Special Feature

Division Company Presidents Discuss Their Companies' Growth Potential

Footwear

Hideto Takeuchi, President of Textile Company

“ I believe there is significant untapped growth potential in the footwear segment within our existing business platform. Through brands such as CONVERSE, FILA, Reebok, and UNDER ARMOUR, we have sold as many as 9 to 10 million pairs of shoes annually at our peak. However, our footwear businesses have traditionally operated in silos, limiting opportunities to leverage expertise across brands.
By placing DESCENTE, now a wholly owned subsidiary, at the center of our strategy, we aim to connect these businesses, unlock group-wide know-how and sourcing capabilities, and create new growth opportunities.

Footwear and gear are key growth drivers for sports brands. While DESCENTE has historically focused on apparel, we see significant room for expansion in these categories. Going forward, we will grow DESCENTE’s footwear business by leveraging footwear expertise developed in Korea and ITOCHU’s overall capabilities. We also intend to extend these benefits to existing businesses such as CONVERSE, FILA, and Reebok, driving growth across the Textile Company as a whole.

Adapt to Change / Hands-on management

Shuichi Miyamoto, President of Food Company

“ I believe the biggest difference between ITOCHU and other general trading companies lies in the depth of our hands-on management and in the way we put it into practice. While we have long embraced a hands-on approach to managing our Group companies, some other trading companies take a more hands-off stance, placing greater emphasis on the independence of their group companies. Our concept of hands-on management is not about issuing instructions from the parent company. Rather, we dispatch our people to our Group companies, work alongside their management and employees on the frontlines, and tackle challenges together with a shared sense of responsibility. As a result, we increasingly hear from investees and partners that they are glad ITOCHU joined them, and glad to have ITOCHU as their partner. We believe this kind of recognition can only be earned by working alongside people on the frontlines and deliver tangible results. In that sense, we believe our hands-on management is highly effective in enhancing the value of our investee companies. This ability to go deep into the frontlines and work side by side with our partners is, in my view, ITOCHU’s greatest advantage—one that is not easily replicated by others. And I also believe it represents the Food Company’s greatest growth opportunity.

Summary

Keita Ishii, President & COO; CSO

“ The Textile Company and the Food Company are among our oldest businesses. Both originated as trading operations, primarily sourcing raw materials from overseas. However, as trading alone gradually became less sustainable over time, the key challenge was how to continue creating value and remain competitive.

In foundational industries, both suppliers and customers are typically large corporations. General trading companies have maintained their role **by acting as agents and distributors, connecting participants across long and complex supply chains**.

By contrast, the textile and food sectors have relatively short supply chains, and the companies involved tend to be smaller. Moreover, these businesses ultimately serve end consumers. Recognizing these characteristics, we **shifted our strategy toward expanding further downstream into businesses where we could take the initiative across the value chain**. We have long owned group companies engaged in manufacturing and processing, as well as businesses that package and deliver products to consumers. Building on these foundations, we expanded further downstream by entering wholesale distribution, moving into logistics, and through acquisitions, including FamilyMart. **The further downstream we expanded, the more opportunities emerged to create new value**. This downstream-oriented approach has been the driving force behind the growth of both Division Companies.

While each Division Company has evolved in its own way, both have grown **by expanding in every direction across the value chain to capture new profit opportunities**. By engaging in businesses in diverse ways, they have increased businesses where they hold the initiative and established strong purchasing leadership. Today, they are also leveraging digital technologies to further strengthen the bargaining power while expanding into higher value-added functions, such as design.