

Special Procedures, Office of the High Commissioner for Human Rights

Dear Sirs and Madams:

Thank you for sending your joint letter to us. We apologize for our belated response. Nobody in our company had recognized the receipt of your letter until we received reminder. We would like to answer to your inquiry as follows.

Ryohin Keikaku Co., Ltd. (hereinafter, "Ryohin Keikaku" or "we"), which operates the MUJI brand, does not tolerate any form of human rights abuse such as forced labor, and is making every effort to respect human rights in accordance with international norms, including the United Nations Guiding Principles on Business and Human Rights (the "UN Guiding Principles") as global authoritative norm.

We have been paying attention to the various reports and news coverages regarding the allegations on forced labor and ethnic minority discrimination in the Xinjiang Uygur Autonomous Region, which you have also mentioned in your joint letter. Under this situation, in order to increase transparency of our supply chain and prevent any human rights abuse including forced labor in our supply chain, we are implementing the following measures.

We consider "Quest Value" "Positive Spiral" and "Best Partnership" as our corporate philosophy. In accordance with our "Code of Conduct for Production Partners of Ryohin Keikaku" (http://ryohin-keikaku.jp/csr/code_of_conduct/coc_2020_en.pdf), we share our policies related to working environment and the respect for human rights throughout our supply chain with all our partner factories, and we do business only with those factories who pledge to comply with these policies. In addition, for the contract factories that produce MUJI products, we regularly arrange onsite factory audits carried out by third-party organizations. In cases that any non-compliance is detected, we require our business partner factories to take immediate remedial actions. With regard to the implementation of such remedial actions, we ask them to establish an effective program to solve the issues. Furthermore, we carry out continuous monitoring, such as asking for the submission of evidence where the remedial actions are taken. In the unlikely event that our partner factories are proved to contribute to serious human rights abuse such as forced labor, and the situation cannot be improved even if we exercise our leverage, we will take appropriate measures in accordance with our "Code of Conduct for Production Partners of Ryohin Keikaku", including considering the cease of the business relationship with such business partner or partner factory as our option. Through this process of human rights due diligence, we are striving to identify and prevent the risk of

potential human rights abuses in accordance with the UN Guiding Principles.

In addition, all the cotton and yarn used by MUJI has obtained an international organic certification confirmed by a third-party organization, the GOTS (Global Organic Textile Standard). We recognize that this certification verifies the source of our suppliers' cotton and seeks to ensure the compliance with labor standards stipulated by the International Labour Organization (ILO) through annual audits by independent organizations as commissioned by us.

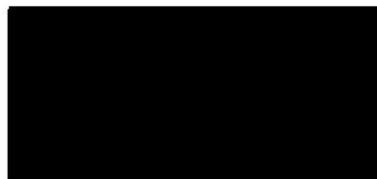
We also recently conducted enhanced due diligence for all the farms and ginning factories, with which we recognize, to the best of our knowledge, that we are indirectly related through our supply chain in the Xinjiang Uygur Autonomous Region. While paying attention to various reports and news coverages, we have carried out this due diligence prudently and extensively following the guidance issued by international organizations and various national governments, including the UN Guiding Principles, the OECD Due Diligence Guidance for Responsible Business Conduct, and the U.S. government's Xinjiang Supply Chain Business Advisory. We also commissioned an independent audit organization, which globally operates as an audit and certification body in more than 70 countries, to conduct onsite audits for the due diligence. Through this due diligence process, we have focused on carefully checking out whether any serious human rights abuse such as forced labor, arbitrary detention, or trafficking in persons, has occurred in the firms and factories in our supply chain. We have also prudently monitored any indication of interference with our on-site audit process. The results confirmed that at this point, there is no significant issue identified. Nevertheless, as a further step of the compliance with international norms, including the UN Guiding Principles, and our "Code of Conduct for Production Partners of Ryohin Keikaku", we requested the farms and factories to improve any minor issue that was brought to our attention as a result of the audit. We also would like to note that we did not observe any disturbance in the audit process.

In order to further prevent human rights abuses in our supply chain, we will rigorously engage with other companies in our supply chain to further improve their working environment and will continue to carefully gather information and appropriately implement due diligence and any other measures. We have been receiving advice and support from Attorney Sakon Kuramoto and Attorney Daisuke Takahashi, independent external legal experts in the field of Business and Human Rights on our initiatives related to Business and Human Rights, including the due diligence process implemented at this time. We will further

continue our effort to use independent external human rights expertise and conduct a stakeholder consultation in order to effectively carry out human rights due diligence. We also accept any complaint regarding human rights abuse throughout our supply chain, through our contact points. We are also working to strengthen the grievance mechanisms in place.

We are aware that some governments and international organizations, including the United States and the European Union, are taking various measures such as economic sanctions against certain individuals and entities alleged to have been involved in human rights violations in the Xinjiang Uyghur Autonomous Region, and then we are working to ensure compliance with such laws and regulations. We will pay close attention to future movements and will continue to appropriately comply with relevant laws and regulations.

We will continue to monitor our supply chain to ensure that the rules in our "Code of Conduct for Production Partners of Ryohin Keikaku" are well implemented. We will also further consider other effective methods to effectively exercise our leverage over the supply chain, and strengthen the due diligence process in accordance with the UN Guiding Principles in order to prevent and remedy all forms of human rights abuses such as forced labor, arbitrary detention and human trafficking.



Kouta Sugiyama
Executive Officer
Also in charge of: PR ESG Division,
Ryohin Keikaku Co., Ltd.

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