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Major Q&A at East Asia Business Briefing
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	Q	A
1	What are the main initiatives to restore sales per store in mainland China business to pre-COVID levels?	The goal is to return to the 2018 peak level as early as possible. This will be supported by strengthening marketing activities to increase customer traffic, along with expanding sales of Household goods and Food. In addition, scrap-and-build initiatives, the closure of low sales stores, small-scale renovations, and the opening of flagship stores in major cities will enhance brand image and drive growth.
2	What are the key growth drivers for mainland China business going forward?	Growth will be driven by expanding sales of Household goods and Food, centered on local product development. In Household goods, daily supplies such as Health & Beauty and Housewares are being strengthened to meet consumer needs. In Food, an expanded assortment is increasing category contribution. In parallel, marketing initiatives combined with continuous communication through SNS and other channels are expected to enhance brand appeal.
3	What is your view on the potential for store expansion in mainland China business, and how do you think about the size of new store openings?	The current store network remains limited compared with competitors, with significant expansion potential, particularly in major cities. Going forward, store density in the top 20 cities will be increased, while expansion in other areas will be pursued based on careful location selection of retail facilities. Over the medium term, the focus will be on the standard format of approximately 1,500㎡, alongside consideration of smaller formats.
4	You mentioned narrowing down target customer segments—how are these defined?	Based on customer research and analysis, the target base is positioned within the middle-income segment and categorized into four groups: customers who value long-term use of products, those who prefer a simple lifestyle, trend-oriented customers, and those who seek higher-quality living by balancing price and quality. Customer expansion will be pursued through tailored marketing strategies aligned with each segment.
5	What has driven the localization of the organization in mainland China business?	In areas significantly influenced by local market characteristics—such as EC, marketing, and store operations—recruitment of local talent into leadership positions has been strengthened. We also have a strong base of long-tenured employees, and promotions to management roles in key functions have been steadily advancing.
6	How is the collaboration with LOTTE SHOPPING in South Korea business?	The relationship with LOTTE SHOPPING has remained strong. In recent years, communication at the top management level has become more frequent, leading to deeper discussions on business operations and more constructive exchanges of views, which have contributed to business growth.
7	What is the EC strategy in South Korea business, including the use of own EC and external platforms?	Our own EC has achieved significant growth through the renewal of the MUJI app, which has driven new member acquisition and strengthened membership services. NAVER, an external platform, is positioned not only as a customer touchpoint but also as a key channel enabling mutual traffic with the company's own EC and physical stores.
8	What improvements were made to roadside stores in South Korea business based on past challenges, and what is the future store-opening policy?	The initial roadside store in South Korea business was launched as an Apparel-focused format but did not meet customer needs and underperformed. A subsequent renovation, expanding the assortment to include Household goods and Food, led to improved performance. Going forward, there remains sufficient potential for expansion in terms of regions and locations, with an estimated capacity of one store per 500,000–600,000 people.
9	What is the current organizational structure in South Korea business, and what are the future HR and organizational policies?	The business is currently in a phase of further advancing local management, with external hiring focused on general manager-level positions. For capability gaps, collaboration with Japan business and other overseas businesses, as well as the acceptance of personnel from LOTTE SHOPPING, is under consideration. In addition, training systems for existing employees are being strengthened in coordination with headquarters in Japan.
10	What competitive strategy will be pursued in the South Korean market, where the competitive environment is evolving rapidly, and what is the situation by product category?	The current market share remains extremely low, with significant room to expand customer reach across both major cities and regional areas. Strengthening the assortment through both local merchandising (MD) and global products supports the potential to grow to approximately 100 stores. In the Health & Beauty category, despite intense competition, natural and nature-oriented products continue to be highly evaluated.
11	What are the characteristics of the marketing strategy in South Korea business, and how does it differ from Japan business and mainland China business?	As South Korea business is at a different stage of growth compared to Japan business and mainland China business, we focus on communicating our unique product value and strengthening locally driven marketing. Beyond promotions, branding initiatives such as pop-up events help deepen brand penetration and support further expansion of the customer base.
12	What is the outlook for the operating margin of the East Asia business?	The operating margin is expected to remain stable at around 20% while the scale of sales and profits increases. From the perspective of supporting growth investments in Europe and North America business, and Southeast Asia and Oceania business, maintaining stable profitability in Japan business and East Asia business is important to drive global growth.
13	How is the importance of local products viewed in mainland China business and South Korea business?	In mainland China business, local MD is considered essential to address differences in customer lifestyles and is also expected to contribute to improving customer loyalty over the medium to long term. In South Korea business, in addition to local MD, expanding the reach of global products—such as curry and Baumkuchen (popular items in Japan business)—is important for increasing customer touchpoints. Going forward, development will not be limited to local MD, but will be advanced through coordination with global MD and mainland China MD.