



## **MUJI Denmark ApS**

c/o Illum  
Østergade 52  
1100 København K

CVR No. 40675523

## **Annual Report 2022/23**

4. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 2 April 2024

---

Masato Arai  
Chairman

**Contents**

Management's Statement .....	3
Independent Auditors' Report .....	4
Company Information .....	7
Management's Review .....	8
Accounting Policies .....	9
Income Statement .....	12
Balance Sheet .....	13
Statement of changes in Equity .....	15
Notes .....	16

**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 2022 - 31 August 2023.

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 2023 and of the results of the Company's operations for the financial year 1 September 2022 - 31 August 2023.

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, 2 April 2024

### **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 2022 - 31 August 2023, 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 2023 and of the results of its operations for the financial year 1 September 2022 - 31 August 2023 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter regarding matters in the financial statements

As mentioned in note 1 of the annual report the company's Management has a plan to cease operations, but also negotiate with its creditors, including its UK parent company.

The purpose of the negotiations is to end up with a positive equity and sufficient liquidity to be in a dormant state, after ceasing operations of the store in Copenhagen.

As the current negotiations are depending on reaching an agreement with third parties also outside the Muji Group, the annual report is contingent of these negotiations ending with a positive outcome.

Based on this the financial statements have not been prepared on a going concern basis.

#### 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

## Independent Auditors' Report

### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in the 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

**MUJI Denmark ApS**

## **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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 2 April 2024

### **KPMG Statsautoriseret Revisionspartnerselskab**

CVR-no. 25578198

Morten Høgh-Petersen

State Authorised Public Accountant

mne34283

## MUJI Denmark ApS

### Company details

<b>Company</b>	MUJI Denmark ApS c/o Illum Østergade 52 1100 København K
CVR No.	40675523
Date of formation	24 July 2020
Registered office	København
<b>Executive Board</b>	Masato Arai, Man. Director
<b>Auditors</b>	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 2022 - 31 August 2023 shows a result of DKK -12.289.187 and the Balance Sheet at 31 August 2023 a balance sheet total of DKK 15.072.567 and an equity of DKK -45.233.681.

The company has had significant losses from its activities, and at the time of filing the annual report, is negotiating with its main creditors, to restructure its activities.

Management believes that it is very likely that the store in Copenhagen will continue its activities but operated by a third party, and no longer by Muji Denmark ApS within Q2 2024.

Muji Denmark ApS's Management expect that due to the current positive negotiations, the company will be relieved of its main contractual obligations and receive a debt relief or restructuring of debt, which will enable the company to be solvent after the restructuring. The main external creditor is the parent company in the UK which has been the main supplier of goods.

The current plans for the company after operations of the store are transferred to the third party, are currently to be dormant, but a purpose will be considered during 2024.

Management assesses that a solvent liquidation will be possible within the coming years, as the company is expected to have sufficient liquidity after the restructuring process.

Due to the above, the annual report have been prepared under the realization principle.



## **Accounting Policies**

### **Reporting Class**

The Annual Report of MUJI Denmark ApS for 2022/23 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.

#### Accrued income, assets

Accrued income 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.

MUJI Denmark ApS

Income Statement

	Note	2022/23 kr.	2021/22 kr.
<b>Gross profit</b>		<b>2.795.233</b>	<b>4.538.485</b>
Employee benefits expense	2	-14.423.054	-10.110.708
Depreciation and amortisation expenses		0	-18.084.639
<b>Profit from ordinary operating activities</b>		<b>-11.627.821</b>	<b>-23.656.862</b>
Other finance income		452	120
Other finance expenses		-79.955	-248.225
<b>Profit from ordinary activities before tax</b>		<b>-11.707.324</b>	<b>-23.904.967</b>
Tax expense on ordinary activities		-581.863	0
<b>Profit</b>		<b>-12.289.187</b>	<b>-23.904.967</b>
<b>Proposed distribution of results</b>			
Retained earnings		-12.289.187	-23.904.967
<b>Distribution of profit</b>		<b>-12.289.187</b>	<b>-23.904.967</b>

MUJI Denmark ApS

Balance Sheet as of 31 August

	Note	2023 kr.	2022 kr.
<b>Assets</b>			
Equipment	3	0	0
Leasehold improvements	4	0	0
<b>Fixed assets</b>		<b>0</b>	<b>0</b>
Deposits, investments		20.000	91.130
<b>Financial assets</b>		<b>20.000</b>	<b>91.130</b>
<b>Fixed assets</b>		<b>20.000</b>	<b>91.130</b>
Goods for resale		3.184.828	3.261.915
Prepayments for goods		0	19.693
<b>Inventories</b>		<b>3.184.828</b>	<b>3.281.608</b>
Trade receivables		1.613.595	518.158
Current deferred tax		0	581.863
Other short-term receivables		245.100	50.000
Prepayments		22.046	15.362
<b>Receivables</b>		<b>1.880.741</b>	<b>1.165.383</b>
<b>Cash and cash equivalents</b>		<b>9.986.998</b>	<b>11.357.857</b>
<b>Current assets</b>		<b>15.052.567</b>	<b>15.804.848</b>
<b>Assets</b>		<b>15.072.567</b>	<b>15.895.978</b>

MUJI Denmark ApS

Balance Sheet as of 31 August

	Note	2023 kr.	2022 kr.
<b>Liabilities and equity</b>			
Contributed capital		51.000	51.000
Retained earnings		-45.284.681	-32.995.494
<b>Equity</b>	1	<b>-45.233.681</b>	<b>-32.944.494</b>
Trade payables		1.821.233	477.933
Payables to group enterprises		52.147.220	43.924.036
Other payables		6.337.795	4.438.503
<b>Short-term liabilities</b>		<b>60.306.248</b>	<b>48.840.472</b>
<b>Liabilities other than provisions within the business</b>		<b>60.306.248</b>	<b>48.840.472</b>
<b>Liabilities and equity</b>		<b>15.072.567</b>	<b>15.895.978</b>
Contingent liabilities	5		

## MUJI Denmark ApS

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 September 2022	51.000	-32.995.494	-32.944.494
Profit (loss)	0	-12.289.187	-12.289.187
<b>Equity 31 August 2023</b>	<b>51.000</b>	<b>-45.284.681</b>	<b>-45.233.681</b>

The share capital has remained unchanged from last year.

## Notes

### 1. Financial situation

As mentioned in the Management review, the company's Management has a plan to cease operations, but also negotiate with its creditors, including its UK parent company.

The purpose of the negotiations is to end up with a positive equity and sufficient liquidity to be in a dormant state, after ceasing operations of the store in Copenhagen.

Subsequent to this Management will consider the purpose of the entity and possibly make a solvent liquidation within a few years. On this basis the financial statements have not been prepared on a going concern basis.

As the current negotiations are depending on reaching an agreement with third parties also outside the Muji Group, the annual report is contingent of these negotiations ending with a positive outcome.

Management are confident that this is very likely as the third party is very positive in the current dialogue.

	<b>2022/23</b>	<b>2021/22</b>
<b>2. Employee expense</b>		
Wages and salaries	13.238.117	9.437.782
Post-employment benefit expense	885.950	454.766
Social security contributions	298.987	218.160
	<b>14.423.054</b>	<b>10.110.708</b>
Average number of employees	35	29
<b>3. Plant and machinery</b>		
Cost at the beginning of the year	776.321	776.321
<b>Cost at the end of the year</b>	<b>776.321</b>	<b>776.321</b>
Depreciation and amortisation at the beginning of the year	-776.321	-226.911
Amortisation for the year	0	-265.238
Impairment losses for the year	0	-284.172
<b>Impairment losses and amortisation at the end of the year</b>	<b>-776.321</b>	<b>-776.321</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>0</b>



**Notes**

**4. Leasehold improvements**

Cost at the beginning of the year	19.836.570	19.736.827
Addition during the year, incl. improvements	0	99.743
<b>Cost at the end of the year</b>	<b>19.836.570</b>	<b>19.836.570</b>
Depreciation and amortisation at the beginning of the year	-19.836.570	-2.480.357
Amortisation for the year	0	-2.617.030
Impairment losses for the year	0	-14.739.183
<b>Impairment losses and amortisation at the end of the year</b>	<b>-19.836.570</b>	<b>-19.836.570</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>0</b>

**5. Contingent liabilities**

The company has entered into a rental contract with earliest termination in October 2025, corresponding to a liability of DKK 32.389.217