



MUJI Denmark ApS

C/O Illum
Østergade 52
1100 København K

CVR No. 40675523

Annual Report 2023/24

5. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 27 March 2025

Masato Arai
Chairman

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MUJI Denmark ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of MUJI Denmark ApS for the financial year 1 September 2023 - 31 August 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 August 2024 and of the results of the Company's operations for the financial year 1 September 2023 - 31 August 2024.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27 March 2025

Executive Board

Masato Arai
Man. Director

Independent Auditors' Report

To the shareholders of MUJI Denmark ApS

Opinion

We have audited the financial statements of MUJI Denmark ApS for the financial year 1 September 2023 - 31 August 2024, which comprise an income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 August 2024 and of the results of its operations for the financial year 1 September 2023 - 31 August 2024 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- * Identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditors' Report

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 March 2025

KPMG Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

Simon Vinberg Andersen

State Authorised Public Accountant

mne35458

MUJI Denmark ApS

Company details

Company	MUJI Denmark ApS C/O Illum Østergade 52 1100 København K
CVR No.	40675523
Date of formation	24 July 2019
Registered office	København
Executive Board	Masato Arai, Man. Director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 Copenhagen CVR-no.: 25578198

Management's Review

The Company's principal activities

The Company's principal activities consist in import, purchase, distribution and marketing of clothing and accessories and other related business

Development in activities and financial matters

The Company's Income Statement of the financial year 1 September 2023 - 31 August 2024 shows a result of DKK -9.584.806 and the Balance Sheet at 31 August 2024 a balance sheet total of DKK 6.363.577 and an equity of DKK 4.641.288.

On 8 April 2024, the parent company of MUJI Denmark, Muji Europe Holdings Limited, sold its 100% interest in MUJI Denmark to Muji Europe Limited.

MUJI Denmark owed Muji Europe Holdings DKK 59,459,775 as at 8 April 2024, and this debt was waived by Muji Europe Holdings resulting in an adjustment to equity in the year.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of MUJI Denmark ApS for 2023/24 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Due to the fact that management expects the company to be dissolved within a few years the financial statements have not been prepared on a going concern basis. Assets and liabilities have therefore been measured under the realization principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs of subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial expenses include interest expenses, realised and unrealised transactions in foreign currencies and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Deposits

Deposits are measured at cost and expected realization value.

Inventories

Merchandise are measured at cost and expected realization value, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost and expected realization value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepaid expenses

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other payables

Other payables are measured at amortised cost and expected realization value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2023/24 kr.	2022/23 kr.
Gross profit		-2.371.743	2.795.233
Employee benefits expense	1	-7.203.572	-14.423.054
Profit from ordinary operating activities		-9.575.315	-11.627.821
Other finance income		57	452
Other finance expenses		-9.548	-79.955
Profit from ordinary activities before tax		-9.584.806	-11.707.324
Tax expense on ordinary activities		0	-581.863
Profit		-9.584.806	-12.289.187
Proposed distribution of results			
Retained earnings		-9.584.806	-12.289.187
Distribution of profit		-9.584.806	-12.289.187

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Balance Sheet as of 31 August

	Note	2024 kr.	2023 kr.
Assets			
Deposits, investments		20.000	20.000
Financial assets		20.000	20.000
Fixed assets		20.000	20.000
Goods for resale		0	3.184.828
Inventories		0	3.184.828
Trade receivables		0	1.613.595
Other short-term receivables		247.156	245.100
Prepaid expenses		0	22.046
Receivables		247.156	1.880.741
Cash and cash equivalents		6.096.421	9.986.998
Current assets		6.343.577	15.052.567
Assets		6.363.577	15.072.567

Balance Sheet as of 31 August

	Note	2024 kr.	2023 kr.
Liabilities and equity			
Contributed capital		51.000	51.000
Debt forgiveness from Group		59.459.775	0
Retained earnings		-54.869.487	-45.284.681
Equity		4.641.288	-45.233.681
Trade payables		488.495	1.821.233
Payables to group enterprises		0	52.147.220
Other payables		1.233.794	6.337.795
Short-term liabilities		1.722.289	60.306.248
Liabilities other than provisions within the business		1.722.289	60.306.248
Liabilities and equity		6.363.577	15.072.567
Contingent liabilities	2		
Related parties	3		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 September 2023	51.000	-45.284.681	-45.233.681
Debt forgiveness from group	0	59.459.775	59.459.775
Profit (loss)	0	-9.584.806	-9.584.806
Equity 31 August 2024	51.000	4.590.288	4.641.288

The share capital has remained unchanged from last year.

Notes

	2023/24	2022/23
1. Employee expense		
Wages and salaries	6.654.529	13.238.117
Post-employment benefit expense	534.960	885.950
Social security contributions	14.083	298.987
	<u>7.203.572</u>	<u>14.423.054</u>
Average number of employees	<u>17</u>	<u>35</u>

2. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

3. Related parties

MUJI Denmark ApS is part of the consolidated financial statements of Ryohin Keikaku CO., Ltd, Lidabashi First Building 2-5-1 Koraku, Bunkyo-ku, Tokyo, 112-0004, Japan, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Ryohin Keikaku Co., Ltd can be obtained by contacting the Company at the address above.