

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

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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 sustainability¹ 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”

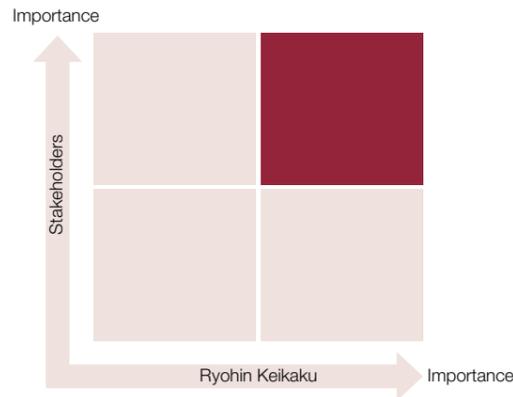
- Generate co-creation with people and local communities
- Realize governance with people in local communities as shareholders
- Encourage co-owned management by employees
- Earn strong support from investors

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 CO₂ 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 Standards² 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
Group GHG emissions Scope 1 and 2 (compared with baseline year as 100%)	<ul style="list-style-type: none"> 75,194 t-CO₂e (compared with baseline year: 125%) Japan only: 31,154 t-CO₂e (compared with baseline year: 98.9%) 	<ul style="list-style-type: none"> Group-wide GHG emissions and comparison with the baseline year are under review. Japan only: 30,075 t-CO₂e (compared with baseline year: 95.4%) Note: Figures are calculated as of the end of December 2025.
	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 ₂ 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.	
Procurement rate of textile materials sourced ethically and with consideration for their impact on the environment, society and animal welfare	<ul style="list-style-type: none"> Environmentally and socially responsible cotton: 97.4% (Apparel) 47.0% (Household goods) 	<ul style="list-style-type: none"> Environmentally and socially responsible cotton: 99.0% (Apparel) 57.7% (Household goods)
	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).	
Results of third-party audits of supplier factories	<ul style="list-style-type: none"> A assessment: 19 factories; B assessment: 182 factories; C assessment: 64 factories; D assessment: 13 factories; E assessment: 20 factories 	<ul style="list-style-type: none"> A assessment: 23 factories; B assessment: 235 factories; C assessment: 41 factories; D assessment: 11 factories; E assessment: 10 factories
	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.	
Volume of clothing items collected and sales volume of reused and upcycled clothing items	<ul style="list-style-type: none"> 97 t 55,746 items 	<ul style="list-style-type: none"> 140.1 t 88,302 items
	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.	
Volume of plastic products collected	<ul style="list-style-type: none"> Plastic storage items: 112.6 t Skincare PET bottles: 5.1 t 	<ul style="list-style-type: none"> Plastic storage items: 160.3 t Skincare PET bottles: 10.3 t
	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
Number of local revitalization activities	<ul style="list-style-type: none"> Number of events held: Approx. 6,000 Number of participants: Approx. 270,000 	<ul style="list-style-type: none"> Number of events held: Approx. 7,300 Number of participants: Approx. 490,000
	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.	
Economic value created in regions (Amount invested in the region by people)	Approx. JPY 0.9 billion	Approx. JPY 1.46 billion
	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
Percentage of women in managerial positions	29.8%	33.2%
	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.	
Percentage of non-Japanese officers at Group companies	33%	32%
	This shows the share of non-Japanese nationals in executive positions at overseas Group companies.	
Percentage of annual paid vacation taken	48.8%	52.3%
Turnover rate	5.5%	4.5%
Percentage of eligible employees taking childcare leave	71.7%	129.5%
	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.	
Return to work rate after taking childcare leave	39%	80%
Number of participants in open-enrollment training sessions	1,267	1,929
	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.	
Number of employees eligible for "challenge expectation" ESOP points	601	1,859
	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.	
Culture and Engagement Survey results throughout the Group	<ul style="list-style-type: none"> I resonate with the corporate purpose: 78% My work is useful to society: 83% I feel attached to the company: 72% 	-
	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
Number of Town Hall Meeting and Shareholder and Fan Meeting events at stores and number of participants	<ul style="list-style-type: none"> Number of meetings: 18 Number of participants: 635 	<ul style="list-style-type: none"> Number of meetings: 58 Number of participants: 1,938
	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.	
Number of initiatives completed through co-creation	6	12
	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.	
Number of individual shareholders and shareholding ratio	<ul style="list-style-type: none"> Number of individual shareholders: 161,000 Shareholding ratio: 14% 	<ul style="list-style-type: none"> Number of individual shareholders: 179,000 Shareholding ratio: 12.9%
	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.	
Percentage of individual shareholders holding shares for three years or more	21%	30%
	To further strengthen medium- to long-term relationships with individual shareholders, we held various gatherings, including Shareholder Meeting events.	
Percentage of employees who own shares held in trust	<ul style="list-style-type: none"> Regular employees: 78.8% (2,740 employees); All employees: 33.4% (3,500 employees) 	<ul style="list-style-type: none"> Regular employees: 78.1% (3,213 employees); All employees: 34.5% (4,243 employees)
	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.	
ROA, ROE and dividend payout ratio	<ul style="list-style-type: none"> ROA: 11.6% ROE: 14.9% Dividend payout ratio: 25.5% 	<ul style="list-style-type: none"> ROA: 13.5% ROE: 16.3% Dividend payout ratio: 26.1%
	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 CO₂ emissions.



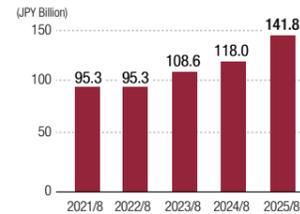
Product Strategy: Apparel

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.

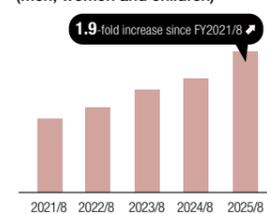
Key Issues

- 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



Innerwear Sales (Men, women and children)



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



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 CO₂ 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

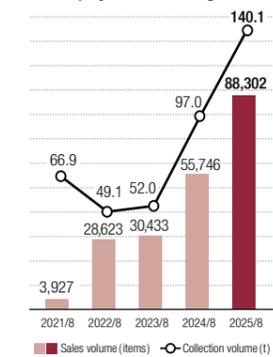
Resource Circulation Initiatives

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)

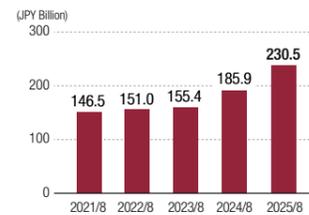
Product Strategy: Household Goods

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.

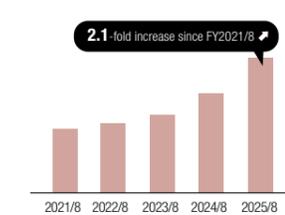
Key Issues

- 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)¹ 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.² 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

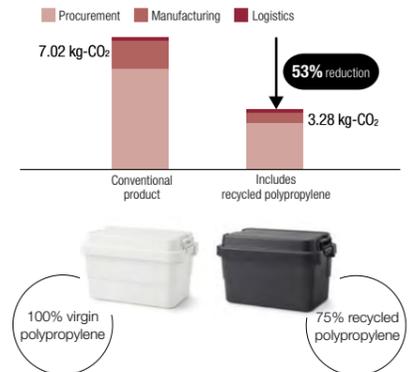
Development of Environmentally and Socially Responsible Products

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 CO₂ 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.³

3. We calculated “cradle-to-gate” CO₂ emissions from material procurement, manufacturing and transport to main warehouse. The calculation does not include CO₂ 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 CO₂ emission coefficient.

CO₂ 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

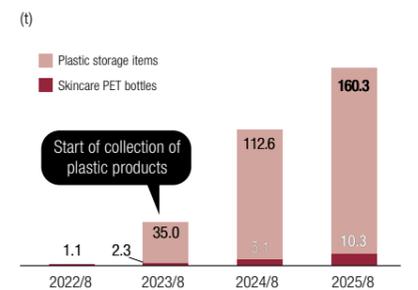
At MUJI stores in Japan we have collection corners for a wide range of plastic products, including skincare PET bottles, as well as polypropylene and polyethylene storage items and dust bins. Among household goods made from plastic, 83%⁴ are eligible for collection at stores. We collect these items regardless 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



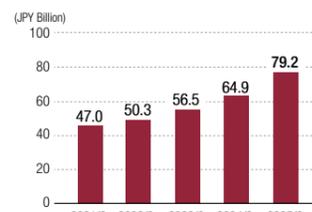
Product Strategy: Food

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.

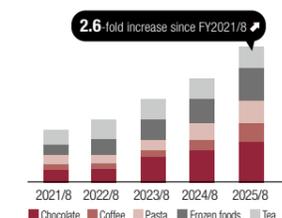
Key Issues

- 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 CO₂ 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 1¹ 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 2¹ 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 Clothing²

(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

Procurement Ratio of Environmentally Responsible Materials³

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 ⁵	100%	100%	82.9%	97.4%	99.0%
				Household goods ⁶	85.6%	87.4%	66.7%	47.0%	57.7%
Wool	Percentage of non-mulesed ⁴ or recycled wool	100%	Ongoing	Apparel ⁵	100%	100%	99.9%	100%	100%
				Household goods ⁶	100%	100%	100%	100%	100%
Down	Percentage of down certified to ensure animal welfare or recycled	100%	Ongoing	Apparel ⁵	100%	100%	100%	100%	100%
				Household goods ⁶	100%	100%	100%	100%	100%
Polyester	Percentage of materials utilizing recycled or plant-based raw materials	100%	FY2030/8	Apparel ⁷	—	—	—	—	77.8%
Nylon	Percentage of materials utilizing recycled or plant-based raw materials	100%	FY2030/8	Apparel ⁷	—	—	—	—	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

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.¹ 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,² 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 CO₂ 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 CO₂ Emissions in the Supply Chain

To reduce GHG emissions (Scope 3) in our supply chain, we are working to assess and lower CO₂ 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 trucks³ 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 CO₂ 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

Details of disclosure based on TNFD recommendations ▶ 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,⁴ 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

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,⁵ sustainably harvested cotton⁶ and recycled cotton.⁷ 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 Overseas¹

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 m²) 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

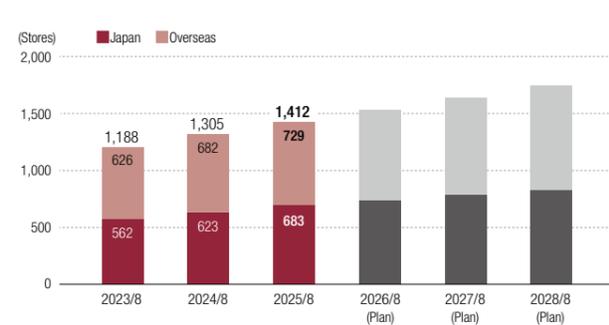
Overseas, we opened stores primarily in the East Asia Business and the Southeast Asia Business. As of the end of August 2025, the number of stores had increased by 47 from the previous fiscal year to 729. Our policy going forward is to continue expanding our store network, with a net annual increase 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
Total	1,412

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.² 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.¹ 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*,² 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 merchandising³ 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 m²), 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

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

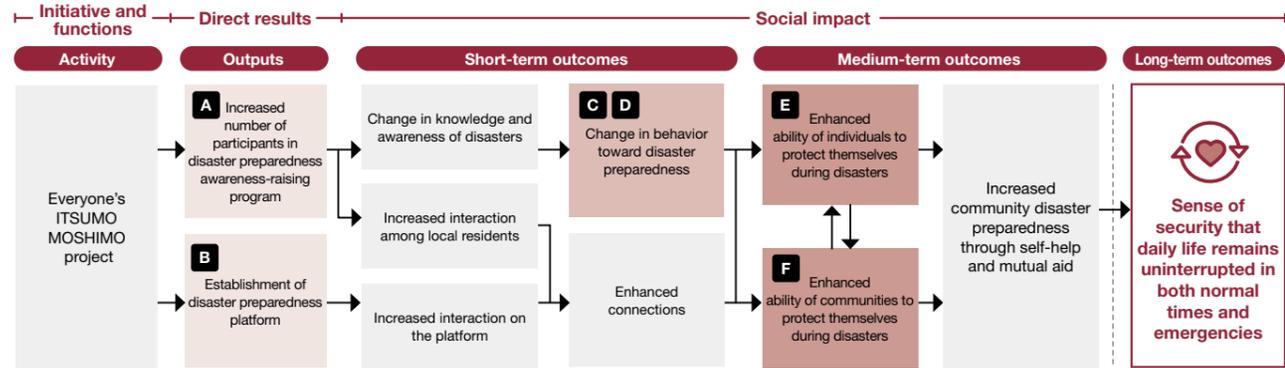
Ryohin Keikaku strives to make a positive impact on communities by engaging in activities that contribute to regional revitalization. In FY2025/8, we conducted a social impact assessment¹ of our disaster preparedness program “ITSUMO MOSHIMO—Always ready for emergency” at our stores throughout the country 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)² 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.³

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

SROI of 3.4

Social return on investment = Impact on society (benefit) ÷ Investment cost⁴

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.

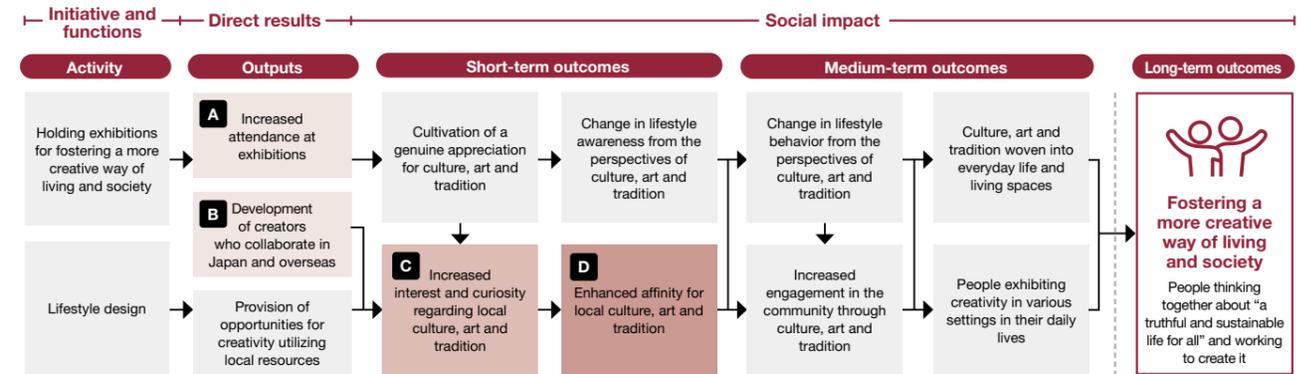
Culture, Art and Tradition

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
A Number of visitors to local art events 525,000	C Increase in intellectual curiosity 79%	D Percentage of people who will recommend the exhibits to others 92%
B Number of partner creators 240 people and groups		

SROI of 2.9

Social return on investment = Impact on society (benefit) ÷ Investment cost⁴

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 CO₂ 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 engineering¹ 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 m²). 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.² 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.

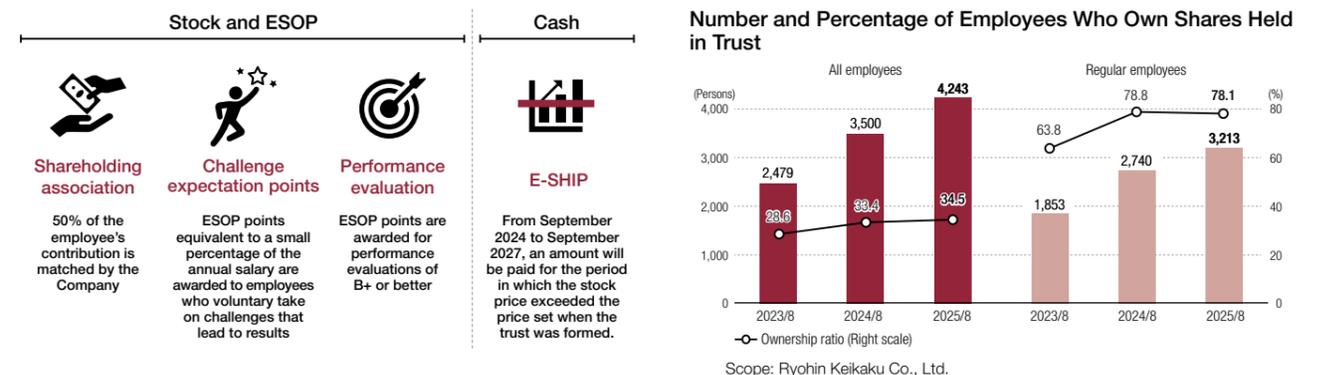
To make it easier for employees to imagine their career path, we are utilizing our in-house website's career development page to increase the number of articles on employees who serve as role models. In addition, we hold the "Division Festival," an exchange program where employees from various divisions can freely talk with each other. In Team ESG,³ 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,¹ 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 questions² 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.³

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 “CO₂ 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,¹ PEFC² and SGEC³) 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