employees

Ryohin Keikaku, which states in its corporate purpose the goal of realizing “a truthful and sustainable life for all,” has many employees who want to contribute to society and people. I think this is very rare in the business world. Based on our management strategy, our human capital strategy is to support employees in finding ways to contribute to society and people through Ryohin Keikaku’s business activities, and to help them achieve self-fulfillment by tackling those challenges. We continue to establish and improve various personnel systems so that employees can tackle the social and community issues they are passionate about. First, our evaluation and compensation system was redesigned starting in 2022. The clearer job grade system means that employee growth and performance are reflected in compensation more quickly. In 2024, we transitioned to a fixed annual salary and introduced a “performance-linked points system” that utilizes stock held in trust. This system, together with the “challenge expectation points system,” which rewards employees who set ambitious targets, helps them with long-term asset building, and is creating an environment where they can confidently take on challenges.

In addition, the training system is also becoming more sophisticated with the enhancement of independent store management, and we are establishing the foundation for employees who have acquired the skills for such type of management to play an active role in various areas, including headquarters functions and overseas operations. We will continue to spare no expense in investing in human resources, and will support employees in taking on challenges. Although many of our employees are women, the percentage of women in managerial positions is still only 33.2%, so that remains an issue. Based on our belief that the empowerment of diverse employees leads to Ryohin Keikaku’s growth as a company, we will focus on this issue in particular, and will carry out initiatives to make ourselves a place where anyone can take center stage and flourish, and where it is easy for employees to continue working. Ryohin Keikaku is pursuing growth around the world and is working to evolve as a global company, with its eight drivers for growth as guideposts. This is a major challenge, but we will work to be a global enterprise where employees can grow along with the Company, and maintain physical and mental well-being. To that end, we are building an organizational culture and systems that will enable our employees in each region to find fulfillment in work that achieves “a truthful and sustainable life for all,” and enjoy career advancement.



**Yoshimasa Tsuji**  
Executive Officer  
In charge of Human Resources Division

## Human Resource Strategy for Realizing the Eight Drivers for Growth

We are optimizing our organizational infrastructure and promoting appropriate job placement and human resources training to support business expansion in Japan and overseas.

### Human Resource Strategy in Japan Business Expansion

We are implementing a human resource strategy linked to our ongoing domestic store opening strategy, with a focus on recruiting and training people for work in sales divisions. We seek human resources who deeply resonate with and are committed to helping us realize our corporate purpose and missions. In addition to proactively recruiting new graduates and local employees, we also hire mid-career professionals and offer career advancement opportunities to current store staff. In FY2025/8, we expanded recruitment of new university graduates in particular, and a record-high 478 people joined the Company during the year. We also enhanced training of existing store staff, and as a result, the number of people taking the internal promotion exam grew 22% compared with the previous year. Based on our concept of “People do the selling,” we provide training to help employees practice independent store management. Utilizing data to visualize employee growth, we are promoting on-the-job training tailored to each individual, and are expanding the education trainer system and improving the content of education programs to enhance training for all staff members.

### Human Resource Strategy in Overseas Business Expansion

Our overseas operations are in a growth phase centered on the Southeast Asia Business, and we are developing a human capital foundation through education and organizational systems to support that growth. We are also dispatching staff who have excelled in our domestic business to overseas locations, so that the know-how cultivated in Japan can be applied to store openings overseas. In addition to sales promotion, we will also gradually expand our efforts in areas such as product development, product planning, and management, and will dispatch people from Japan to support those functions. At our headquarters in Japan, we have established teams to support overseas operations, and clarified the support strategy and the people in charge in each division. In this way, we are creating a system for further supporting the growth of overseas operations. We are also building a platform for sharing information and tools to enable smoother business collaboration. In terms of education, we provide training programs in the Japan Business in multiple languages, and are carrying out a renewal of our overseas dispatch training. We are also considering measures such as a short-term internship program in the Japan Business to develop leadership candidates for overseas operations. In addition to sending employees from Japan overseas, we are developing a common global mobility policy and personnel system to facilitate transfers and short-term assignments between overseas operations. Furthermore, to facilitate the autonomous growth of overseas operations, we have established the Global Human Resources Committee, and are training and promoting local employees in each region with a view toward future localization of management.

### Strengthening Headquarters Functions to Support Manufacturing Globally

At Ryohin Keikaku, our policy is to strengthen product development in overseas operations while continuing to enhance production management functions. This is an important measure that will help us realize our business plan, which is aimed at further global growth. The policy encompasses a wide range of production-related objectives, including stable procurement of raw materials, quality control and reduction of costs. Strengthening human resources and building an organizational foundation to support manufacturing globally is a key initiative for achieving our goals. In particular, we have created a human resource plan for the period up to 2030 in coordination with managers from local organizations including MUJI GLOBAL SOURCING, a product development and production management subsidiary, with a focus on the Southeast Asia Business, which is in a growth phase. In addition, we are transferring Production Division employees from Japan. At our headquarters in Japan, we are enhancing the human resources involved in global manufacturing, through recruitment of professionals from outside the Company and promotion of in-house talent.

### Interview with an Employee

The mission of MUJI GLOBAL SOURCING (MGS) is to practice “production area-led manufacturing” at the production site. In addition to completing production and quality control at the production site, we strive each day to generate ideas from the production side—ideas for products that embody our philosophy of “this will do,” made possible by a deep understanding of producers’ circumstances, as well as supply chain ideas that benefit local people and communities. Organizational improvements are essential for achieving that goal. At MGS VIETNAM, we are conducting local recruiting of people who have acquired high-level business skills at global companies, and together with members dispatched from Japan, we are becoming a highly diverse organization. The way things are done in Japan does not necessarily work here, nor can we simply follow local customs. We need to create a whole new organization and culture as part of the Ryohin Keikaku Group. There are many challenges, including the language barrier and the accessibility of IT systems, but we are working to resolve those issues through in-depth discussion with the Production Division, Human Resources Division, and other management divisions in Japan. Recently, we held a team-building event, making time for all employees to talk about our vision and mission as an organization. The ideas brought up at that time are now being implemented by employees themselves as a cross-functional improvement project. Although we face the difficulties of establishing a new organization every day, we will foster an organization and culture that achieves “production area-led manufacturing,” while valuing global collaboration and team-building.



**Takaaki Ozora**  
General Director  
MUJI GLOBAL SOURCING VIETNAM

# Employee Skill Improvement and Career Development

Our employees possess high-level skills, and we will link those skills to greater job satisfaction and proactive career development.

## Training Store Employees Who Will Promote Independent Store Management

The core of Ryohin Keikaku's business is the operation of MUJI stores, and our top priority is developing talent who are capable of supporting new store openings in Japan and overseas, contributing to local communities and meeting customer needs. We are clearly defining the skills needed in independent store management, including the ability to set store business policies, oversee budgeting, create sales spaces, and develop product inventory and sales plans. We aim to create a situation where store employees, including store managers, acquire these skills and serve as local business owners, thereby providing customers with an even better shopping experience. To that end, we are providing training on the theory and practice of independent store management, while working to maximize the effectiveness of our "People do the selling" concept. Specifically, we have introduced a manual-based learning system to instill the business skills necessary for independent store management, and are tracking each employee's training course attendance, completion of e-learning and acquisition of business skills. This provides space for effective on-the-job training (OJT) tailored to each employee's progress and weak points, while providing the framework that ensures the steady acquisition of necessary skills. Furthermore, we believe that through this system, which enables employees who have acquired independent store management skills to apply those skills in overseas operations and at headquarters, we can contribute to the career development of employees.

## Training of Store Staff

We are developing trainers who are tasked with training store staff in order to build a framework for developing staff working at each store nationwide. Such training supports the development of store staff at each individual store. In FY2025/8, such training was conducted for approximately 400 people, and we are seeing the emergence of stores and regions that autonomously develop human resources. As part of our concept of "People do the selling," we are strengthening development of specialized sales skills. We are also making progress in the development of health and beauty (H&B) advisors, one of those skills. As part of this program, we held a Group-wide role-playing contest in FY2025/8. Currently, there are more than 500 H&B advisors throughout Japan, and we are also developing 40 senior H&B advisors with high-level skills.



Senior H&B advisor role-playing contest

## Quality Control and Industrial Engineering Training

We emphasize quality control and industrial engineering<sup>1</sup> as basic skills that drive improvements in operations and problem-solving, so that employees can take the initiative in making improvements in operations or service in their own stores and divisions. In addition to incorporating quality control and industrial engineering training into new employee training, we have introduced e-learning materials, and more than 500 people have taken those e-learning courses to date. With these and other measures, we are steadily embedding this way of thinking. We are also enhancing systems to support employees who undertake improvement activities, and examples that lead to results are shared with the whole Company. By instilling the ideas of quality control and industrial engineering throughout the Company, we will develop a corporate culture of proactiveness and independence, and significantly expand cost-saving benefits through improvement activities.

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.

## Interview with an Employee

I came on board as a new graduate in 2022, and after working at several stores, I became the store manager of MUJI Kinshicho PARCO in 2025. The store is located in central Tokyo, and has a sales floor area of over 800 *tsubo* (approx. 2,640 m<sup>2</sup>). It plays an important role in providing MUJI's value to the many customers who live in the neighborhood. It was a big challenge for me, since I had only been with the Company for three years when I was appointed, but soon after taking up this position I conducted a market area analysis to learn what kind of customers we had. We have since improved our business operations, sales floors and services without compromise, mainly by asking, "How does this look from the customer's perspective?" and we won the Store Award at the Good Meeting.<sup>2</sup> What has stuck with me most through working at stores is the power of presenting a vision. I have had many opportunities to be in charge of implementing new services and business improvement projects, but to involve people around me as a leader I need to show them a long-term goal and vision, not just near-term results. The principle I always rely on is taking the perspective of customers. By seeking answers this way, I feel that the viewpoint of the whole organization has naturally been elevated, and the groundwork has been established for enjoying doing business. Based on my belief that being useful to the customers of our own store is the essence of independent store management, and also leads to sales, I work hard every day to create a store where employees can enjoy doing business and feel a sense of pride. Beyond that, I will use the skills cultivated in the store to pursue challenges in even bigger fields.



**Keisuke Shotaka**  
Store manager  
MUJI Kinshicho PARCO

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

## Career Development

Based on the idea that employees are the owners of their careers, we have established career-building support and talent management programs to assist employees with career development. In FY2025/8, we held career design workshops to foster awareness of proactive career building among employees and to support them in doing so. The workshop was aimed at new graduate hires and store managers. In the future, we plan to conduct career coaching training for managers to further strengthen our system for supporting employees in building their careers.

To help employees to regularly reflect on their career plans and provide them with the opportunity to discuss them with supervisors, we have employees submit a career statement every six months and hold career consultations with their supervisors. Information on employees' work experience and career orientation is effectively used to explore future assignment possibilities, and leads to expansion of career opportunities. In their career statements, 82.2% of employees answered that "There are things I want to achieve at Ryohin Keikaku," and we consider this an indicator of how well we are fostering an organizational culture in which every employee thinks proactively and challenges themselves.

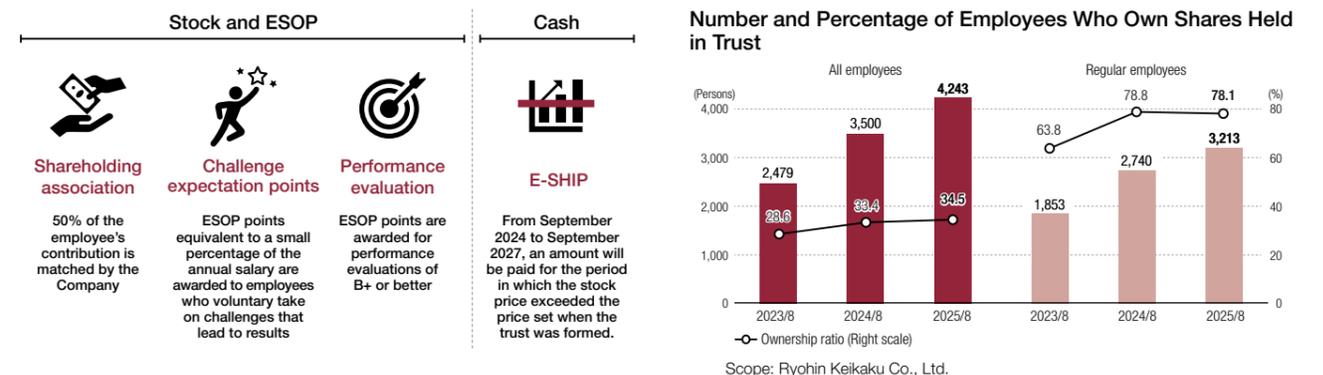
To make it easier for employees to imagine their career path, we are utilizing our in-house website's career development page to increase the number of articles on employees who serve as role models. In addition, we hold the "Division Festival," an exchange program where employees from various divisions can freely talk with each other. In Team ESG,<sup>3</sup> a publicly solicited initiative in which over 500 employees participate, each division presents its various initiatives related to sustainability, and participants not only gain knowledge, but can also use it as an opportunity to explore their career path. As part of our efforts to provide and promote learning opportunities for individuals, we offer language learning assistance and business skill e-learning to support employees in improving areas that will lead to career advancement.

For talent management, the Domestic Human Resources Committee convened and set a clear management promotion plan. Based on that, we are now proceeding with selection and promotion of successor candidates for executive officer and management positions. We are actively recruiting and promoting female managers, and the percentage of women in managerial positions increased to 33.2% at the end of FY2025/8, up 3.4% year on year. The Diversity Committee also continued to meet. This committee is composed of executive officers, managers and deputy managers, and selected employees from relevant divisions, including the Human Resources Division, the Sales Division, and the Public Relations & ESG Management Development Division, with women making up more than half of the committee members. Through interviews with people in each division, we are working to empower and expand opportunities for female managers, investigate the causes of resignations and implement countermeasures.

3. See page 74 for details.

## Co-owned Management

We believe that it is important to foster a sense of ownership and management awareness among employees. It is also important to create an environment that empowers employees to confidently take on challenges over the medium to long term and be able to build assets. To this end, we have introduced a medium- to long-term compensation system that utilizes stock-based compensation. By enabling employees themselves to become shareholders (owners) of Ryohin Keikaku, we aim to create a virtuous cycle in which increases in corporate value resulting from business activities are passed on 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 all 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 points 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 and achieve work progress, 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. In FY2025/8, about 1,700 employees participated in the challenge expectation points program. From June 2024, we also began awarding ESOP points to regular employees whose performance evaluations exceeded a certain level. In FY2025/8, we worked to increase awareness of co-owned management in ways such as holding multiple briefings on the benefits and risks of owning stock, including for partner employees. As a result, membership in the shareholding association increased significantly. Approximately 78% of regular employees own shares held in trust. As such, we are taking steps to increase the stock market literacy of employees. At the same time, we are helping them to gain a firmer grasp of our business conditions, including financial performance and business plans, and providing them with opportunities to understand how we are evaluated by the stock market. By doing so, we are empowering them to understand how their own work, our current business performance and future corporate value are interconnected, and how stock price increases and dividends will benefit them. We are working to further foster employee ownership.



# Improvement of Organizational Culture and Employee Engagement

To create the ideal organizational culture, we will establish a workplace environment where diverse employees can thrive.

## Culture and Engagement Survey

In the Ryohin Keikaku Group, we conduct a Culture and Engagement Survey of all Ryohin Keikaku Group employees,<sup>1</sup> 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 a total of 52 questions<sup>2</sup> categorized under 27 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.<sup>3</sup>

1. Conducted in 12 regions around the world (excluding dispatch employees)

2. Consists of 46 original questions and 6 general questions.

3. Please note that the implementation of this survey and the tabulation of responses have been entrusted to a third-party organization.

### Three Indicators

We focus on three indicators: “I resonate with the corporate purpose,” “My work is useful to society” and “I feel attached to the company.” These three indicators are the driving force for realizing “a truthful and sustainable life for all” through the efforts of each and every employee. Each of the indicators is calculated based on the responses to preset questions. We plan to conduct the next Culture and Engagement Survey in 2026.

Category		November to December 2022	July to August 2024
Indicators	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%

## Five Organizational Issues Identified

Five issues that we should focus on to achieve our ideal organizational culture were identified from the results of the Culture and Engagement Survey and the stress checks conducted every year. These are issues that have been building up for years, and they will require sustained and fundamental countermeasures. In addition, as the business landscape and related issues and culture are different in each region, we will formulate specific solutions while coordinating with the heads of business operations in each region as well as the Human Resources Division.

Identified Issues	Ideal Situation
Heavy physical and psychological burden on employees	Efficient work practices and positive work environments
Communication issues between supervisors and employees	Open, inclusive communication that respects the strengths and values of employees
Dissatisfaction with treatment of regional employees	Fair and sufficient compensation
Issues related to interdivisional collaboration	Prompt information sharing and interdivisional collaboration
Ongoing harassment issues	A workplace where diverse employees can work with peace of mind

### Efficient Work Practices and Positive Work Environments

Ryohin Keikaku currently has 22,064 employees working at stores throughout Japan. Store work may involve relocation, shifts on public holidays and night work. We are establishing systems to maintain a healthy and flexible work style for employees. In FY2025/8, we began trial implementation of a multi-management system in which multiple store managers are assigned to a single store. The goal is to reduce long working hours and promote the use of paid leave by dividing the store management workload among multiple people. At headquarters, we are establishing etiquette and rules for conducting efficient meetings, and are improving the office environment in ways such as expanding floor space. In addition, by investing in IT we are making progress in streamlining operations, including store operations. We have created a dashboard that shows how much paid leave each employee has taken, and a system that allows management to easily monitor and review it. Other Company-wide measures include setting recommended periods for taking vacations, and encouraging people to take pre-planned vacation time. As a result, the percentage of annual paid leave taken was 52.3% in FY2025/8, an improvement of 3.6% from the previous fiscal year. For FY2026/8, we have decided to increase annual paid leave by one day.

### Open, Inclusive Communication That Respects the Strengths and Values of Employees

Open, inclusive communication that ensures psychological safety contributes to a mentally healthy workplace, while communication that respects the strengths and values of employees helps bring out their abilities and supports them in taking on challenges and achieving success. Based on survey results, we identified a lack of communication between supervisors and employees as an issue, and in response we recommended one-on-one meetings and also conducted one-on-one training for people in managerial positions. As our organization grows more diverse, we are promoting effective communication according to each person’s abilities and desire, with employees taking leading roles and supervisors providing them with attentive support.

### Fair and Sufficient Compensation

To encourage employees to stay with the Company for a long time with peace of mind, it is important that they are paid adequate compensation. In September 2025, we revised the overall compensation table in the Japan Business, and raised the salary of regular employees by up to about 9%. We also reassessed the wage system of regional employees, who work only in specific regions without the possibility of nationwide transfers, and set the salary levels, which had varied depending on the region they worked in, at a uniform level. We also revised the upper limit of job grades for regional employees, enabling them to now reach higher grades. We also revised the compensation limits. In addition, we increased the rent subsidy rate of company housing for regional employees assigned to stores from 20% to 70% in cases involving Company-mandated relocation, and removed the time limit.

### Prompt Information Sharing and Interdivisional Collaboration

Our policy is to quickly disclose information on the Company’s direction internally with a high degree of transparency. Accordingly, we continue to hold forums for management to directly explain Company-wide management policies and key issues to employees and exchange opinions, such as the Presidents’ Roundtable where the president converses with employees, and the Store Staff Meeting where executive officers and division managers talk with nationwide store staff. In FY2025/8, 150 staff meetings were held across Japan, during which views were exchanged with a total of approximately 2,200 staff members. In addition, in MUJI Dialogue, a monthly online meeting for all employees, we share the state of business performance, and directors talk about the initiatives being carried out in the divisions they supervise.

### A Workplace Where Diverse Employees Can Work with Peace of Mind

Harassment prevention is one of the issues Ryohin Keikaku has identified as a priority human rights issue. In FY2025/8, messages from directors about harassment prevention were sent out Company-wide, conveying their commitment to this as a management priority. We view harassment as a serious issue, and based on an acknowledgment that we failed to take fundamental preventive measures for a long time, we will implement sustained, long-term initiatives going forward. As one of those initiatives, we offer an educational program to help employees fully understand harassment prevention. Approximately 17,000 people participated in FY2025/8, about 7,000 more than in the previous fiscal year. This was the second time this program was conducted on a scale that covered all employees, regardless of office organization.

In addition, we are taking various other measures, such as putting up anti-harassment posters, creating a dedicated internal portal website, and publishing content including a manga series as a way to make this topic feel more familiar to employees.

We have established a Basic Policy on Harassment from Customers in response to increasing social concern and are implementing preventive and response measures.

4. See page 87 for more details.

Basic Policy on Harassment from Customers ▶ <https://www.ryohin-keikaku.jp/en/sustainability/co-worker/customer-harassment>

### Interview with an Employee

Ryohin Keikaku puts people at the heart of its business, and we make it a priority to create a corporate culture and working environment that can support employees’ proactive and independent contributions to society. Therefore, one feature of the Culture and Engagement Survey is that it contains many original questions about corporate culture. In particular, we recognize that the three elements of resonance with our corporate purpose and philosophy, resolution of social issues, and engagement are important perspectives for bringing us closer to realizing our ideal organizational culture. Another feature is that survey results are analyzed and improvement measures are planned and implemented not only throughout the Company as a whole, but also at the store and division level. We think that transformation at business sites is important for achieving autonomous management at the store level (i.e., independent store management), in which store managers think for themselves and take action. Therefore, partner employees and part-time staff, who are the backbone of our stores, are also included in the survey. Nearly all employees around the world take the survey. In addition, we are building a system in which dedicated staff from the Human Resources Division lend support for uncovering the different challenges in each organization, coming up with countermeasures and implementing them. The Culture and Engagement Survey is a key initiative that is the driving force in our commitment to putting people at the heart of our business. The next survey is scheduled to take place in 2026. We will use it to provide stronger support to overseas operations, and to create better working environments for our employees around the world as a global company.



**Jasun Choi**  
Deputy Manager  
Global Human Resources  
Department, Human  
Resources Division

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

# Stakeholder Engagement

Our management policy is to practice “public interest and people-centered management,” where our employees have a sense of ownership and take leading roles in our business activities, and the actions of our locally rooted stores, employees and associates contribute to making a positive impact on society. 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 business 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 stakeholders appropriately.

Stakeholder Engagement ▶ <https://www.ryohin-keikaku.jp/en/sustainability/governance/stakeholder-engagement>



## Customers

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

### Customer Relations Office

The Customer Relations Office 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. We have also introduced an FAQ system utilizing generative AI and provide support to help customers resolve issues on their own.

### 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.

### “Baumkuchen Created by Everyone 2026” Co-Creation Campaign with Customers

“Baumkuchen Created by Everyone,” which originated from staff ideas and was commercialized based on customer voting in FY2024/8, was followed in FY2025/8 by the launch of the second phase, “Baumkuchen Created by Everyone 2026.” We also invite customers to submit ideas via our official social media channels to create new locally inspired flavors of baumkuchen. We plan to launch the new items in 2026.



“Baumkuchen Created by Everyone 2026”

## 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 and ask our production partners to comply with the Code of Conduct for Production Partners.

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

### Communication with Production Partners

We aim to develop products 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 sites 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, manufacturers and producers.



Visiting production partners

### Training for Production Partners

We regularly hold study sessions for production partners to share the Ryohin Keikaku Group’s approach to respecting human rights, the Code of Conduct for Production Partners, initiatives to respect human rights throughout the supply chain, as well as our ESG management and product development policies and approach to quality control. In December 2024, we held study sessions for all Tier 1 production partners involved in apparel and household goods, with more than 70% participating. In July 2025, we held a briefing for the same target group titled “CO<sub>2</sub> Calculation for Organizations and Products Toward Building a Sustainable Supply Chain.” More than 200, or about 70%, of our production partners attended, after which a recording of the event was also made available. Our Food Merchandising Division conducted a study session during FY2025/8 for all production partners involved at the Tier 1 level.

Human Rights Due Diligence ▶ <https://www.ryohin-keikaku.jp/en/sustainability/human-rights/due-diligence>

### Supplier Hotline

The supplier hotline has been established as a contact point for whistleblowing reports from suppliers. The supplier hotline is available to production partners in Japan that have business relationships with Ryohin Keikaku, including factories.

Supplier Hotline ▶ <https://www.ryohin-keikaku.jp/en/sustainability/supply-chain/hotline>

## Shareholders and Investors

We engage in a variety of IR activities to promote constructive dialogue with shareholders and investors both in Japan and overseas, with the aim of sustainable growth and the medium- to long-term improvement of corporate value. We value dialogue with a broad range of stakeholders, including institutional and individual investors in Japan and overseas. Feedback and suggestions obtained through communication is reported to management and the Board of Directors and reflected in our business management. Through these IR activities, we are working to enhance our credibility in the capital markets and ensure an appropriate evaluation of our corporate value.

### Engagement with Analysts and Institutional Investors

In addition to financial results briefings, we engage in dialogue with investors in various formats, including small-scale meetings and individual meetings. In FY2025/8, we resumed overseas investor visits (roadshows) by the president for the first time since the COVID-19 pandemic. We also participated in overseas conferences hosted by securities firms, further expanding engagement with global investors. Moreover, we made efforts to deepen their understanding of our governance and ESG initiatives through small-scale meetings with independent directors and institutional investors, and dialogue with the representatives in charge of proxy voting and ESG. At our first-ever ESG briefing, which was attended by more than 100 investors and media representatives, we explained our ESG management initiatives. In addition, through the product exhibitions and store visits we conducted, we provided opportunities for people to directly experience the value and background of our products and stores. These initiatives help deepen understanding and strengthen trust.

Engagement with Analysts and Institutional Investors	FY2024/8	FY2025/8
Individual IR meetings	390	513
Conferences organized by securities firms	6	12
Overseas roadshows	–	1
Small-scale meetings with independent directors	1	1
Meetings with representatives in charge of proxy voting	10	8
Product exhibitions	2	2
ESG briefing	–	1



Dialogue with independent directors and institutional investors

### Engagement with Individual Shareholders and Investors

We provide numerous opportunities for dialogue to strengthen medium- to long-term relationships with individual shareholders and investors. The General Meeting of Shareholders is held on a public holiday to make participation easier. In FY2025/8, in addition to the Shareholder and Fan Meeting events we had previously held, we conducted large-scale shareholder meetings exclusively for individual shareholders in Tokyo, Osaka, Nagoya and Fukuoka. Through direct communication with individual shareholders, we provide opportunities to deepen understanding of Ryohin Keikaku’s management policies and business operations. As a result, the percentage of long-term (more than 3 years) individual shareholders increased from 21% in FY2024/8 to 30%.

Engagement with Individual Shareholders and Investors	FY2024/8	FY2025/8
Number of attendees at the General Meeting of Shareholders (including online participants*)	947	1,118
Shareholder and Fan Meeting events	13	18
Total attendance at Shareholder and Fan Meeting events	393	811
Percentage of long-term (more than 3 years) individual shareholders	21%	30%



Shareholder and Fan Meeting event at MUJI Grand Front Osaka

\* The number of online participants indicates the total number of accesses.

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

**First ESG Briefing Held by Ryohin Keikaku**

In May 2025, Ryohin Keikaku held its first ESG briefing for investors and media representatives. Based on our concept of “making ESG our core business strategy,” the president and directors in charge of various divisions gave presentations on the business potential of resource circulation, and on environmentally and socially responsible products in the categories of apparel, household goods and food. In addition, we introduced our environmentally and socially responsible products and resource circulation initiatives through actual product exhibitions and food tastings.



**Governments**

**Co-hosted Our Largest ITSUMO MOSHIMO Caravan Event in Niigata Prefecture**

To mark the twentieth year since the Chuetsu Earthquake, we collaborated with the Niigata prefectural government to co-host “ITSUMO MOSHIMO Caravan Niigata” in Niigata City in September 2025. Our goal was to communicate the message that disasters are not extraordinary events but a part of daily life, and to emphasize the importance of being prepared. There were a record 88 exhibit booths, including the “Memory Lounge for Passing Down Stories,” where visitors could freely converse with storytellers from disaster-impacted areas across Japan, such as Iwate, Fukushima, Niigata, Hiroshima and Kumamoto. The event attracted over 16,000 participants. In addition, through the panel exhibition at “BOSAI Kokutai 2025 in Niigata” and our participation in “Niigata Disaster Prevention Industry Exhibition” held at the same time, we introduced our approach to disaster preparedness, ITSUMO MOSHIMO, and the related activity, ITSUMO MOSHIMO Caravan.



ITSUMO MOSHIMO Caravan Niigata

**Use of Domestically Produced Wood in Store Fixtures**

Under the Agreement on the Promotion of the Use of Wood in Buildings Relating to the Expansion of Wood Use signed with the Ministry of Agriculture, Forestry and Fisheries in 2023, we are working to further utilize domestically produced wood not only for store construction but also for in-store fixtures. In addition, we actively use forest-certified wood (including FSC,<sup>1</sup> PEFC<sup>2</sup> and SGEC<sup>3</sup>) for some shelves of product display fixtures, contributing to sustainable wood use and the conservation of a rich natural environment.

- 1. Forest Stewardship Council (FSC): An international forest certification system that promotes responsible forest management.
- 2. Programme for the Endorsement of Forest Certification (PEFC): An international forest certification system that provides mutual recognition among national forest certification frameworks worldwide.
- 3. Sustainable Green Ecosystem Council (SGEC): A Japan-based forest certification system.



Item display fixtures with shelves made using SGEC Forest Certified wood

**Local Communities and Society**

We work to understand and make a deep connection with communities, while collaborating with people involved in self-help, mutual assistance and regional revitalization activities.

**Town Hall Meeting Events**

We hold Town Hall Meeting events with a focus on co-creation with local communities in a small group format. These events are planned and hosted by the employees of each store, mainly at large stores and flagship stores. In FY2025/8, we held a total of 58 events including Shareholder and Fan Meeting events, with 1,938 participants.

**Building a Community-Driven Collaborative Team in Hiroshima Prefecture for Self-Help and Mutual Assistance in Disaster Preparedness**

In Hiroshima, the prefecture with the highest number of landslide disaster hazard areas in Japan, we are working closely with local community members, students, consumer cooperatives, disaster-prevention experts and other stakeholders to promote community-driven collaboration. The ITSUMO MOSHIMO Caravan, first held in 2022 at MUJI Hiroshima Alpark, has expanded into Tarareba Bosai, an annual disaster-preparedness event in Hiroshima Prefecture. We also regularly hold seminars on everyday disaster preparedness at our stores and provide support by supplying emergency kits to local preschools, among other measures.



Disaster-preparedness event

**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.

**Strengthening Internal Communications**

Ryohin Keikaku holds in-house meetings in various forms as opportunities to share the Company’s philosophy, business condition, and daily business activities as it works toward its ideal structure. Among these are Staff Meeting events, where the approximately 20 executive officers working in Japan go to MUJI stores in Japan and talk 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 FY2025/8, approximately 2,200 people participated in the events. Executive officers share Ryohin Keikaku’s philosophy and policies with store staff, while also receiving feedback on the current state of stores to understand what issues need to be addressed. With this understanding, discussions are held to work toward the realization of our vision. This also helps us to stay informed of customer needs and the problems of stores in a timely and detailed manner.



Staff Meeting

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 and exchange of opinions and Q&A session

**MUJI NEWS (In-house Newsletter)**

MUJI NEWS serves to communicate Company-wide initiatives, policies and other topics. It provides employees with a more thorough understanding of how their own work and day-to-day actions are connected to the Company’s initiatives. We regularly communicate information in multiple formats—including paper materials, videos and the Company intranet—to accommodate the diverse work styles of our employees. Through MUJI NEWS, we aim to foster an organizational culture where employees are able to think and act on their own, and actively participate in the Company’s growth and evolution.



MUJI NEWS (In-house newsletter)

**Publicly Solicited Initiatives**

In aiming to create a corporate culture of proactiveness and independence, we have also been actively developing publicly solicited initiatives. More than 500 people currently participate in Team ESG, which started in 2023 as a group of employees with strong interest in achieving sustainability. Their activities go beyond the scope of their daily work, and include both online and offline study sessions twice a month or more on topics such as climate change, biodiversity and human capital. Furthermore, we also hold a one-night, two-day ESG Exploration Camp at a MUJI campsite to foster cross-divisional connections. We aim to foster a corporate culture in which every employee internalizes our ESG management and sustainability principles, incorporating them into their daily work.



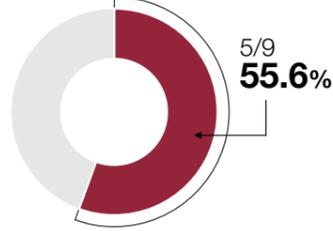
ESG Exploration Camp

Basic Information

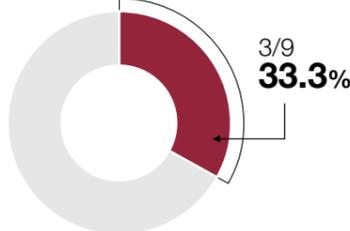
# Directors and Corporate Auditors (As of November 23, 2025)

To realize our corporate purpose, we will select directors and corporate auditors who have the appropriate experience and knowledge and who will increase the diversity of the Board of Directors and Board of Auditors. In doing so, we will promote candidates from inside the Company and bring in people from outside.

Ratio of Independent Directors to All Directors



Ratio of Female Directors to All Directors



Competency	Prerequisite
Overall corporate management	The Board of Directors needs to make decisions after engaging in frank discussions of medium- to long-term strategies. We have therefore selected diverse knowledge of corporate management that is not limited to a particular industry as a prerequisite.
Operations	Stores are central to our business, and effective operations and expansion are crucial to our competitiveness. We have selected expertise in financial and accounting management, or related experience or knowledge, as a prerequisite.
Finance and accounting	We have selected expertise in financial and accounting management, or related experience or knowledge, as a prerequisite.
Business entrepreneurship and social entrepreneurship	We have selected knowledge about business entrepreneurship and social entrepreneurship as a prerequisite for achieving our corporate purpose.
Technology	We aim to create services that make good use of technology as a tool and to improve convenience for our stakeholders. We have therefore selected knowledge about digital and technology management as a prerequisite.
International mindset	Achieving our corporate purpose requires us to contribute to various regions around the world through store development and product manufacturing. We have therefore selected knowledge that includes experience in an international environment as a prerequisite.
Humanities and the arts	We have selected understanding of the culture and history of the regions we serve and knowledge of the arts and design as prerequisites for achieving our corporate purpose.
Sustainability and diversity	We position achieving sustainability and diversity at the core of our business activities in order to achieve our corporate purpose. We have therefore selected an understanding of social issues such as sustainability and diversity and a strong desire to address those issues as prerequisites.
Administration and risk management	We have selected knowledge of personnel and labor affairs, finance, legal affairs and risk management as a prerequisite for achieving our corporate purpose.

	Name	Current position	Attendance at meetings of the Board of Directors (FY2025/6)	Number of shares owned/Years in office	Reason for appointment		Overall corporate management	Operations	Finance and accounting	Business entrepreneurship and social entrepreneurship	Technology	International mindset	Humanities and the arts	Sustainability and diversity	Administration and risk management	Meetings and Committees				Concurrent positions		
																Board of Directors	Nomination Advisory Committee	Remuneration Advisory Committee	Board of Auditors			
	<b>Satoshi Shimizu</b>	President & Representative Director	13/13 (100%)	41,200 shares/ 10 years, 6 months	Mr. Shimizu has management experience in the areas of product development, sales and overseas operations, and possesses extensive insight into the Company's key business domains. Given his central role in promoting global business initiatives, the Company expects him to make a significant contribution as a director.		○	○				○	○	○	○	○	◎	○	○		• Director, MUJI HOUSE Co., Ltd.	
	<b>Hirotaka Takahashi</b>	Member of the Board of Directors and Senior Executive Officer	10/10 <sup>1</sup> (100%)	22,400 shares/ 1 year	Mr. Takahashi has broad management experience in the retail industry and extensive expertise in product development, quality control, sales and ESG. In light of his central role in the Company, he is expected to contribute as a director.		○	○			○			○	○	○	○	○	○			
	<b>Takahiro Miyazawa</b>	Member of the Board of Directors and Senior Executive Officer	— <sup>2</sup>	16,400 shares/ Newly appointed	Mr. Miyazawa has extensive business experience at corporations, knowledge related to business expansion utilizing digital technologies, and insight into the promotion of circular business models. He has also been playing an important role as a member involved in developing the Company's growth strategy, and is expected to contribute as a director.		○	○			○			○	○	○	○	○	○			
	<b>Jun Yokohama</b>	Member of the Board of Directors and Senior Executive Officer	— <sup>2</sup>	19,400 shares/ Newly appointed	Mr. Yokohama has experience in management consulting and corporate management, and possesses insight into a wide range of management reforms. We expect Mr. Yokohama to provide valuable suggestions and advice as a director.		○	○	○	○		○			○	○	○	○	○		• Outside Director, AI Medical Service Inc. • Managing Director, MUJI ENERGY LLC	
	<b>Atsushi Yoshikawa</b>	Independent Director	13/13 (100%)	9,600 shares/ 7 years, 6 months	Mr. Yoshikawa is expected to draw on his extensive experience and broad insight as a corporate manager to continue contributing as an independent director to the sustained growth and increased corporate value of the Company.		○		○		○	○	○	○	○	○	○	◎	○		• Director and Member of Audit and Supervisory Committee, Asset Management One Co., Ltd.	
	<b>Kumi Ito</b>	Independent Director	13/13 (100%)	2,800 shares/ 3 years	Ms. Ito has deep insight into management related to digital technology and healthcare as well as experience as an outside director at several companies. We expect Ms. Ito to provide valuable suggestions and advice.		○			○	○			○	○	○	○	○	○		• Outside Director, Sompco Care Inc. • Outside Director, True Data Inc. • Executive Director, Tsukuba University • Managing Partner, Office KITO GK	
Outside	<b>Yuriko Kato</b>	Independent Director	13/13 (100%)	0 shares/ 3 years	Ms. Kato is expected to give valuable suggestions and advice based on her expert knowledge in agricultural and digital businesses. She also has deep insight into corporate management based on her experience as an entrepreneur and as an outside director at several companies.		○			○	○			○	○	○	○	○	○		• CEO, M2 Labo. Inc. • CEO, Vegibus Inc. • CEO, M2Labo Bharat Private Limited • Representative Director, Vegibus Dining Inc.	
	<b>Mayuka Yamazaki</b>	Independent Director	13/13 (100%)	0 shares/ 3 years	Ms. Yamazaki is expected to give valuable suggestions and advice from various points of view. She has experience at an international post-graduate business school and as an outside director at several rapidly growing start-up companies. She is also well versed in traditional culture and art as a practitioner of Japanese flower arrangement.		○			○			○	○	○	○	○	◎	○		• Outside Director and Audit and Supervisory Committee Member, M3, Inc. • Outside Director, RENOVA Inc.	
	<b>Kazuhiro Higashi</b>	Independent Director	— <sup>2</sup>	0 shares/ Newly appointed	Mr. Higashi has experience in financial affairs and management administration in the banking industry, as well as extensive management-related know-how. He has held key positions in several economic organizations and has served as an outside director at several corporations. We expect Mr. Higashi to provide advice from a broad perspective.		○	○	○			○			○	○	○	○	○		• Outside Director, SOMPO Holdings, Inc. • Outside Director, Honda Motor Co., Ltd. • Senior Advisor, Resona Holdings, Inc. • Senior Advisor, Resona Bank, Limited • Vice Chairperson, Osaka Chamber of Commerce and Industry	
	<b>Kei Suzuki</b>	Full-time Corporate Auditor	13/13 (100%)	84,000 shares/ 4 years	Mr. Suzuki has served as a director and executive officer of the Company, holding key positions including responsibility for overseas business management and other major internal management functions. In light of his deep understanding and insight into the Company's business, the Company expects him to contribute as a corporate auditor through the auditing of operations.		○	○	○			○			○	○	○	○	○		◎	
	<b>Kosuke Yamane</b>	Full-time Outside Corporate Auditor	13/13 (100%)	0 shares/ 3 years	As a full-time outside corporate auditor, Mr. Yamane is expected to audit operations based on his wide-ranging knowledge in the fields of accounting, finance, and information systems, based on his extensive experience in important positions related to public relations, investor relations, finance and information strategy.		○	○	○			○			○	○	○	○	○		○	
Outside	<b>Jun Arai</b>	Outside Corporate Auditor	13/13 (100%)	6,200 shares/ 5 years, 6 months	Mr. Arai has extensive experience as a manager at multiple companies and a wide range of knowledge in accounting, finance, and corporate governance. He is expected to function appropriately as an outside corporate auditor.		○		○			○			○	○	○	○	○		○	
	<b>Maoko Kikuchi</b>	Outside Corporate Auditor	13/13 (100%)	0 shares/ 2 years	Ms. Kikuchi has experience working at the Japan Fair Trade Commission and other public institutions, and as a public prosecutor in the Ministry of Justice. She has also served as an attorney both in Japan and overseas in areas including corporate legal affairs. She has also held the positions of outside director and standing outside Audit & Supervisory Board member, and is expected to function appropriately as an outside corporate auditor as she can be expected to audit operations based on her wide-ranging knowledge.		○			○		○			○	○	○	○	○		○	• Outside Director, MITSUI-SOKO HOLDINGS Co., Ltd. • Managing Partner, Compass International Law Office

1. For Hirotaka Takahashi, the number of meetings held and attendance at Board of Directors meetings are after his appointment as a director on November 23, 2024.  
 2. Takahiro Miyazawa, Jun Yokohama and Kazuhiro Higashi were appointed at the General Meeting of Shareholders held on November 23, 2025.  
 3. The Company conducted a two-for-one stock split of common stock, effective September 1, 2025. Therefore, the number of shares of the Company's stock owned is stated based on the number of shares after the split.

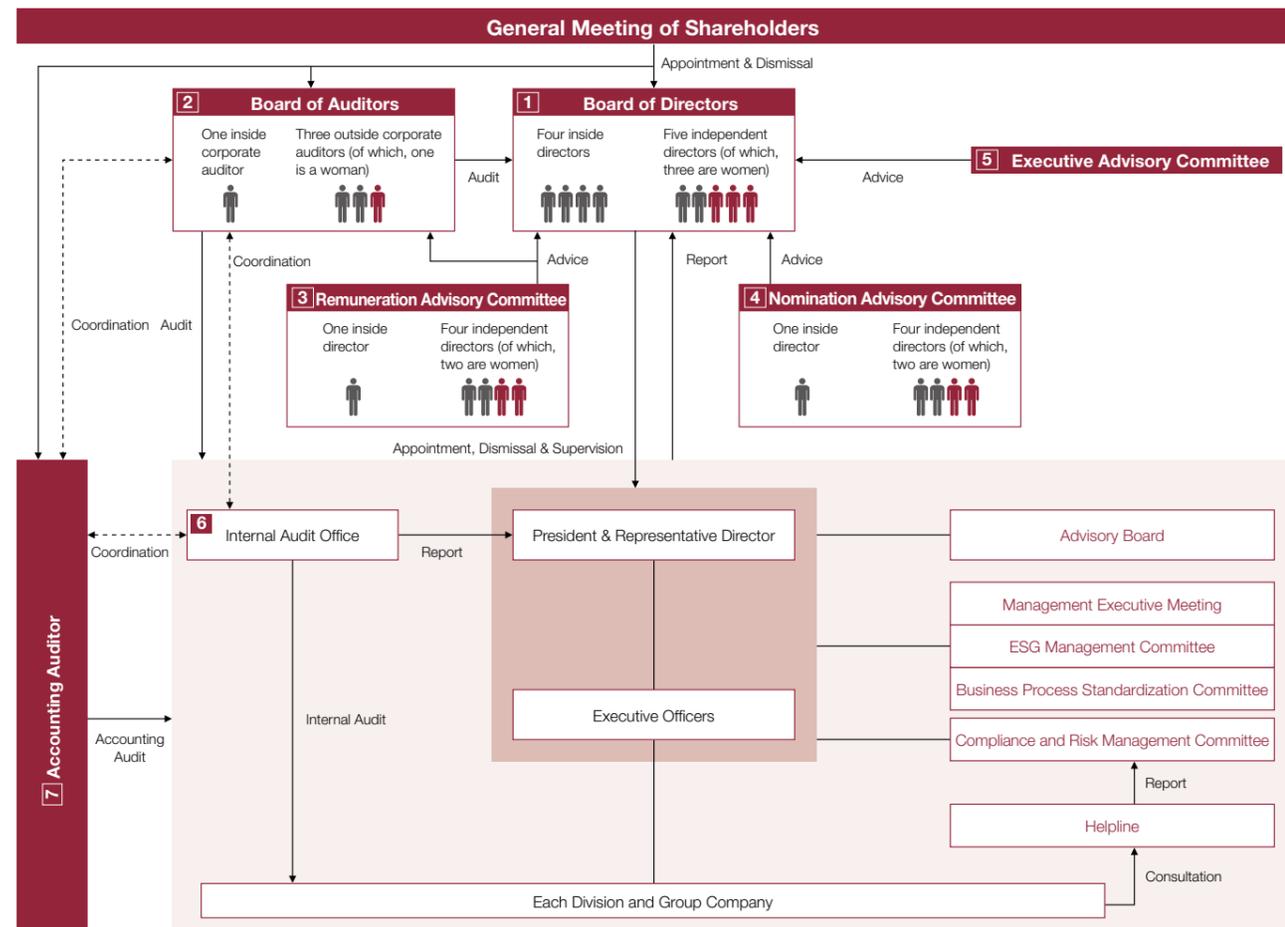
Notes: 1. The above does not encompass all of the experience and knowledge possessed by the officers. ○ indicates major aspects of each officer.  
 2. ◎ indicates the chairperson of each meeting or committee.

# Corporate Governance

## Basic Policy

The creation of a highly transparent management system is a high priority based on our belief that establishing an effective management structure and internal control system and improving corporate governance will lead to continuous improvement of corporate value. In addition, we strive to maintain and develop good relationships with all stakeholders (shareholders, customers, employees, local communities and society, and partner companies), and to proactively disclose information in a timely manner.

## Corporate Governance System (As of November 23, 2025)



## Overview and Activities of Each Organizational Body

### 1 Board of Directors

#### Objectives

Makes statutory resolutions on important matters related to medium- to long-term management, and matters stipulated by laws, regulations and the Articles of Incorporation. Supervises the execution of duties by executive directors and executive officers.

Number of meetings: 13  
Attendance rate: 100%

#### Main Topics Discussed and Related Activities

The Executive Advisory Committee, which is composed of members of the Board of Directors, convenes as needed. Important themes are discussed multiple times before resolutions are made at Board of Directors meetings.

- Regular Agenda Items  
Medium-term and annual business plans/Matters related to the General Meeting of Shareholders/Approval of financial statements/Appropriation of surplus/Selection of representative directors and executive directors/Selection of executive officers/Selection of Nomination Advisory Committee and Remuneration Advisory Committee members/Assessment of effectiveness of the Board of Directors/Internal audit reports and plans/Report of the Compliance and Risk Management Committee/Policy for cross-shareholdings/Report and evaluation of ESG initiatives/Monthly performance report
- Non-Regular Agenda Items  
Renewable energy power generation business development/Stock split/Production management system/Culture and Engagement Survey/System investments

### 2 Board of Auditors

#### Objectives

Audits the general execution of duties by directors from the perspectives of legality and appropriateness. Prevents or rectifies fraudulent acts, and violations of laws, regulations and the Articles of Incorporation.

Number of meetings: 16  
Attendance rate: 98%

#### Main Topics Discussed and Related Activities

In order to accurately understand the status of management, the Board of Auditors participates in meetings of the Board of Directors and other important meetings; interviews directors, executive officers, and managers of subsidiaries; and conducts inspections of business sites. In addition, the Board of Auditors cooperates with the accounting auditor and the Internal Audit Office to understand the status of business and internal control; holds regular meetings with representative directors and independent directors; and raises issues and makes recommendations regarding important Group-wide issues based on the results of audits.

### 3 Remuneration Advisory Committee

#### Objectives

Reports to the Board of Directors and the Board of Auditors on issues including compensation for directors, auditors and executive officers.

Number of meetings: 8  
Attendance rate: 98%

#### Main Topics Discussed and Related Activities

The committee held discussions on the ESG evaluation for restricted stock compensation, the director and executive officer remuneration system, and other matters.

### 4 Nomination Advisory Committee

#### Objectives

Reports to the Board of Directors and Board of Auditors on issues including the appointment and dismissal of directors, auditors and executive officers.

Number of meetings: 20  
Attendance rate: 96%

#### Main Topics Discussed and Related Activities

The committee held discussions on the nomination of director candidates and on executive officer appointments, including those of senior executive officers.

### 5 Executive Advisory Committee

This committee is composed of members of the Board of Directors, and is a forum for discussion and exchange of opinions on medium- and long-term management strategies as well as a forum for ensuring adequate prior discussion of agenda items at Board meetings.

### 6 Internal Audit Office

The Internal Audit Office, which currently comprises 13 members, conducts internal audits. This office audits the status of compliance with internal rules and manuals at stores and headquarters, and the appropriateness and effectiveness of overall business activities and procedures. Audit results are reported to the Board of Directors and the Board of Auditors.

### 7 Accounting Auditor

For financial audits, we have created an environment that facilitates fair auditing with a team comprising two certified public accountants (Mr. Hirotaka Nakata and Mr. Yosuke Sato), 18 certified public accountants who provide assistance, and 37 other members associated with KPMG AZSA LLC.

## Transition to a Stronger Corporate Governance System

	2002/2	2004/2	...	2018/2	2019/2	2020/2 2020/8*	2021/8	2022/8	2023/8	2024/8	2025/8
Institutional Design	Introduced independent director system						Appointed a majority of independent directors				
	Remuneration Advisory Committee established										
	Nomination Advisory Committee established										
Directors and Executive Officers							Changed term of directors from two years to one year				
							Disclosed skills matrix				
	Introduced executive officer system						Changed contract type of executive officers from mandate contract to service contract				
Corporate Governance Report and Assessment of Effectiveness							Elected a senior executive officer				
							Issued Corporate Governance Report				
							Began assessment of effectiveness of Board of Directors (survey format)				
Officer Remuneration							Conducted interviews for assessment of Board's effectiveness				
							Revised officer remuneration system (inside directors)				
							Introduced restricted stock compensation system				
						Increased ratio of performance-linked compensation					

\* The Company changed its fiscal year end to August 31 as of the fiscal year ended August 31, 2020. For convenience, 2020/2 and 2020/8 are presented together in the above chart.

## Assessment of Effectiveness of the Board of Directors

The Board of Directors conducts an analysis and assessment of the Board's effectiveness based on the corporate governance policy set by the Company.

<p><b>Summary of Assessment Process</b></p> <p>(1) The Board of Directors set the following evaluation categories it believes are necessary for assessment of the Board's effectiveness and conducted a survey of and interviews with directors and corporate auditors.</p> <p>&lt;Evaluation categories in the questionnaire&gt;</p> <ol style="list-style-type: none"> <li>1) Composition of the Board of Directors</li> <li>2) Operation of the Board of Directors</li> <li>3) Enhancement of discussions at Board of Directors meetings</li> <li>4) System supporting the Board of Directors</li> <li>5) Enhancement of relationship with shareholders and other stakeholders</li> <li>6) Other comments</li> </ol> <p>(2) The Board secretariat summarized the results of its assessment of directors and corporate auditors based on the above questionnaire responses and interviews.</p> <p>(3) Based on these results, the Board held discussions on each issue.</p>	<p><b>Results of the Assessment</b></p> <p>(1) Summary of scores</p> <p>&lt;Average score for each category&gt;</p> <p>Note: Assessment scores are set on a scale of 1 to 5, with "1" meaning improvement necessary, "3" meaning the minimum necessary level, and "5" meaning adequate.</p> <ol style="list-style-type: none"> <li>1) Composition of the Board of Directors (average score: 3.9; previous assessment: 4.2)</li> <li>2) Operation of the Board of Directors (average score: 3.6; previous assessment: 3.1)</li> <li>3) Enhancement of discussions at Board of Directors meetings (average score: 3.5, previous assessment: 3.4)</li> <li>4) System supporting the Board of Directors (average score: 3.9, previous assessment: 4.2)</li> <li>5) Enhancement of relationship with shareholders and other stakeholders (average score: 4.1, previous assessment: 3.8)</li> </ol> <p>(2) Summary of assessment results</p> <ul style="list-style-type: none"> <li>• The results of the questionnaire and interviews above showed that the Board of Directors is evaluated as exceeding the minimum necessary level overall.</li> <li>• For enhancement of discussions, we received many comments requesting more opportunities for discussion of medium- to long-term business strategies.</li> <li>• Regarding agenda items, there were comments pointing out the need to increase monitoring functions, including the need to enhance opportunities for reporting on the implementation status of important matters, and for comprehensive periodic reporting on implementation status after Board of Director resolutions.</li> <li>• While information sharing with independent directors received a positive assessment to a certain degree, there were opinions that we should aim for a higher level in order to enhance discussion.</li> <li>• In terms of operation, while some improvement was seen, delays in distributing materials, along with insufficient content, remain as issues.</li> <li>• Enhancement of opportunities for dialogue with shareholders and other stakeholders, promotion of ESG initiatives, and expansion of non-financial information disclosure, including the integrated report, received a positive assessment to a certain degree.</li> </ul>
<p><b>Future Initiatives</b></p> <p>Based on the issues identified through the effectiveness assessment of the Board of Directors, and the opinions obtained through the questionnaire and interviews, we will work on the following measures to further enhance the Board's effectiveness.</p>	<ol style="list-style-type: none"> <li>(1) Enriching discussions of medium- and long-term business plans and strategies</li> <li>(2) Expanding opportunities for reporting on the implementation status of major policies and comprehensive periodic reporting on the implementation status of Board of Director resolutions</li> <li>(3) Enhancing support for independent directors, including providing explanations of important matters in advance of meetings, and creating opportunities for site visits</li> <li>(4) Ensuring early distribution of materials for Board meetings</li> </ol>

## Policy for Appointment and Term of Directors

### Policy for Appointment of Directors

In nominating director candidates, the Company comprehensively considers factors such as previous experience, accomplishments, ability to execute tasks, and character, regardless of attributes such as gender, age, nationality, or race. Candidates are reviewed by the Nomination Advisory Committee, of which independent outside directors constitute a majority, and the committee reports its recommendations to the Board of Directors. In addition, when nominating independent director candidates, we select management professionals who have experience, accomplishments, and knowledge in their respective fields. The nomination is discussed by the Nomination Advisory Committee, taking into consideration the candidate's ability to provide opinions and judgments that will contribute to enhancement of the Company's medium- to long-term corporate value. The nomination is then reported to the Board of Directors.

### Number and Term of Directors

The Company's Articles of Incorporation stipulate that the number of directors shall be no more than 11. For the term of directors, a proposal to shorten the term from two years to one year was approved at the General Meeting of Shareholders held in November 2021, for the purpose of clarifying the management responsibilities of directors and creating a management structure that enables us to respond quickly to changes in the business environment.

## Support and Training Policy for Independent Directors and Outside Corporate Auditors

### Support System for Independent Directors and Outside Corporate Auditors

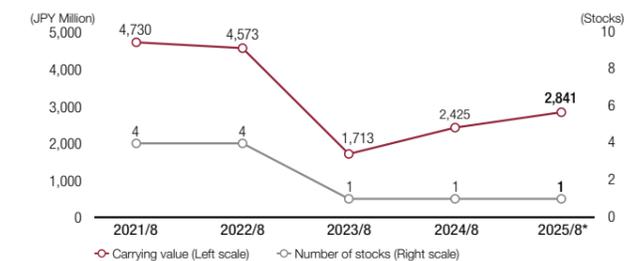
There is no specific person or division in charge of the support system for independent directors and outside corporate auditors, but the Corporate Planning Division provides information, including distributing the agenda of Board of Directors meetings in advance, and the General Affairs Division assists outside auditors in the execution of their duties. For independent directors, we hold executive sessions that provide opportunities for informal one-on-one meetings with executive officers. In addition, we have enhanced support for the smooth operation of the Board of Directors by introducing a cloud-based Board management tool to improve the security of confidential information and enhance overall efficiency.

### Training Policy

We encourage directors and corporate auditors to learn about matters such as the responsibilities, duties and legal risks of officers, and to work on self-improvement such as acquiring business knowledge of the operations they supervise. External training is also provided as necessary.

## About Cross-Shareholdings

Ryohin Keikaku's policy is to sell cross-shareholdings in principle, and the Board of Directors receives reports on the reduction of cross-shareholdings every year. In exercising voting rights of shares held as cross-shareholdings, we vote appropriately after judging the pros and cons of each proposal. We comprehensively examine factors such as whether the proposal will contribute to enhancement of the investee company's corporate value, whether it will contribute to enhancement of the Ryohin Keikaku Group's sustainable growth and medium- to long-term corporate value, and whether it conforms to the purpose of holding the shares.



\* All cross-shareholdings held as of the end of the fiscal year ended August 2025 were fully disposed of during the fiscal year ending August 2026, and no such holdings remained as of November 21, 2025.

## Remuneration System

### Policy for Determining Remuneration

To enhance corporate value, remuneration of the Company's directors consists of three types: base compensation, which is a fixed amount (according to the director's position) within the total remuneration limits set by the General Meeting of Shareholders; performance-based bonuses as a short-term incentive linked to the Company's performance; and non-monetary compensation as a long-term incentive to continuously increase long-term corporate value and shareholder value. Remuneration of independent directors and corporate auditors consists solely of base compensation, and there are no components that fluctuate with performance. In addition, we do not offer an executive retirement benefit system.

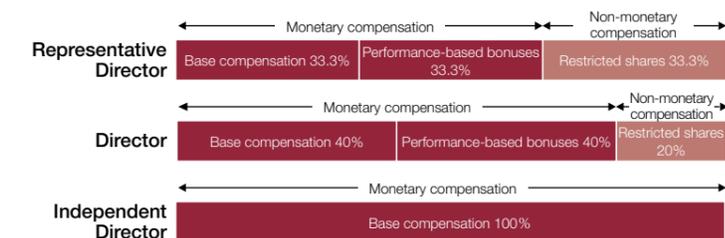
Compensation Structure and Components	Summary
<b>Monetary compensation/ Base compensation</b>	The base compensation of the Company's directors is determined based on each director's position, and by the Board of Directors pursuant to the deliberations of the Remuneration Advisory Committee.
<b>Monetary compensation/ Performance-based bonuses (Excluding independent directors and corporate auditors)</b>	The achievement ratio (relative to plan) payment coefficient, which is the multiplier applied to the base bonus amount, is determined within a range of 0% to 200% based on the achievement levels of consolidated operating profit and return on equity (ROE). These indicators are used from the perspective of prioritizing profits from core business operations, as well as management efficiency through the effective use of shareholders' equity.
<b>Non-monetary compensation/ Restricted shares (Excluding independent directors and corporate auditors)</b>	Non-monetary compensation is in the form of grants of restricted shares that vest upon retirement. Base grants are determined in relation to achievements in areas such as ESG that have long-term significance, and vary from 30% to 100% according to director position.

### Determination Process

The remuneration of directors is determined by resolution of the Board of Directors based on the recommendations from the Remuneration Advisory Committee, which is chaired by an independent director. In preparing its recommendations, the committee deliberates on monetary and non-monetary compensation for each director individually, and is committed to transparency, validity and objectivity. Furthermore, the Remuneration Advisory Committee is composed of three or more directors appointed by resolution of the Board of Directors, with a majority being independent directors. The chairperson is selected from among the independent directors, establishing a governance structure that prioritizes oversight.

### Ratio by Type of Compensation

The ratio of performance-linked compensation for directors of the Company increases the higher the position. The ratio of base compensation, performance-based bonuses, and non-monetary compensation, etc., is shown in the table on the right assuming 100% of the target is achieved. In addition, short-term incentive performance-based bonuses range from 0% to 200%, depending on the level of achievement. The percentage of long-term incentive non-monetary compensation varies from 30% to 100% depending on the level of target achievement.



### Non-Monetary Compensation for FY2025/8

Non-monetary compensation for FY2025/8 was granted in the form of restricted shares corresponding to an amount determined by multiplying the base amount for each position by an evaluation coefficient as a reward related to the evaluation of ESG management during the fiscal year. For the examination and determination process of the ESG evaluation, the Public Relations & ESG Management Development Division compiles interviews with each division regarding their progress over the past year on ESG material issues and implementation themes. In addition, from FY2025/8, the evaluation incorporates third-party assessments of the Company's initiatives by external experts (a fellow at a major consulting firm and a director of a public interest incorporated foundation), and these findings are also reported to the Board of Directors. Based on the content of those interviews and assessments, the Remuneration Advisory Committee deliberates on the ESG evaluation and submits the results to the Board of Directors, which then decides on the evaluation. Through this process, at the Board of Directors meeting held on September 24, 2025, the decision was made to set the coefficient for the ESG evaluation at 100% for the current fiscal year. The overall assessment was that the Company made progress during the fiscal year on initiatives characteristic of our business—such as developing a renewable energy power generation business and advancing product development with resource circulation in mind; that a proactive approach to ESG promotion is beginning to take root in frontline operations; and that active external communication has led to improved ESG ratings from external evaluation agencies. These developments were also viewed favorably by outside experts in their third-party assessments.

Note: The amount for FY2025/8 is disclosed in the Securities Report. ▶[https://ssl4.eir-parts.net/doc/7453/yuho\\_pdf/S100X5NI/00.pdf](https://ssl4.eir-parts.net/doc/7453/yuho_pdf/S100X5NI/00.pdf) (Japanese only)

# A Conversation between Independent Directors



**We will support global expansion, focusing on Ryohin Keikaku's unique qualities.**

**Atsushi Yoshikawa** (On left)  
Independent Director

Appointed as an independent director in May 2018  
Mr. Yoshikawa contributes to sustainable growth and enhanced corporate value through his extensive experience as a corporate executive and keen insight cultivated in the capital markets.

**Kumi Ito** (On right)  
Independent Director

Appointed as an independent director in November 2022  
Ms. Ito monitors the Company's management based on her extensive executive experience in digital technology and healthcare, as well as her experience serving as an outside director at various companies.

## Changes at Ryohin Keikaku since Becoming an Independent Director

**Yoshikawa** It is now seven years since I was appointed as an independent director. During that time, amid the significant challenges posed by the COVID-19 pandemic, I participated in Board of Directors discussions under then-Chairperson Mr. Kanai, as the presidency transitioned from Mr. Matsuzaki to Mr. Domae and then to Mr. Shimizu. Through my experience at a securities company and an asset management firm, I have seen firsthand that what various companies aspire to achieve is not necessarily evaluated fairly by the capital markets. On the other hand, awareness of corporate governance has increased significantly in society as a whole, and the roles and expectations of independent directors in the areas of organizational management, human resource strategy and medium-term business planning have steadily increased as well. The more experience I gain, the more strongly I feel the weight of that responsibility.

**Ito** I became an independent director at a time when the Company was launching its Second Founding, and was about to revamp its governance system. When I began my term, one issue I noticed was the lack of common awareness. For example, definitions of job responsibilities and approaches to achieving objectives varied across

divisions. Over the last several years, though, I feel that a greater sense of unity has been fostered within the management team, partly due to proceeding cultivated common awareness in the Company.

**Yoshikawa** There are also now three women on the Board of Directors, including you, and I think that has added depth to discussions. I find it very rewarding to be a director at Ryohin Keikaku, where all of the directors, including independent directors, participate in discussions informed by their respective areas of expertise.

**Ito** However, when I look at it from an outsider's perspective as an independent director, Ryohin Keikaku's strong sense of uniqueness had, in some ways, fostered the belief that it simply needed to continue doing what it thought was right. It is important to carefully explain the intent behind the brand value to the Company's diverse stakeholders including customers, shareholders and employees to gain their understanding. I see Ryohin Keikaku now as being in a transitional stage of shifting to a management approach that fulfills its required responsibilities while also exercising greater freedom and creativity. I feel that the steady progress of that effort has also had a positive impact on the stock price.

**Yoshikawa** I agree with the points you just mentioned. Ryohin Keikaku's employees really like the MUJI brand and products. I thought that such strong feelings might drive them to focus only on the products and avoid considering organizational management.

However, in recent years, the concept of "independent store management" has gained traction, leading to a shift where each employee now thinks independently and speaks up proactively. Now we are seeing the emergence of a positive cycle as an organization, where employees sharing common values wonder, "How can we do this better?"

**Ito** I myself strongly feel that positive cycle when I visit stores. When I go to visit various stores, I see many female store managers, and each store manager exercises leadership in different ways. Some are the type who take the lead and drive their team forward, while others are the type who support others with a calmer demeanor. It is impressive to see each manager leveraging their individual strengths and showing their deep commitment to the store and the community.

**Yoshikawa** When the idea of independent store management was first proposed, I felt that it was a challenging approach, with stores having considerable discretion, but along with the numerical results, I have also seen the growth of employees. I believe the results are quite promising.

**Ito** Actually, independent directors have visited various stores. When I joined the Board, I asked the executive side what stores we should look at and was told about MUJI Naoetsu.

**Yoshikawa** In addition to that, we focused on stores in regional areas such as MUJI TSURUYA Shiojiri Hirooka, and visited stores that are engaged in co-creation initiatives in a symbiotic relationship with the local community.

**Ito** MUJI Naoetsu is a bold store with a floor area of 1,500 *tsubo* (approx. 4,960 m<sup>2</sup>). We were able to see firsthand how the employees there were collaborating with the community. We also gained a better understanding of what Ryohin Keikaku and MUJI are aiming for.

**Yoshikawa** In tandem with changes in the awareness of the executive side and employees, I feel that the role of independent directors has also changed. In the past, part of our role was like that of an intermediary that relayed feedback from frontline operations to the Board of Directors, but now, frontline employees are able to clearly express their opinions to management. That change is also apparent in the lively discussions at the store managers meeting, which brings together employees from all over Japan. An environment is now in place for independent directors to monitor the actions of the executive side from an outside perspective. In addition, having opportunities to hear from executive officers about the progress of measures is highly valuable in monitoring management. We are able to gather a broad spectrum of information essential for making sound management decisions through our many questions and conversations.

**Ito** I serve as an outside director of other companies as well, but I feel that the amount of information that I can access is far greater at Ryohin Keikaku. In addition to talking with executive officers, we can easily ask employees questions in chats at any time. Our role is to take all of that information into consideration in conducting effective monitoring. That's a high hurdle to clear, but it makes me more determined.

**Yoshikawa** At Board of Directors meetings, inside and outside directors participate fully in discussions regardless of their main areas of responsibility, and I have a very positive view of the depth of those discussions. I also feel that the Company is constantly striving to change for the better.

**Ito** In the last three years, issues related to operations and back-office activities have been addressed, and progress has been made in enhancing human resources. Progress has also been made in establishing the foundations for corporate and organizational management, partly due to investment in systems that were previously identified as an issue.

## A Conversation between Independent Directors

**Yoshikawa** On the other hand, the Company needs to keep putting out new items in order to grow, so product strategy is also crucial. The key point is that employees exchange opinions on what they can do to make things better, rather than one employee deciding what to do. This is premised on members in various positions—customer-facing staff, people who deal with suppliers and people at manufacturing sites—all sharing the same values.

**Ito** The lineup of products has also greatly improved in the last several years. The Company has made rapid progress on product development based on the perspective of what makes MUJI unique and what kind of value it can offer to customers, rather than comparing itself with competitors. Store openings in various formats are now being considered, and strengthening the lineup of products in harmony with everyday life will positively affect the Company's business.

### Keys to Overseas Growth

**Ito** When President Shimizu was in charge of the Mainland China Business, he recommended that I visit MUJI in Mainland China, so I actually went there to check the situation out. Initially, I took it lightly, thinking "they must be selling items at affordable prices," but when I got there I was surprised. The products were very refined, and I honestly thought they looked "cool." In the Mainland China Business, many of the products are designed and developed locally, and I was deeply impressed by that capability. In addition, the female executives who led store operations were extremely energetic. In Vietnam, after I mentioned a small concern I had on the sales floor, the local employees immediately got to work making improvements. I was impressed by how quickly they took action. Without question, a key factor behind overseas growth is the quality of the local employees.

**Yoshikawa** Looking back, there was a time when Ryohin Keikaku struggled with opening stores overseas. There were also periods when it faced declining business performance, especially during the pandemic. That is why independent directors have been emphasizing



the importance of carefully deliberating overseas business strategy at the Board of Directors level. Now, after thorough discussion, store openings are proceeding cautiously but steadily. In the Europe Business, the strategy is to open a flagship store in Paris to build awareness of the MUJI concept, followed by expansion focusing on a specific area. That approach makes a lot of sense to me.

**Ito** As you mentioned, Mr. Yoshikawa, branding becomes even more crucial when operating globally. I have recommended that the Company accelerate the development of systems and mechanisms that will support overseas operations. Looking at future growth, there are three main challenges that I see. The first is global human resources. In each region, the key to success will be maximizing the capabilities of locally hired talent. The second is in-sourcing of manufacturing. The question now is how much of production management previously handled through trading companies can be undertaken in-house. MUJI handles a wide range of products, from mechanical pencil lead refills to homes, which makes the business inherently complex. It is essential to establish a solid organizational framework to manage this breadth of operations. The third is utilization of IT. I come from the IT industry, but I feel the Company is still behind in that area compared with other companies. A major theme will be to what degree IT can be incorporated as a strength of management and frontline operations while at the same time performing daily work.

**Yoshikawa** From a different perspective, there are challenges involved in global expansion itself. In Japan, MUJI has many enthusiastic fans, and can expect a reasonable level of sales if it creates products geared toward those fans. However, that is not the case outside of Japan. We will need to get more people to understand the value of the MUJI brand and products. Even the slightest quality issue can rapidly erode market trust. That is precisely why I feel I must always stay focused and diligent in my work.

**Ito** It will be important to have a "glocal" approach with respect for the local characteristics of each region along with a global perspective. Right now, I would say that Ryohin Keikaku tends to place emphasis on the local characteristics of each region. Going forward, however, it will be crucial to reinforce headquarters functions and systems that provide strong support from a global perspective.

### Ensuring Future Growth

**Yoshikawa** It has now been more than a year since Mr. Shimizu was appointed president, and in my view, he has gotten off to a very good start, thanks in part to the hard work of each and every employee. In order to continue growing sustainably, the Company needs to keep working through trial and error, and it is important to properly establish the structure for that. President Shimizu can't do everything by himself. It is important to have people around him who can give their frank opinions when necessary. We will also fulfill that role. I want to support the development of frameworks that benefit stakeholders while also enabling employees to experience the enjoyment and true value of conducting business.

**Ito** I believe Ryohin Keikaku values the concept of "benefit for all parties"—the Company, its employees, its customers and its shareholders. Rather than making decisions based solely on stock market trends, people here naturally consider perspectives such as "How does this impact our employees?" and "How does this impact our customers and partner companies?" That sense of balance is

firmly entrenched in the organization, and that is very positive in my opinion.

**Yoshikawa** Just to add my viewpoint as someone who has been involved with the capital markets, the Company's recent performance has been exceptionally strong, and the number of investors has steadily expanded as a result. In particular, the number of investors taking a long-term perspective is increasing, as is the number of analysts covering Ryohin Keikaku. In short, Ryohin Keikaku is increasingly being viewed by investors as an attractive stock, and interest in the Company is growing. In that regard, the Company needs to be aware that its actions are now being watched more closely and by a wider audience. That doesn't mean it has to suddenly change its business plans and measures though. I think it is important that the Company continues working with sincerity, upholds its accountability, and approaches each matter thoughtfully and carefully, just as it has done until now. For example, employees are both owners of Ryohin Keikaku stock and consumers of MUJI products. Employees can support the Company's governance by approaching their work from both the perspectives of a shareholder and a customer. This is a strength unique to Ryohin Keikaku. I think the Company should continue these efforts.

### Major Progress in Making ESG Management the Core Strategy of Its Business

**Yoshikawa** In FY2025/8, the ESG evaluation coefficient in the executive compensation system was set at 100% for the first time. At Ryohin Keikaku, ESG initiatives are ongoing in all areas—from product development to sales approaches—in a way that involves all employees, and I believe this outcome is highly commendable.

**Ito** Currently, the Company is working to make ESG the core strategy of its business as a global enterprise, and the Board of Directors is having lively discussions on that topic. The sense of participation among employees is very strong, and I find it impressive that many of them volunteer to participate in ESG-related initiatives. There has also been a lot of progress in recent years in terms of diversity. Many women are thriving here, even at the general manager level, and the presence of women in the field of product development stands out in particular. Going forward, I would like to see more women step into management positions and demonstrate an even greater level of influence. To achieve this, I remain attentive to who is speaking up and what they are saying, and during meetings with newly appointed executive officers I take the time to carefully listen to their perspectives and attitude.

**Yoshikawa** Ryohin Keikaku should regard ESG-related activities as an ongoing effort. The positive evaluations the Company is getting now does not guarantee similarly high evaluations in the future, so it needs to continue implementing initiatives that are true to Ryohin Keikaku's principles.

**Ito** ESG covers a wide range of issues. It includes the perspectives of governance and response to climate change. However, people are at the core of all these initiatives. It is important that employees are able to work with enthusiasm and a sense of fulfillment. I will continue to conduct thorough monitoring with an emphasis on that point.



### Role of Independent Directors

**Yoshikawa** One of my major roles is to conduct monitoring from an outside perspective to determine whether the organization's processes enable all employees to speak freely and to ensure that such input is appropriately reflected in decision-making. For example, Ryohin Keikaku does not appoint only close associates to executive positions, and there are no internal factions. Even so, I believe that ensuring it remains this way is one of the key responsibilities of an independent director. Another role is to state my views from the standpoint of how the Company appears to investors. This perspective is difficult for those who have spent their careers in the Company to embrace, so I also consider it one of my responsibilities.

**Ito** I use my experience as a director at other companies and my experience working at multinational firms to present comparative perspectives—for example, noting that "In other companies, the personnel system normally functions this way; how does it work here." Bringing in such outside perspectives is one of the important functions required of an independent director. I think I am probably the director who most regularly shops in everyday life, giving me a grounded consumer perspective. That is why I think it is important to candidly share my insights as a consumer who regularly shops at MUJI. I will continue to give serious thought to the role of independent directors and renew my commitment to growing together with Ryohin Keikaku and MUJI.

# Message from an Outside Corporate Auditor



**A corporate culture that empowers many people with different sensibilities is the true growth driver.**

**Jun Arai**  
Outside Corporate Auditor

## Quality Products Born from Diverse Talent

From the beginning, the Company has provided a variety of products related to everyday life, and has expanded its business with the support of customers, shareholders and many other stakeholders. One driving force is a corporate culture that empowers ambitious employees to take on new challenges. Ryohin Keikaku is the company it is today because many people with diverse sensibilities have joined together over the years to respond to the social conditions of the times, and understand and then deliver what customers need.

people believed that all swans were white. This anecdote led to the use of the expression “black swan” to describe the occurrence of something previously thought to be impossible, or an event that would have a major impact on the world if it were to occur. Black swan events have another characteristic that is not often discussed. Namely, events that were unforeseen can later be talked about as if their occurrence was inevitable and logical. This suggests that despite signs or underlying causes of an event beginning to appear in society or the market, people were unaware of them, and were unable to see them—even if they thought they should be able to.

## “Unforeseen” Events Bring Risks and Opportunities

Major events are happening all over the world. I am not the only one who feels that the number of “unforeseen” events has been increasing. The flow of goods is changing due to shifts in the global balance of power and the impact of protracted wars and other conflicts. The frequent occurrence of abnormal weather events and the lockdowns that resulted from the COVID-19 pandemic have led to changes in people’s lifestyles. Depending on the circumstances, the changes that these “unforeseen” events have brought about could potentially become risks that threaten business continuity. Conversely, they could also present new business opportunities.

## “Black Swan” Events in Society and the Market

In the 17th century, black swans were discovered in Australia. That news came as a great surprise to the world, because until then

## A Group of Human Resources with Different Sensibilities and Values

At a time when the world is beginning to change dramatically, it is extremely important to be attuned to what society and people want. To continue to be a company that is supported by customers, Ryohin Keikaku will need to build a corporate culture capable of mobilizing the power of its group of human resources with different sensibilities and values more than ever. Management must use this strength to quickly sense the signs of “black swan” events in society and the market, address risks at an early stage and boldly seize opportunities to win in an increasingly competitive market. I expect Ryohin Keikaku to return to its founding principles, and further strengthen its human resources as a pillar supporting strategies for taking on new initiatives that benefit the everyday lives of people, society and the planet.

# Risk Management and Compliance

## Compliance and Risk Management Structure

Risk management is overseen by the Compliance and Risk Management Committee under the supervision of the Board of Directors. The committee, which is chaired by the officer in charge of the Risk Management Division, meets regularly to gather information on compliance and risks and to further discuss important issues and check the progress of countermeasures. Matters discussed by the Compliance and Risk Management Committee are regularly reported to and reviewed and approved by the Board of Directors. They are also shared with directors and corporate auditors and utilized in business strategies and management policies. We have established the Risk Management Division as a specialized organization for responding to risks. We have also appointed dedicated personnel to identify and manage both potential and emerging risks as measures to strengthen our risk management structure.



## Summary of Risk Management and Assessment Process

The Compliance and Risk Management Committee assesses the Group’s potential exposure to material risks based on their significance and likelihood of occurrence. To help each division recognize potential material risks and come up with ways to respond to them, the committee has prepared a risk management list that incorporates regular reports from each division. The list is updated and corresponds to Ryohin Keikaku’s operations manual, ensuring that information on specific responses and measures is easily accessible. In FY2025/8, the following countermeasures were implemented for risks that have recently manifested.

## Main Countermeasures Implemented in FY2025/8

Category	Risk	Main Countermeasures
Operational Risks	Natural disaster risk	Formulated a business continuity plan (BCP) that includes response measures in the event of a disruption to headquarters functions due to heavy rain or an earthquake
	Risks related to information leaks and system shutdown	Ensured a clear understanding and updating of system configurations—including security—across operating companies, including overseas companies, and established a framework for responding to incidents
	Risks related to errors in the supply chain	Carried out restructuring of the quality assurance system, and created a manual for handling recalls as part of that effort
Compliance Risks	Risks related to violation of Japan’s Subcontract Act*	Improved the ordering process and our understanding of prohibited matters under the Subcontract Act, and prepared a response to the revised act
	Risks related to occupational health and safety	Established a framework for managing the risk of disruptive customer behavior in stores, based on the Customer Harassment Prevention Ordinance

Business Risks ▶ <https://www.ryohin-keikaku.jp/en/sustainability/governance/risk-management>  
 \* The Act Partially Amending the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and the Act on the Promotion of Subcontracting Small and Medium-Sized Enterprises (the “Subcontract Act”) was enacted on May 16, 2025, and promulgated on May 23, 2025. With its enforcement effective January 1, 2026, the name of the act will be changed to the Act on the Prevention of Delay in Payment, Etc. to Small and Medium-Sized Subcontracting Business Operators in Manufacturing Outsourcing, Etc. (the “Proper Transactions Act”).

## Business-Related Risks of Particular Significance

### (1) Economic Conditions and Consumption Trends

The Group operates a business that proposes lifestyles options through original products in apparel, household goods, food and other categories. Weather conditions and economic downturns in Japan and other regions, or deterioration of public order overseas, and the reduced consumption associated with those events could have a negative impact on the Group’s business performance or financial condition. In response to such changes in the external environment, our business strategy will focus on strengthening the foundation for sustainable growth and creating customers. Our functional strategy will emphasize establishing systems for responding flexibly to external changes and increasing productivity to continue to improve profitability.

### (2) Overseas Business Development

The Group operates stores in 28 regions, and its business involves the supply of products to leading local companies and through local sourcing of products. Overseas business operations face inherent risks, including unforeseen changes or tightening of laws or regulations, changes in foreign exchange rates, disadvantageous political or economic factors, changes in tax systems or tax rates, international taxation issues such as transfer pricing systems, and social disorder due to terrorism, war or other such events. As a preventive measure, the Compliance and Risk Management Committee conducts monitoring in the course of everyday operations, and coordinates with relevant divisions in implementing corrective measures for risks that have materialized.

## Risk Management and Compliance

### (3) New Businesses

The Group operates businesses other than the retail business, including the housing business and distribution processing. These businesses must solve many technical challenges and create methods of expanding sales channels, but if they are unable to implement their business plans because of various uncertainties, the investment burden up to that point could have a negative impact on the Group's business performance or financial condition. To mitigate such risks, when considering potential new investments, reviews are conducted that include the involvement of management and specialized departments, and the opportunities and risks from the business are comprehensively studied. For business plans, based on approval by management and the specialized departments, business progress is regularly reported, and it is confirmed whether any unexpected matters or new risks have arisen. Identified risks are managed based on the risk management list. We regularly review the list and consider preventive measures and responses to manifested risks.

### (4) Disasters

The Group owns stores, distribution centers and other facilities in Japan and overseas, and its business performance and financial condition could be negatively impacted in the event of an earthquake, severe storm, flood or other natural disaster, or an accident, fire, terrorist attack, war or other man-made disaster or crisis. To prepare for disasters and crises, the Group takes measures such as creating response manuals and obtaining insurance coverage. In addition, when events are forecast to reach a disaster warning level, a disaster response meeting is held to consider and implement preventive measures based on instructions from the chairperson of the Compliance and Risk Management Committee. When a disaster occurs, a task force is established, which carries out relief measures based on instructions from the head of the task force (the president and representative director).

### (5) Information Security and Management of Personal Information

If risks related to cyber-attacks, unauthorized access, or computer viruses materialize, they could have a serious impact on the Company's operations, such as business interruptions, leaks of confidential information or financial losses. To mitigate these risks, we strive to maintain and enhance information security by formulating and complying with an Information Security Policy and a Privacy Policy, protecting information assets from various threats and handling them appropriately. To protect the information assets entrusted to it by its customers and other related parties, maintain and improve its global corporate brand, and to comply with laws and regulations, Ryohin Keikaku has established fundamental measures such as strengthening security measures, providing employee training and setting up an incident response system.

Information Security and Protection of Personal Information ▶ <https://www.ryohin-keikaku.jp/en/sustainability/governance/information-security>  
 Privacy Policy ▶ <https://www.ryohin-keikaku.jp/en/terms/privacy>

#### Management System

The Compliance and Risk Management Committee oversees information security for the Group as a whole. The committee has established the IT Security Office headed by the general manager of the IT Services Division and the Personal Information Protection Office headed by the general manager of the Risk Management Division to accurately grasp the status of information security and to implement countermeasures.

#### Information Security Training

We provide information security training to all officers and employees, and regularly conduct effective initiatives, including measures for continuously improving security literacy, assessing the level of understanding and raising awareness.

### (6) Human Rights

We believe that respecting the basic human rights of everyone involved in the supply chain and ensuring their physical and mental health and safety are our most important responsibilities. We have identified and assessed human rights-related issues for the Group with the help of outside experts and by referencing international standards as well as the results of factory audits and employee engagement surveys, and are working with stakeholders on initiatives to prevent and mitigate human rights risks.

Human Rights Policy and Internal Framework ▶ <https://www.ryohin-keikaku.jp/en/sustainability/human-rights/policy>

#### Priority Human Rights Issues

Company: Harassment (including harassment from customers); discrimination; gender rights; working hour management; and access to remedy  
 Supply Chain: Occupational health and safety; forced and child labor; discrimination; the environment; working hour management; gender rights; consumer safety and freedom of information; and harassment

### (7) Climate Change

We view climate change-related issues as a key theme, and will proceed with analysis and countermeasures in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework. We are working to understand and reduce greenhouse gas emissions across our business operations to mitigate our impact on climate change.

## Quality

Ryohin Keikaku inspects each process of design, development, procurement and production based on the Ryohin Standards, and strives to provide safe and secure products.

Quality and Safety ▶ <https://www.ryohin-keikaku.jp/en/sustainability/customer/quality>

#### Initiatives for Quality Control

All customer feedback regarding our products is registered in a dedicated database and the Customer Relations Office, Production Division, merchandising divisions and other related divisions work together to respond quickly based on the content. By enabling our business partners and factories to directly access the database to confirm the content, we have created an environment where we can respond to quality problems quickly. In addition, the Production Division cooperates with external inspection organizations as needed. The Production Division also leads weekly meetings to detect defects at an early stage as part of efforts to continuously improve quality.

#### Management Using the Restricted Substances List for Textile Products

To strengthen management of chemical substances, Ryohin Keikaku has become a member of the Apparel and Footwear International RSL Management Group (AFIRM),\* an organization that works to manage, reduce and regulate the use of harmful substances in the global supply chain. Accordingly, we require production partners to comply with the MUJI Product Restricted Substances List, which adds our own standards to the AFIRM Restricted Substance List (RSL). In doing so, we are striving to eliminate chemical substances with potential harmful effects on the human body, and to ensure safe and reliable quality control. We are also limiting our use of all per- and polyfluoroalkyl substances (PFAS) in the production stage of textile products, with the goal of full elimination.

\* AFIRM was established in 2004 by the Phylmar Group, a group of environmental, health and safety (EHS) and sustainability professionals. It is an international framework for managing the Restricted Substances List (RSL) in apparel and footwear.  
 Chemical Management ▶ <https://www.ryohin-keikaku.jp/en/sustainability/environment/chemical>

#### Strengthening Food Safety Initiatives

Ryohin Keikaku has its own legally compliant standards called the Ryohin Standards and sets food additives for use and expiration dates based on these standards. We are developing processing and packaging methods to reduce the use of food additives. In addition, we have joined the Japan Food Additives Association, and stay current on information and industry trends to ensure food safety, such as the amounts that are safe to use and labeling practices. This information is discussed and deliberated by the Food Safety Committee, and reflected in the Ryohin Standards. The Food Safety Committee meets on a quarterly basis, with outside experts participating as advisors, in addition to internal committee members from relevant divisions such as the Merchandising Division and Risk Management Division. Before launching a new product, we apply the Ryohin Standards to ensure rigorous quality control. This includes verifying whether the product specifications and form will enable the product to safely maintain its integrity until the expiration date, and whether (in the case of foodstuffs) the cooking instructions are easy to understand. In addition, we ensure that the food we provide through restaurants and ready-made meals also conforms to the Ryohin Standards.

Food-Related Responsibilities to Customers ▶ <https://www.ryohin-keikaku.jp/en/sustainability/customer/foods/>

## Compliance

#### Initiatives for Fostering Compliance Awareness

The Ryohin Keikaku Group Compliance Code of Conduct has been established to promote compliance with ethical standards and social norms, laws and internal regulations through in-house training programs and awareness-raising activities. Regular training—including on anti-bribery and anti-corruption, anti-harassment, and training on contracts and business transactions—is provided to all employees, including partner employees and part-timers, to promote compliance awareness. The Compliance and Risk Management Committee reviews the status of compliance with the Group Compliance Code of Conduct, investigates any violations, identifies details and causes and implements measures to prevent recurrence. In addition, the committee regularly verifies the effectiveness of the Group Compliance Code of Conduct. No material compliance violations or political donations related to the business operations of the Group occurred in FY2025/8. 34 other compliance violations occurred in FY2025/8. All Group companies were notified of the incidents, and the importance of compliance was inculcated through in-house training and other measures.

Ryohin Keikaku Group Compliance Code of Conduct ▶ <https://www.ryohin-keikaku.jp/en/sustainability/governance/compliance>

#### Internal Reporting System

We work to improve the effectiveness of our self-correcting process through compliance training for managers, manage reputational risks, ensure public trust and protect whistleblowers. We have established the Ryohin Keikaku Group Helpline to help prevent and detect legal violations, misconduct, and harassment at an early stage. This helpline is available to all employees of Ryohin Keikaku and its domestic and overseas subsidiaries. This includes officers, employees (including contract employees, partner employees and part-time workers), and dispatched/temporary staff. Anyone may make a report to the helpline by telephone, email (including those using an anonymous system) or in person. We also established a helpline for freelance workers, in accordance with Japan's Freelance Act, which was enacted in November 2024. Depending on the nature of the whistleblowing report, internal procedures may be initiated as provided in the Rules of Employment, including the formulation of measures to prevent recurrence, the issuance of work orders and instructions, and disciplinary action and other personnel measures, as well as necessary external measures such as press releases, media relations and criminal charges. A total of 388 requests for consultation were received in FY2025/8.

# 11-Year Summary

IR Information ▶ <https://www.ryohin-keikaku.jp/en/ir>

(JPY Million)

	2015/2	2016/2	2017/2	2018/2	2019/2	2020/2	2020/8 <sup>6</sup>	2021/8	2022/8	2023/8	2024/8	2025/8
<b>Profit and Loss (Consolidated)</b>												
Operating revenue	260,254	307,532	333,281	379,551	409,697	438,713	179,392	453,689	496,171	581,412	661,677	784,629
(Japan)	182,701	198,449	215,716	234,791	246,269	267,864	122,428	296,998	308,114	342,829	388,935	470,143
(Overseas)	77,546	109,080	117,563	144,758	163,425	170,846	56,961	156,691	188,057	238,583	272,741	314,486
Operating gross profit	122,831	150,451	165,861	191,819	211,380	217,628	83,694	222,334	234,356	271,549	336,410	402,975
Selling, general and administrative expenses	98,984	116,012	127,583	146,532	166,636	181,248	82,821	179,887	201,582	238,412	280,274	329,135
Operating profit	23,846	34,439	38,278	45,286	44,743	36,380	872	42,447	32,773	33,137	56,135	73,840
Operating profit margin (%)	9.2	11.2	11.5	11.9	10.9	8.3	0.5	9.4	6.6	5.7	8.5	9.4
Ordinary profit	26,602	32,700	38,582	45,985	45,861	36,377	563	45,369	37,214	36,156	55,777	72,301
Net income attributable to owners of parent	16,623	21,718	25,831	30,113	33,845	23,253	(16,917)	33,903	24,558	22,052	41,566	50,846
Cash flows from operating activities	14,619	26,133	19,742	46,982	23,680	24,452	(1,758)	61,447	23,350	56,527	58,504	73,355
Cash flows from investment activities	(22,193)	(8,647)	(9,856)	(14,290)	(5,492)	(31,435)	(4,239)	(13,538)	(16,683)	(22,106)	(27,654)	(40,931)
Cash flows from financing activities	11,377	(6,520)	(14,361)	(21,759)	(9,505)	(11,467)	63,722	(15,162)	(58,647)	(11,232)	(23,412)	(22,120)
Depreciation	4,887	6,816	7,543	8,644	9,867	17,622	10,358	18,969	22,018	24,881	28,309	31,845
<b>Financial Position (Consolidated)</b>												
Total assets	186,947	200,919	214,705	238,313	258,309	306,512	343,918	393,357	399,324	453,715	509,551	562,749
Net assets	128,670	143,173	157,018	174,426	195,189	208,492	182,992	214,871	244,852	267,446	297,004	335,920
<b>Key Management Indicators (Included in consolidated key financial indicators)</b>												
Return on equity (ROE) (%)	14.3	16.4	17.7	18.6	18.8	11.8	(8.8)	17.3	10.8	8.7	14.9	16.3
Equity ratio (%)	67.0	69.4	71.3	71.3	73.8	66.6	52.4	53.9	60.5	58.1	57.5	59.0
Return on assets (ROA) (%)	16.3	16.9	18.6	20.3	18.4	12.8	0.2	12.3	9.4	8.5	11.6	13.5
Inventory turnover ratio	3.10	2.89	2.55	2.55	2.44	2.28	1.87	2.19	2.22	2.36	2.26	2.36
<b>Per-share Data<sup>1</sup></b>												
Earnings per share (EPS) (JPY)	31.38	40.92	48.75	57.35	64.46	44.23	(32.16)	64.45	46.62	41.75	78.55	95.92
Net assets per share (BPS) (JPY)	236.19	262.40	289.59	323.84	362.91	387.89	342.47	403.37	457.97	498.56	553.06	625.38
Dividends per share (JPY)	9.5	12.3	14.65	17.25	19.35	18.2	2.5	20	20	20	20	25
Dividend payout ratio (%)	30.3	30.1	30.1	30.1	30.0	41.1	—	31.8	42.9	47.9	25.5	26.1
<b>Other Data</b>												
Number of MUJI stores in Japan <sup>2</sup>	401	414	418	419	420	437	438	456	493	562	623	683
Number of MUJI stores overseas <sup>2</sup>	301	344	403	457	497	533	527	546	579	626	682	729
Total sales floor space in Japan (m <sup>2</sup> ) <sup>3</sup>	282,083	289,899	297,001	306,316	319,698	359,141	375,446	417,057	494,871	628,133	731,318	834,193
Number of employees	4,795	5,653	6,992	8,128	9,137	9,615	9,046	8,882	9,175	10,074	12,071	13,912
Number of non-regular employees <sup>4</sup>	7,242	7,877	9,203	9,254	10,233	10,825	8,050	9,281	9,834	10,721	12,571	14,520
Downloads of MUJI passport app (thousand people) <sup>5</sup>	3,367	8,850	12,289	15,983	21,128	44,746	49,380	59,297	69,780	78,527	88,174	99,821

1. The Company conducted a two-for-one share split of its common shares effective September 1, 2025, and the figures presented reflect the share split.

2. Excluding Cafe&Meal MUJI and IDÉE

3. Total sales floor space of directly managed stores, licensed stores and Seiyu Co., Ltd.

4. Average number of employees per year based on an eight-hour workday calculation method

5. Membership registrations through external social media sites and various communication apps in Japan have been included from 2019/2 and from 2020/2 for the Mainland China Business. MUJI passport was completely renewed and renamed "MUJI app" in September 2025, but here it is called "MUJI passport," as the information is for periods through FY2025/8.

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

# ESG Data

ESG Databook ▶ <https://www.ryohin-keikaku.jp/en/sustainability/muji-sustainability/esg-data>

Category	Item	Unit	2023/8	2024/8	2025/8
Group	Total of Group Scope 1 emissions	t-CO <sub>2</sub> e	1,355	1,450	Under review
	Total of Group Scope 2 emissions (market based)	t-CO <sub>2</sub> e	75,658	73,744	Under review
	Total of Group Scope 1 and 2 emissions	t-CO <sub>2</sub> e	77,013	75,194	Under review
	Total of Group Scope 1 and 2 emissions (compared with baseline year as 100%)	%	128.0	125.0	Under review
	Total of Group Scope 3 emissions	t-CO <sub>2</sub> e	1,663,021	1,792,628	Under review
	Total of Group Scope 1, 2 and 3 emissions	t-CO <sub>2</sub> e	1,740,034	1,867,822	Under review
	Scope 1 emissions	t-CO <sub>2</sub> e	1,187	1,377	1,781
	Scope 2 emissions (market based)	t-CO <sub>2</sub> e	39,901	29,777	28,294
	Total of Scope 1 and 2 emissions	t-CO <sub>2</sub> e	41,088	31,154	30,075
	Scope 1 and 2 emissions (compared with baseline year as 100%)	%	130.4	98.9	95.4
Greenhouse gas emissions <sup>1</sup>	Scope 3 emissions	t-CO <sub>2</sub> e	1,194,690	1,344,280	1,344,267
	Total of Scope 1, 2 and 3 emissions	t-CO <sub>2</sub> e	1,235,778	1,375,434	1,375,436
	City gas	MWh	5,320	5,812	7,866
	LP gas	MWh	333	592	599
	Kerosene	MWh	332	442	395
	Diesel fuel	MWh	17	25	23
	Gasoline	MWh	36	39	44
	Heat, steam and cooling	MWh	18,746	20,049	20,603
	Electricity	MWh	87,684	103,278	118,678
	Total	MWh	112,468	130,237	148,208
Energy consumed <sup>1</sup>	Electricity consumed	MWh	87,684	103,278	103,110
	Consumption of electricity from renewable sources	MWh	3,636	42,214	61,338
	Consumption of purchased electricity from renewable sources	MWh	3,294	41,243	59,112
	Consumption of self-generated electricity from renewable sources	MWh	342	971	2,226
	Percentage of electricity consumption from renewable sources	%	4.1	40.9	51.7
	Electricity generated from renewable sources	MWh	1,652	2,256	3,525
	Withdrawals	m <sup>3</sup>	144,429	141,397	149,069
	Discharges	m <sup>3</sup>	144,429	141,397	149,069
	Consumption	m <sup>3</sup>	0	0	0
	Water usage <sup>1</sup>	General waste	t	11,862	12,255
Industrial waste		t	1,148	1,344	1,402
Waste discharge		t	13,010	13,599	13,594
Waste discharge	Apparel	%	96.8	93.8	93.5
	Household goods	%	58.8	53.6	46.2
	Food	Recycled plastics and biomass plastics used in some packaging	Expanding the use of recycled plastic in retort product packaging	Switched beverage containers from aluminum cans to recycled PET bottles	
Percentage of items with packaging and materials free from virgin plastic <sup>2</sup>	Apparel	t	104.8	148.0	212.0
	Food	t	292.0	326.0	416.0
Amount of plastic reduction through the elimination of virgin plastic in packaging and materials <sup>3</sup>	Household goods	%	48.5	32.5	33.5
Percentage of items designed with recycling in mind <sup>4</sup>	Number of in-store collections		—	159,328	424,329
	Volume of textile products collected	t	52.0	97.0	140.1
	Volume of skincare PET bottles collected	t	2.3	5.1	10.3
	Volume of plastic storage items collected	t	35.0	112.6	160.3
	Volume of paper hangers and hooks collected	t	9.2	10.2	10.1
Sales volume of reused and upcycled clothing items	Items		30,433	55,746	88,302
Number of stores providing water refilling stations	Stores		431	483	562

1. Figures for FY2025/8 are currently under review by a third-party organization and may be subject to change. The updated figures will be posted on our website.  
 2. Items requiring plastic for hygiene, quality and safety are excluded  
 3. Amount reduced compared with previous plastic packaging  
 4. Products that cannot be recycled due to hygiene concerns are excluded

Category	Item	Unit	2023/8	2024/8	2025/8	
Group	Number of employees	Employees	Persons	10,074	12,071	13,912
		Non-regular employees	Persons	10,721	12,571	14,520
		Total	Persons	20,795	24,642	28,432
	Culture and Engagement Survey response rate	%	81	96	—	
	Number of regular employees	Persons	10,648	12,949	14,992	
		Female (%)	(%)	1,576 (54.8)	1,926 (56.1)	2,326 (57.6)
		Male (%)	(%)	1,298 (45.2)	1,510 (43.9)	1,713 (42.4)
	Number of non-regular employees	Total	Persons	2,874	3,436	4,039
		Female (%)	(%)	6,316 (81.3)	7,616 (80.1)	2,204 (20.1)
		Male (%)	(%)	1,457 (18.7)	1,896 (19.9)	8,748 (79.9)
Managers (deputy manager level and above) <sup>5</sup>	Total	Persons	7,774	9,513	10,953	
	Female (%)	(%)	131 (27.8)	211 (29.8)	282 (33.2)	
	Male (%)	(%)	340 (72.2)	498 (70.2)	568 (66.8)	
Average age (regular employees)	Total	Persons	471	709	850	
	Female	Years	37.2	36.4	35.7	
	Male	Years	39.9	39.0	38.5	
Average length of service (regular employees)	Total	Years	38.4	37.5	36.9	
	Female	Years	7.9	7.5	7.0	
	Male	Years	8.8	8.4	8.0	
Average annual salary (regular employees)	Total	Years	8.3	7.9	7.5	
	Female	Years	7.9	7.5	7.0	
	Male	Years	8.8	8.4	8.0	
Gender gap on annual income	Total	Years	8.3	7.9	7.5	
	Regular employees	JPY thousand	6,202	6,430	6,703	
	Non-regular employees	JPY thousand	6,202	6,430	6,703	
Number of new university graduate hires	All employees	JPY thousand	6,202	6,430	6,703	
	Regular employees	%	68.6	65.8	66.9	
	Non-regular employees	%	97.8	99.5	98.8	
Number of mid-career hires	All employees	%	61.5	62.8	64.4	
	Female	(%)	88 (62.0)	149 (68.3)	312 (65.3)	
	Male	(%)	54 (38.0)	69 (31.7)	166 (34.7)	
Total new hires	Total	Persons	142	218	478	
	Female	(%)	84 (37.5)	173 (50.7)	105 (49.3)	
	Male	(%)	140 (62.5)	168 (49.3)	108 (50.7)	
Ratio of mid-career hires to total new hires	Total	Persons	224	341	213	
	Female	Persons	366	559	691	
	Male	Persons	366	559	691	
Voluntary turnover rate (regular employees)	%	%	61.2	61.0	30.8	
	Regular employees	%	7.34	5.46	4.46	
	Non-regular employees	%	290 (3.23)	329 (3.07)	345 (2.73)	
Employees with disabilities	Percentage of foreign employees (regular employees)	%	1.5	1.7	2.2	
	Number of employees using the childcare system	Persons	372	484	625	
	Number of regionally limited employees	Persons (%)	987 (34.8)	1,194 (34.7)	1,259 (31.3)	
Percentage of annual paid vacation taken	Percentage of annual paid vacation taken	%	—	48.7	52.3	
	Average overtime hours per month (regular employees)	Hours	17.2	16.9	18.0	
	Female	%	141.6	81.3	151.3	
Percentage of eligible employees taking childcare leave <sup>6</sup>	Male	%	59.0	42.2	64.0	
	Total	%	123.3	71.7	129.5	
	Human resource development	Hours	23	21	29	
Percentage of employees who own shares held in trust	Investment in human resource development per person (regular employees)	JPY thousand	—	40	40	
	Regular employees	Persons (%)	1,853 (63.8)	2,740 (78.8)	3,213 (78.1)	
	Regular and partner employees	Persons (%)	2,479 (28.6)	3,500 (33.4)	4,243 (34.5)	
Directors <sup>7</sup>	Female (%)	(%)	3 (37.5)	3 (37.5)	3 (33.3)	
	Male (%)	(%)	5 (62.5)	5 (62.5)	6 (66.7)	
	Average number of years in office	Years	6 years, 7 months	7 years, 7 months	3 years, 1 month	
Board of Directors	Independent directors	Persons (%)	5 (62.5)	5 (62.5)	5 (55.6)	
	Number of meetings	Times	16	13	13	
	Average attendance rate	%	99	99	100	
Number of Ryohin Keikaku Group Helpline consultations	Number of Ryohin Keikaku Group Helpline consultations		184	234	388	
	Number of employees participating in harassment training	Persons	Held for newly appointed managers (450 participants)	1 session; 10,110 employees and partners; participation rate: 85.9%	1 session; all employees (23,949); participation rate: 73%	
	Number of employees with health officer's license	Persons	234	246	268	

5. Until FY2022/8, only employees with executive titles such as "deputy manager" or "general manager" were considered as managers. As of FY2023/8, employees whose job description and level of responsibility are equivalent to that of "deputy manager" are also counted as managers, regardless of their job title or number of people in their team.  
 6. The percentage of eligible employees taking childcare leave is calculated in accordance with the new methodology introduced by the Ministry of Health, Labour and Welfare in 2023.  
 7. Applies to directors elected at the 47th Ordinary General Meeting of Shareholders held on November 23, 2025.

## Basic Information

# Corporate Information (As the end of August 2025)

<b>Company Name</b>	Ryohin Keikaku Co., Ltd.
<b>Address</b>	Sumitomo Fudosan Iidabashi First Building, 2-5-1 Koraku, Bunkyo-ku, Tokyo 112-0004, Japan
<b>Establishment</b>	June 1989 (registration: May 1979)
<b>Capital</b>	JPY 6,766,250,000
<b>Number of Employees</b>	28,432 (including 14,520 non-regular employees and others; Ryohin Keikaku Group)

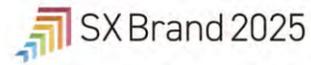
For more information, please refer to the Ryohin Keikaku website.

Website	▶ <a href="https://www.ryohin-keikaku.jp/en">https://www.ryohin-keikaku.jp/en</a>
IR Information	▶ <a href="https://www.ryohin-keikaku.jp/en/ir">https://www.ryohin-keikaku.jp/en/ir</a>
Sustainability Information	▶ <a href="https://www.ryohin-keikaku.jp/en/sustainability">https://www.ryohin-keikaku.jp/en/sustainability</a>
External Recognition	▶ <a href="https://www.ryohin-keikaku.jp/en/sustainability/muji-sustainability/evaluation">https://www.ryohin-keikaku.jp/en/sustainability/muji-sustainability/evaluation</a>
Stakeholder Engagement	▶ <a href="https://www.ryohin-keikaku.jp/en/sustainability/governance/stakeholder-engagement">https://www.ryohin-keikaku.jp/en/sustainability/governance/stakeholder-engagement</a>

### Recognition from Society

#### Selected as One of the "SX Brands 2025" for the First Time

For the first time, Ryohin Keikaku was selected as one of the "SX Brands 2025" by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). SX Brands are selected by METI and TSE as companies that strive to enhance corporate value by generating sustainable growth capital through sustainability transformation (SX), while undertaking management and business reforms with a focus on capital efficiency.



#### Ranked First in Japan Sustainable Brands Index (JSBI) 2024

The JSBI is a brand survey on consumer perceptions of companies with respect to the SDGs. It is calculated based on two scores: An SDGs contribution perception score, which measures how the company is perceived as a sustainable brand, and an SDGs evaluation score, which measures evaluations of the company's concrete actions toward achieving the SDGs. Ryohin Keikaku obtained high scores in both of these categories, and earned the top ranking for the third consecutive year as a result of its consistently strong reputation for sustainability among consumers.

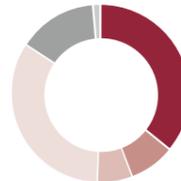
## Stock Information (As of the end of August 2025)

### Stock Overview

Total number of authorized shares: 11,123,120,000 shares  
 Total number of issued shares: 280,780,000 shares  
 Number of shareholders: 182,061  
 Stock exchange listing: Tokyo Stock Exchange Prime Market  
 Accounts settlement date: August 31  
 Ordinary General Meeting of Shareholders: Held in November each year  
 Administrator of the shareholder register: Sumitomo Mitsui Trust Bank, Limited

### Distribution of Shareholders

Financial institutions: 36.10%  
 Securities companies: 8.28%  
 Other corporations in Japan: 6.29%  
 Corporations and individuals outside Japan: 33.75%  
 Individuals and others: 14.46%  
 Treasury shares: 1.12%



### Credit Rating Information

Long-term issuer rating: A+  
 Rating outlook: Stable  
 Rating agency: Japan Credit Rating Agency (JCR)

### Major Shareholders (Top 10)

Shareholder	Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	52,833	19.03
Custody Bank of Japan, Ltd. (Trust Account)	26,139	9.41
Custody Bank of Japan, Ltd. (Trust Account E)	11,198	4.03
Mitsubishi Corporation	10,783	3.88
JP Morgan Securities Japan Co., Ltd.	7,391	2.66
JP MORGAN CHASE BANK 385632	6,828	2.45
STATE STREET BANK WEST CLIENT-TREATY 505234	5,308	1.91
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	4,963	1.78
SMBC Nikko Securities Inc.	4,566	1.64
RBC IST 15 PCT LENDING ACCOUNT-CLIENT ACCOUNT	4,069	1.46

Notes:

- The Company holds 3,151,553 shares of treasury stock. The 3,151,553 shares of treasury stock do not include 11,198,186 shares held by Mizuho Trust & Banking Co., Ltd. and 342,500 shares held by Sumitomo Mitsui Trust Bank, Limited for a stock benefit trust (J-ESOP) and 1,648,800 shares held by Nomura Trust & Banking Co., Ltd. for an employee shareholding incentive plan (E-SHIP).
- The 11,198,186 shares held by the Custody Bank of Japan, Ltd. (Trust Account E) are for the purpose of a stock benefit trust (J-ESOP).
- The shareholding ratio is calculated after deducting the 3,151,553 shares of treasury stock.

### Stock Price and Volume



The Company conducted a 10-for-1 share split of its common shares on September 1, 2019. The stock price and trading volume are calculated assuming that the share split was conducted at the beginning of FY2011/2.