

Textile Company

- Brand business
- Raw materials, garment materials, and apparel
- Industrial materials



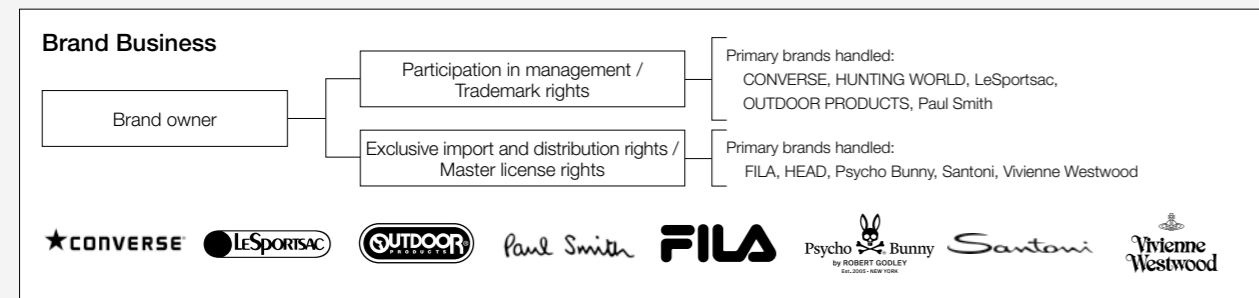
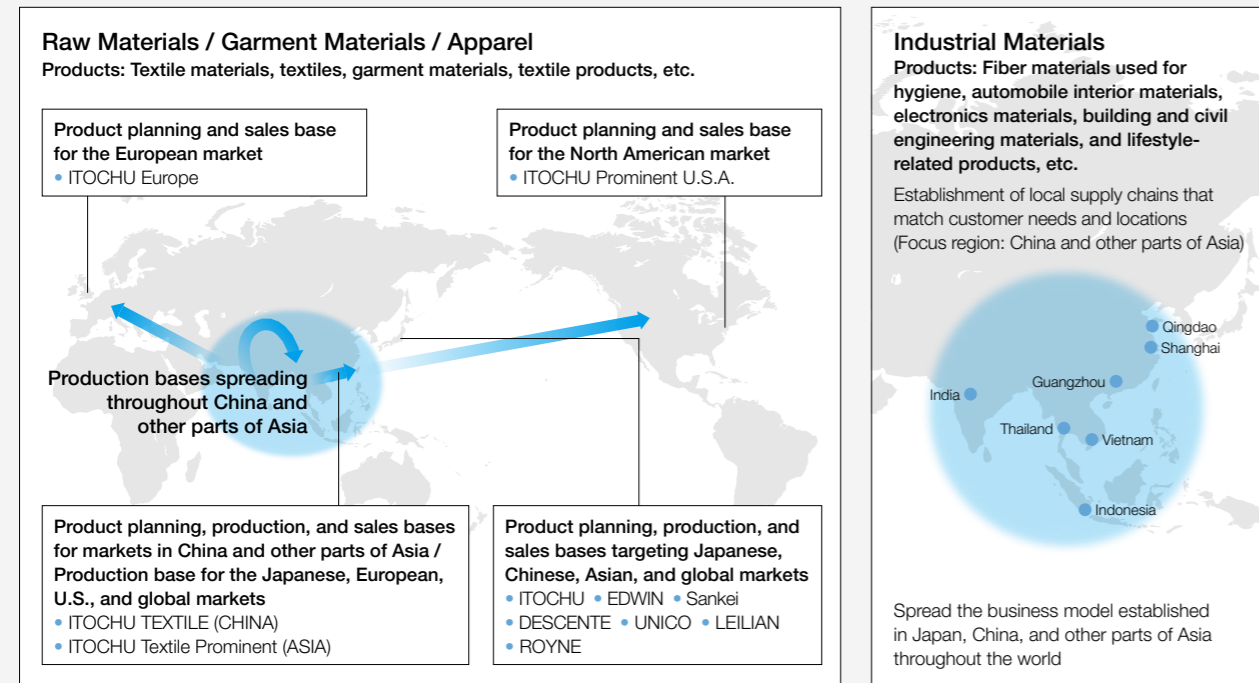
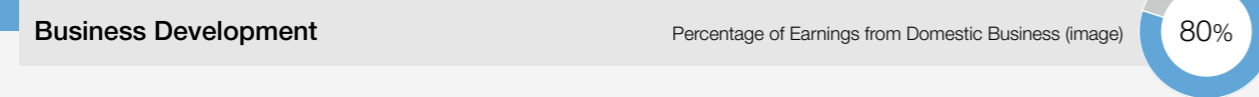
Masahiro Morofuji
President, Textile Company



From left: **Hideo Nakanishi**, Chief Operating Officer, Apparel Division
Yoshinori Kitajima, Chief Operating Officer, Brand Marketing Division 1
Hideto Takeuchi, Chief Operating Officer, Brand Marketing Division 2
Masato Sakuragi, Chief Financial Officer
Noriya Hashimoto, General Manager, Planning & Administration Department

Company Strengths

- Strong position as the unmistakable leader among general trading companies in the textile industry
- Full-spectrum value chain that includes everything from upstream to downstream operations in the textile industry
- Highly efficient business foundation and a balanced asset portfolio



FYE 2021 Review (Specific Accomplishments)

	Corporate Value	Created Value
	Cost of Capital	Growth Rate
Established the new Digital Strategy Department in July 2020. In response to changing consumer behavior caused by the COVID-19 pandemic, the department is strengthening e-commerce and promoting digitalization at Group companies		
Implemented a full-scale global rollout of recycled polyester fiber "RENU," which is sourced from old garments and textile		
Began a test rollout of "Kuura," a revolutionary cellulose fiber made through joint development with the Finland-based Metsä Group		

Growth Opportunities (Sustainable Growth)

	Corporate Value	Created Value
	Cost of Capital	Growth Rate
Promoting trade where we take the initiative by utilizing new technologies and developing sustainable materials		
Thoroughly conducting lean management in brand and retail-related businesses and promoting market-oriented business transformation by strengthening e-commerce and growing new sales channels		
Supporting DESCENTE's overseas business expansion and increasing overseas earnings through enhanced initiatives with leading companies in China and other parts of Asia		

Risk Responses (Reduction in Cost of Capital)

	Corporate Value	Created Value
	Cost of Capital	Growth Rate
Using RFID, IT, and data to enhance the efficiency of production, sales, and logistics operations		
Respecting human rights throughout supply chains and promoting trade with companies who engage in environmental management		
Promoting establishment of a safe and reliable product supply system		

Notes: Items related to Sustainability Action Plans are indicated with a mark for the corresponding material issues.
 Details of the action plans are available on our website: <https://www.itochu.co.jp/en/csr/itochu/activity/actionplan/>

- Evolve Businesses Through Technological Innovation
- Address Climate Change (Contribute to Realization of a Decarbonized Society)
- Cultivate a Motivating Workplace Environment
- Respect Human Rights
- Contribute to Healthier and More Enriched Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures

Specific Example of Enhancing Our Contribution to and Engagement with the SDGs



Softwood-derived cellulose fiber "Kuura"

Full-Scale Construction of a Value Chain Centered on Sustainable Materials

We have begun the full-scale construction of a value chain where we take the initiative. This starts with textile raw materials centered on sustainable materials.

The "RENU" project was launched in FYE 2020 with the aim of addressing the issue of excessive waste in the textile industry. Through this project, our textile-derived recycled polyester material has become more widely adopted and used by over 40 brands and companies related to clothing, accessories, and more.

In addition, in March 2021 we began a test rollout of the cellulose fiber "Kuura," which is derived from softwoods. Jointly developed with the Metsä Group, a major forest industry group based in Finland, this revolutionary new material is garnering attention for sustainability, due in part to the established traceability of wood, as well as its reduced environmental burden from using renewable energy at factories and a novel solvent in the manufacturing process.

Going forward, we will continue working to expand trade in sustainable materials while fully leveraging the Company's global supply chain that spans from raw textile materials to finished products.



Yuki Kamagata
Textile Material Section