



Ryohin Keikaku Co., Ltd. 2007

Summary of Business

Mujirushi Ryohin, established in 1980 as a private brand of The Seiyu with 40 products has grown to the present day into a brand carrying 7,000 products. Since its independence from The Seiyu Ltd. in 1989, Ryohin Keikaku Co., Ltd. has been developing and supplying consumer driven daily necessities including clothing, household goods and food. The company's basic principle is to develop new, simple products at reasonable prices by making the best



Initially 40 items

use of the materials while considering environmental issues. Ryohin Keikaku has been steadily developing its design concept and the popularity of its products sold under the MUJI brand is spreading worldwide as a global trend originating in Japan.

Product Development

MUJI's basic principle of product development has never changed in relation to three core principles:

1. Selection of materials
 2. Streamlining of processes
 3. Simplification of packaging
- MUJI has continued to produce items of quality by reviewing the basic essence of products. MUJI aims to provide rational satisfaction to customers saying "this will do" rather than "this is what I want"; both quality and price are acceptable on balance. By lowering the extent of the reconciliation and/or discontent of customers, MUJI can realize products that inspire consumer confidence.

Distribution Channels

In domestic sales, MUJI runs 172 MUJI stores and 146 licensed stores (general licensed stores and The Seiyu); 318 stores in total (as of February 28, 2007). Our products are distributed to Family Mart stores throughout Japan and to MUJI comKIOSK operated by JR East Retail Net Co., Ltd. Furthermore, MUJI opened an online store in Aug. 2000. MUJI has also expanded overseas: in total there are 69 overseas stores spanning 14 countries/regions including the United Kingdom, France, and Hong Kong.

Information and Distribution Systems

Our information system ensures the escalation of management reform. Our single item administration can track with precise accuracy the movement of even a single pen throughout the country. Moreover we have introduced a business process support system for better decision-making in relation to customer information, automatic ordering and long-term demand forecast systems. Our physical distribution system has been established logistically to encompass every aspect from merchandise procurement to outlet supply (to ensure stable supply of products), reduction of physical distribution cost, aggregation and transmission of product distribution information, and improvement of stores' efficiency.

MUJI Concept

"Lower price for a reason." This phrase encapsulates how we can provide our MUJI products at lower prices. We launched our MUJI brand by designing and developing products that might almost be regarded as substandard if based on traditional criteria, although they are of course actually of good quality. MUJI's natural and simple design proposes rational lifestyles for today's world. There is a reason why MUJI can provide such good quality products at lower prices; 25 years since the launch, the phrase "Lower price for a reason." has gradually come to imply clever low price or productive low cost.

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.



Streamlining processes

The processes by which each product is manufactured are subjected to careful scrutiny at MUJI. Processes that have no bearing on a product's quality such as sorting, sizing, and polishing are eliminated, leaving only those 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, MUJI's manufacturing processes eliminate waste and reduce costs.

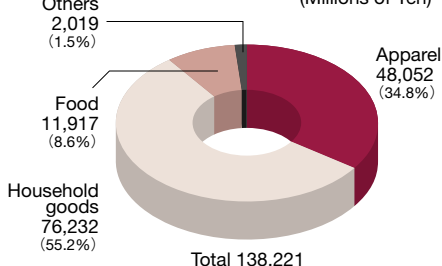
Simplification of packaging

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. Thus, all MUJI products appear on store shelves in simple packaging bearing only product-related information and a price tag.

Sales Data (As of February 28th 2007)

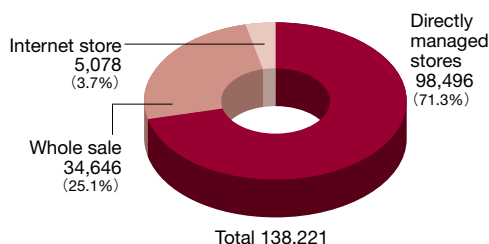
Sales Breakdown by Product Line

(Millions of Yen)



Sales Breakdown by Type of Sales

(Millions of Yen)



Number of items

Apparel	1,747
Household goods	5,330
Food	772
Total	7,849

The History of MUJI

- 1980** Dec MUJI sales corners are established as a private brand of The Seiyu with an original lineup of 9 household products and 31 foods.
- 1983** Jun Opens the first directly managed store Mujirushi Ryohin Aoyama (103 m²).
- 1985** Sep Mujirushi Ryohin Division is established.
- 1989** Jun Ryohin Keikaku Co., Ltd. is established, with initial capital of ¥100 million.
- 1990** Mar The responsibility for MUJI brand sales operations is transferred from The Seiyu to Ryohin Keikaku.
- 1991** Jul Opens the first overseas MUJI store in London in partnership with Liberty Plc.
- Nov Opens the first MUJI store in Hong Kong (closed down in 1998).
- 1993** Mar R.K. Trucks Co., Ltd. is established.
- 1994** Mar Ryohin Keikaku Europe Ltd. is established.
- Dec The Niigata procurement Center starts its operation.
- 1995** Apr Opens the first store in Singapore (closed down in 1998).
- Jul Opens the MUJI Tsunan Campground.
- Aug The Company's shares are registered on the over the counter market.
- 1996** Mar Opens Hanayoshi as the first flower shop.
- Jul Increases capital to ¥6,766.25 million.
- Dec The Fukuoka Logistics Center commences operations.
- 1997** Dec Obtains ISO 9001 certificate.
- 1998** Sep The Kobe Logistics Center commences operations.
- Dec Stock listed on the Second Selection of the Tokyo Stock Exchange. The Urayasu Logistics Center commences operations.
- 1999** Oct Opens MUJI comKIOSK (operated by JR East Retail Net Co., Ltd).
- 2000** May MUJI.net Co., Ltd. is established.
- Aug Listed on the First Section of Tokyo Stock Exchange.
- 2001** Feb Hana-Ryohin Co., Ltd. is established.
- Mar MUJI (HONG KONG) CO., Ltd. is established.
- Nov Opens Mujirushi Ryohin Yurakucho (2,737 m²).
Opens Mujirushi Ryohin Namba (2,168 m²).
- 2002** Nov Opens the first store in Ireland.
- 2003** Mar Store spaces are transferred from The Seibu Department Stores.
- Nov Opens the first store in Korea
Starts living space project
Mujirushi Ryohin no le.
- 2004** Apr Opens the first store in Taiwan.
- Jul Opens the MUJI Tsumagoi Campground.
- Sep Opens the first store in Sweden
- Oct Opens Mujirushi Ryohin no le Yurakucho.
- Dec Opens the first store in Italy.
- 2005** May Opens the first store in Norway.
- Jul Opens the first store in China.
- Nov Opens the first store in Germany.
- 2006** Apr MUJI Global Sourcing Pte. Ltd. is established in Singapore.
- May Opens the first MUJI store in Spain.
- Aug Takes over the business of IDÉE Co., Ltd.
- 2007** Jan MUJI EUROPE HOLDINGS LIMITED is established in London.



Mujirushi Ryohin Aoyama



MUJI Tsunan Campground



Mujirushi Ryohin Yurakucho



Mujirushi Ryohin no le Setagaya



MUJI Dusseldorf KO-GALERIE

Group Companies

R.K. Trucks CO., LTD.

Address Toshima-ku, Tokyo Establishment March 1993
Capital ¥30 million Stockholding ratio 100%
Primary business Distribution



MUJI.net CO., LTD.

Address Toshima-ku, Tokyo Establishment May 2000
Capital ¥149 million Stockholding ratio 74.63%
Primary business Planning and management of the portal community site (www.muji.net)
Management of Living Space
Planning [Mujirushi ryohin no le]



HANA-RYOHIN CO., LTD.

Address Toshima-ku, Tokyo Establishment February 2001
Capital ¥100 million Stockholding ratio 95%
Primary business Retailing of Flowers



IDÉE CO., LTD.

Address Setagaya-ku, Tokyo Establishment August 2006
Capital ¥800 million Stockholding ratio 80%
Primary business Retailing of IDÉE products



MUJI EUROPE HOLDINGS LIMITED

Address London, U.K. Establishment January 2007 Capital STG £14.62 million
Stockholding ratio 100% Primary business Unification of the business in European region

RYOHIN KEIKAKU EUROPE LTD.

Address London, U.K. Establishment March 1994 Capital STG £12 million
Stockholding ratio 100% Primary business Retailing of MUJI products

RYOHIN KEIKAKU FRANCE S.A.S.

Address Paris, France Establishment April 1998 Capital EUR 6.09 million
Stockholding ratio 100% Primary business Retailing of MUJI products

MUJI ITALIA S.p.A.

Address Milan, Italy Establishment September 2004 Capital EUR 3 million
Stockholding ratio 80% Primary business Retailing of MUJI products

MUJI Deutschland GmbH

Address Düsseldorf, Germany Establishment July 2005 Capital EUR 4 million
Stockholding ratio 80% Primary business Retailing of MUJI products

MUJI (HONG KONG) CO., LTD.

Address Hong Kong, China Establishment March 2001 Capital HK\$29.3 million
Stockholding ratio 100% Primary business Retailing of MUJI products

MUJI (SINGAPORE) PRIVATE. LTD.

Address Singapore Establishment January 2003 Capital SG\$700,000
Stockholding ratio 100% (Subsidiary of MUJI (Hong Kong) Co.,Ltd.)
Primary business Retailing of MUJI products

MUJI Korea Co., LTD.

Address Seoul, Korea Establishment December 2004 Capital KRW 6 billion
Stockholding ratio 60% Primary business Retailing of MUJI products

MUJI (SHANGHAI) CO., LTD.

Address Shanghai, China Establishment May 2005 Capital US\$2.1 million
Stockholding ratio 100% Primary business Retailing of MUJI products

MUJI Global Sourcing Private Limited

Address Singapore Establishment April 2006 Capital SG\$3 million
Stockholding ratio 100% (Subsidiary of MUJI (Hong Kong) Co.,Ltd.)
Primary business Retailing of MUJI products

MUJI TAIWAN CO., LTD.

Address Taipei, Taiwan Establishment August 2003 Capital NT\$100 million
Stockholding ratio 39% Primary business Retailing of MUJI products

MUJI U.S.A. Limited

Address New York, U.S.A. Establishment May 2006 Capital US\$1 million
Stockholding ratio 100% Primary business Retailing of MUJI products

Corporate Data

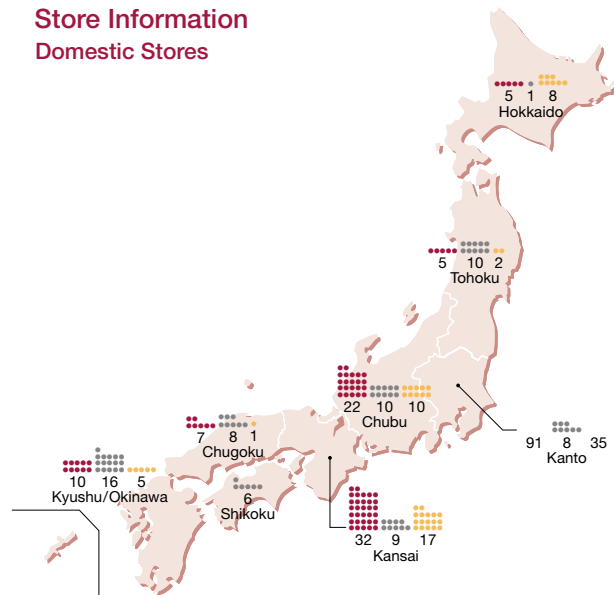
Corporate name	Ryohin Keikaku Co.,Ltd.
Address	4-26-3,Higashi-ikebukuro, Toshima-ku,Tokyo, 170-8424
Telephone	03-3989-4403
Internet home page	http://ryohin-keikaku.jp/
Date of establishment	June 1989 (Registered May 18,1979)
Paid-in capital	¥ 6,766 million (As of February 28, 2007)
Fiscal year-end	Last day of February
Annual Turnover	¥ 139,350 million (Fiscal 2006)
Number of employees	3,946 (including part-time employees, As of February 28, 2007)
Number of retail outlets	Directly managed:172 Licensed:146 (As of February 28, 2006)
Overseas	UnitedKingdom:17, France:8, Italy:3, Germany:2, Ireland:1, Sweden:6, Norway:4, Spain:2, Hong Kong:6, Singapore:3, Korea:5, China:1 Taiwan:9 Thailand:2 and others* *Supply to The Museum of Modern Art in New York (As of February 28, 2007)

Management (As of May 23rd 2007)

President and Representative Director	Tadamitsu Matsui
Senior Managing Director and Representative Director	Masaaki Kanai
Senior Managing Director	Masanobu Furuta
Managing Director	Naohiro Asada
Directors	Osamu Hasegawa Takashi Kato Hidejiro Fujiwara Tomiji Uematsu Junichi Nakano
Corporate Auditors	Hitoshi Matsui Toshiyasu Suda Masaaki Kojima Seiichi Hirabayashi
Senior Executive Officer	Junichi Tokue
Executive Officers	Hiroto Oki Kei Suzuki Takashi Komori

Store Information

Domestic Stores



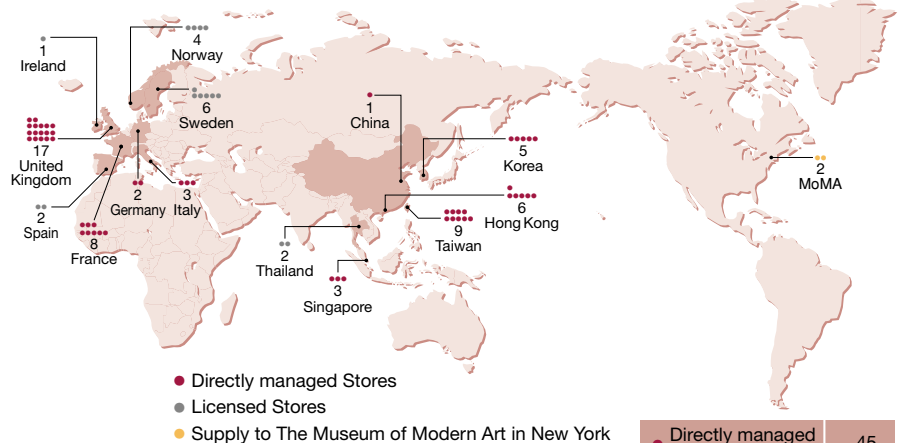
● Directly managed Stores	172
● Licensed Stores	68
● The Seiyu	78
Total	318

(As of February 28th, 2007)

Advisory Board

Advisors	Kazuko Koike Hiroshi Kojitani Takashi Sugimoto Masaru Amano Kenya Hara Naoto Fukasawa Yohji Yamamoto
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Overseas Stores



- Directly managed Stores
- Licensed Stores
- Supply to The Museum of Modern Art in New York

● Directly managed Stores	45
● Licensed Stores	24
Total	69

(As of February 28th, 2007)

Primary business

Operation of MUJI retail outlets, product Planning, development, manufacture, wholesale, and sales