

Textile Company

Business Fields

- Brand business (businesses focusing on import and licenses for garments, fashion accessories and lifestyle brands)
- Apparel (raw materials, textile fabrics, garment materials, and textile products, etc.)
- Industrial materials (fiber materials for industrial and manufacturing use and lifestyle-related products, etc.)

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
- Solid business relationships with blue-chip partners in each business area in Japan and overseas



Masahiro Morofuji
President, Textile Company



From left:

Hideo Nakanishi	Chief Operating Officer, Apparel Division
Hideto Takeuchi	Chief Operating Officer, Brand Marketing Division
Katsushi Adachi	Chief Financial Officer
Ryoma Omuro	General Manager, Planning & Administration Department

Specific Example of Realizing Business Transformation by Shifting to a Market-Oriented Perspective



Made DOME Corporation, the Exclusive Distributor in Japan of Under Armour, a Subsidiary

ITOCHU has made DOME Corporation, the exclusive distributor in Japan of the U.S. sports brand Under Armour, a subsidiary by acquiring a majority of its outstanding shares. Since its establishment in 1996, Under Armour has pursued a mission of "Under Armour makes you better" and grown into one of the world's top sports brands by marketing highly functional items that maximize athletes' performance.

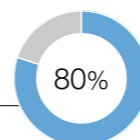
One of the key strategies of the Textile Company is to further expand sports-related businesses, which continue to grow steadily even in a volatile environment. Through expansion of the globally excellent Under Armour brand, ITOCHU will promote business transformation based on a market-oriented perspective and will continue to enhance its earnings base.



Yoshinori Fujita
Apparel Affiliate Management Office

Business Development Quantitative information Page 136-143

Percentage of Earnings from Domestic Business (image)



Apparel

Products: Raw materials, textile fabrics, garment materials, and textile products, etc.

Product planning and sales base for the European market

- ITOCHU Europe

Product planning and sales base for the North American market

- ITOCHU Prominent U.S.A.

Production bases spreading throughout China and other parts of Asia

Product planning, production, and sales bases for markets in China and other parts of Asia / Production base for the Japanese, European, U.S., and global markets

- ITOCHU TEXTILE (CHINA)
- ITOCHU Textile Prominent (ASIA)

Product planning, production, and sales bases targeting Japanese, Chinese, Asian, and global markets

- ITOCHU
- EDWIN
- Sankei
- DESCENTE
- DOME
- UNICO
- LEILIAN
- ROYNE

Industrial Materials

Products: Fiber materials used for hygiene, automobile interior materials, electronics materials, building and civil engineering materials for industry and manufacturing, and lifestyle-related products, etc.

Establishment of local supply chains that match customer needs and locations (Focus region: China and other parts of Asia)

Spreading the business model established in Japan, China, and other parts of Asia throughout the world

Brand Business

Brand owner

- Participation in management / Trademark rights
- Exclusive import and distribution rights / Master license rights

Primary brands handled:
CONVERSE, HUNTING WORLD, LeSportsac, OUTDOOR PRODUCTS, Paul Smith

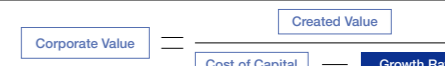
Primary brands handled:
FILA, HEAD, LANVIN, Reebok, Vivienne Westwood

FYE 2022 Review (Specific Accomplishments)



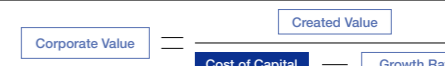
- Advanced data-driven inventory optimization at Group companies and demonstrated benefits in terms of improved efficiency in production, sales, and logistics as well as improved profitability
- Accelerated the global rollout of recycled polyester material "RENU," which is sourced from used clothing and textile waste, and launched "Wear to Fashion," a textile collection service
- Decided to make DOME Corporation, the exclusive distributor in Japan of the U.S. brand Under Armour, a subsidiary

Growth Opportunities (Sustainable Growth)



- Promote initiatives that help advance sustainability in the textile and fashion industries, such as strengthening a value chain that begins with raw materials and is centered on sustainable materials
- Strengthen the business foundations of brand and retail-related businesses by strengthening e-commerce, growing new sales channels, and embracing lean management
- Increase overseas earnings through enhanced initiatives with leading companies in China and other parts of Asia
- Expand our earnings base even further through transformation based on a market-oriented perspective in the sports-related business
- Supporting overseas business expansion of DESCENTE LTD.

Risk Responses (Lower Cost of Capital)



- 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 sustainable practices
- Establishment of a safe and secure 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 a Decarbonized Society)
- Develop a Rewarding Work Environment
- Respect and Consider Human Rights
- Contribute to Healthier and More Affluent Lifestyles
- Ensure Stable Procurement and Supply
- Maintain Rigorous Governance Structures