ITOUCHU Corporation has a strength in the non-resource sector, specifically the consumer-related sector, and the Textile Company plays an important part in this sector. ITOUCHU is the only general trading company in Japan which maintains “Textile” as an independent business entity and over the years we have taken the initiative in almost every textile-related field to continuously create innovative new business models. ITOUCHU is now promoting “Reinvented Business” to construct new business models and the Textile Company is also determined to contribute to this effort. Our company is known for our ability to imagine new, customer-centric ways to incorporate market needs into products, for our wealth of experience and broad depth of knowledge, for our strong sense of professionalism, and for our ability to take quick and decisive action. The Textile Company aims to propel the development of “Reinvented Business” by leveraging these existing strengths while also developing dexterous business partnerships, constructing new business models, deepening our value chain and responding rapidly to the social changes that accompany technological advances such as AI and IoT. We shall grow in concert with you all as we continue to tackle challenges, unafraid of risks.

A textile company that continues to strive for innovation in all textile-related fields
Message

Accelerating reinvented business while helping the younger generation to soar

From sowing the seeds of advance investment to seeing the flowers of the reinvented business

ITOUCHU has been actively engaged in a range of businesses over the past few years under the growth strategy key word of “reinvention”. This is because we believe that to respond to the social innovations of the “Fourth Industrial Revolution” caused by the dramatic development of ICT, ITOCHU itself must not hesitate to change, and must create new business models.

This applies equally to the Textile Company. To play in the new arena created by the social innovation of the next generation, we need to respond both flexibly and promptly to the currents of the times. The Textile Company, which covers all sectors from upstream to downstream, already has a strong track record and a lot of experience, building a history as an industry-leading company. However, we can no longer rely on our past successes or old business customs, we must build a completely new business model. To that end, the Textile Company has been taking a bold approach to creating reinvented business by, for example, seeking out business platforms with much future potential and investing in a range of different companies.

This is the time when we move forward from planting these seeds, to seeing them actually blossom and bring forth the fruits of revenue.

Grow with our partners through youthful sensibilities and innovative ideas

In fabric raw materials business, the time is ripe for seeking sustainable materials from places like Europe, so we are enhancing our competitive raw materials brands globally by investing in environmentally-friendly materials. In fashion and apparel, we are working on building a value chain starting with raw materials in which we take the initiative, wielding our strengths as a textile company to provide one-stop services from materials to products. In addition, in our brands businesses, we support increasing business efficiency and new brand start-ups through investment in major crowd-funding Japanese companies and companies that handle the B2B marketplace. We are also working on opening up new distribution channels by investing in companies that operate online boutiques.

These new approaches to dealing with social changes require having the younger generation with their youthful sensibilities and innovation ideas play key roles in the company. We want to focus on creating an environment where a highly-motivated younger generation can tackle the challenges of business, and provide them with a place where they can roll out the sort of dynamic business that ITOCHU represents.

We intend to put our efforts into our mission of continuing to growth hand-in-hand with our partners based around a global value chain that covers everything from raw materials to finished products.
Field & Strategy
Strategically expanding business in every textile-related field

**Field**

**Material**
- Development of garments utilizing newly developed raw materials
- Expanding various industrial textile business

**Upstream**

**Apparel**
- OEM (Original Equipment Manufacturing)
- ODM (Original Design Manufacturing)

**Midstream**

**Brand**
- Imports
- Licenses
- Trademark acquisition, M&A
- Expanding overseas business

**Downstream**

**Strategy**

- **Establishing reinvented business model**
  - Creating new business models and new business stream
  - Evolving towards new ways to carry out initiatives

- **Enhancing earning power of existing businesses**
  - Further enhancement of brand value
  - Reinforcing EC-related business and expanding new sales channels
  - Improving business efficiency

- **Strengthening partnerships in China and Asia**
  - Focusing in Asian/Chinese markets
  - Accelerating business operations with leading local companies
  - Creating new partnerships

A strategy to encourage further growth from upstream to downstream sectors

The Textile Company conducts business in all textile-related fields, covering everything in the value chain from upstream to downstream sectors. Upstream, we handle various kinds of “Materials,” which encompasses raw materials, fabrics, industrial textiles, etc. Midstream we focus on “Apparel” including manufacturing centering on our commitment to craftsmanship. Furthest down the value chain is “Brand,” which includes brand marketing and retail businesses. As the industry changes amidst accelerating technological advancements, our strategy is to continue to contribute to the revitalization of the industry and grow our domestic and overseas businesses across all sectors of the value chain by establishing reinvented business model, improving the profitability of existing businesses, and strengthening key partnerships in China and Asia.
Creating global distribution of high value-added products by accurately assessing market needs

The Materials field of our textile business is the founding business of ITOCHU Corporation. We handle a wide range of high value-added products such as raw materials, textiles and functional materials that utilize advanced technical capabilities. In addition to selling highly valued materials from Japanese textile production sites both domestically and abroad, we have also established a strong network with manufacturing partners around Asia which we leverage to distribute diverse range of products globally. Moreover, we are also actively investing in environmentally-friendly materials, which will see even further market growth in the future, and have moved into branding for our own original materials as well, with the aim of creating a circular economy. We will continue to assess market needs and strengthen our ability to propose materials with a wide range of high added value products in categories such as wearables.

Responding rapidly to a changing society and providing diverse textiles in the non-apparel sector

Even in the non-apparel sector of the textile industry, ITOCHU has created a global business that encompasses everything from highly advanced and functional industrial textiles to non-woven fabrics for hygiene products such as diapers. We procure a wide range of composite textiles such as the materials for automobile floor carpets and airbags, reinforcement for tires and seat belts, golf club shafts, and the interiors for trains and aircrafts. Our range of products is extremely diverse, including various adhesive tapes, polishing fabrics for the electronics industry, construction and engineering related materials such as waterproof roofing and non-woven enforcement materials for building foundations, and even interior goods and highly functional bedding textiles. We will continue to strive to meet the needs of a changing society by creating supply chains and services that can respond rapidly to changes such as the electrification of automobiles, aging populations in Asia and more.
Midstream
Apparel
Continually refining our ability to provide powerful proposals that meet the increasing demand for high value-added products

Creating a system that emphasizes craftsmanship and increasing added value
We have created an apparel business centered on craftsmanship that continues to produce high quality products in factories both domestically and overseas. We can support the needs of almost any type of apparel, including men’s and women’s fashion, casual wear, athletic wear, innerwear, uniforms, and more.
In addition to apparel, we can also provide support in manufacturing for a full range of fashion items, including bags, shoes, and accessories. We have also expanded our business from OEM (Original Equipment Manufacturing) to ODM (Original Design Manufacturing), which covers everything from planning to manufacturing services.
Moreover, in the field of garment materials, we are evolving our RFID tag business and working on proposal of total solutions for efficient stock management and store work.

One-stop service from materials to products by building new value chains
Particularly over the last few years we have been strategically engaged in expanding our sports apparel business globally. We have obtained the rights to make direct proposals to global sports brands and, leveraging ASEAN manufacturing abilities, we now handle products which to be sold in the global markets.
We are also proactively implementing strategic capital alliances with leading companies in each field. We are deepening partnerships with major retailers while leveraging our focus on craftsmanship and ASEAN manufacturing capabilities, mainly in Vietnam. We shall construct a value chain based on raw materials. Taking initiative by branding our various materials, and combined them with the production infrastructure in ASEAN, we aim to provide a one-stop service covering everything from proposing materials to supplying products for major retailers around the world.
Working to maximize brand value as the industry’s strongest brand business

The Textile Company is a pioneer in the textile industry, having developed a new business model that focuses on providing the added value of brand power to products. This brand business got its start by importing famous European and American brands. Recently we have also honed our marketing skills to provide a unique mix of additional services such as a combination of import and licensing, product manufacturing, trademark acquisition, and management participation. We continue to lead the industry with a truly diverse portfolio of brands that includes not only luxury, sport and casual apparel, but also a full lineup of fashion categories such as footwear, bags, accessories and more. Leveraging our extensive network of over 200 sub-licensees and sub-distributors, we continue to strive to grow brands within the industry.

Improving our global capabilities and striving to grow expanding markets

In the brand business industry, we are strengthening our businesses in Asia by investing in global corporations of key locations such as China and Vietnam. To respond to diversifying consumer trends, we are also actively strengthening our e-commerce capabilities. In order to create a variety of opportunities with other Group companies, we have also begun to work on omnichannel capabilities, putting efforts into developing systems that incorporate new technologies such as AI. In addition, we are also investing in startup corporations in Japan and overseas that operate in the B2B marketplace or as online boutiques, working to increase the efficiency of our existing brand businesses and expand distribution channels. We will continue to explore new sales channels and business models and aim for further growth with an eye to the future.

Downstream

Brand

Evolving our business model to continually create new brand value
History & Future
A leading company that continues to stand at the forefront of our industry

The mindset that has continued to protect and nurture textiles, the founding business of ITOCHU.

Textiles are the founding business of ITOCHU, its very history. ITOCHU was founded back in 1858. That year, the first president, Chubei, set out from the village of Toyosato in Shiga, heading for Nagasaki with his luggage full of hemp to sell. In 1872, he opened a drapery shop called Benchu in Hon-machi, Osaka, which was followed in 1893 by Itoh Itomise (Ito Thread and Yarn Store) in Azuchi-cho, Osaka, to wholesale cotton thread. From the 1920s to the 1930s, the business expanded, moving into exports of processed cotton cloth, managing spinning companies, exporting rayon thread and fabric, and so on. Before and during the war, Japan’s economy came under strong central control, but the company rode this out, and became a driving force in the post-war industry. As the years passed, the textile departments in other trading companies gradually lost their vitality but ITOCHU was able to continue expanding its founding industry and in 1997, it set out on a new journey by launching its new Textile Company.

Today, the company continues to create unique business models. One good example is the brand business. It started off in 1978 by handling imported brands of cloth for tailor-made clothing, and today, it is now the industry’s strongest brand business. From 1999, the company added strategies intimately connected with its main business, such as obtaining brand trademarks, forming business alliances and M&A. We have created unique new business models that reflect our marketing mindset and establish a system of feedback that allows us to effectively manage brands by leveraging our extensive networks and communicating our knowledge of customer needs to the manufacturing arm of the value chain. The constant thread throughout all of this is the Textile Company’s desire and effort to continually evolve with the ever-changing society around us.

Collaborating with our partners to create a rich and vibrant lifestyle

The strength of the Textile Company is our ability to leverage the functions of the general trading company and to create added value. In the materials sector, we have continually created new business potentials of textiles, such as nonapparel areas and lifestyle products. In the apparel sector, we have created a comprehensive value chain that spans raw materials, textiles and manufacturing, centering everything on our commitment to craftsmanship and ASEAN manufacturing capabilities. By combining a refined marketing capacity with timely merchandising, we have been able to maintain a high level of value-added craftsmanship while also deepening partnerships with superior corporations both domestically and abroad to continue to build our business.

In addition, in our brand business, we have built up a strong position through strategically engaging in “lines” (master licensees) and “areas” (acquisition of trademarks and management participation). We will strive to grow with the changing times and rapid technological advances such as AI, IoT and robots in order to continue to be a leading company that contributes value in the consumer sector. The Textile Company will continue to strive to be a solutions-oriented business that leverages our strong partnerships and value chain to provide richness and value to peoples’ lives. We will continue to utilize all of our strengths and capabilities to grow with our partners in all possible business fields, while never losing our focus on our core axis of Textiles.