

JAFIC NEWS



The Japan Apparel-Fashion Industry Council



Creating Demand & Expanding the Market

The Japan Apparel-Fashion Industry Council (JAFIC) provides the utmost effort to promoting our two major themes of creating demand and expanding the market, as well as actively supporting the “J∞Quality” certification system.

As the world grows even more interconnected, we will continue to contribute to further business growth and the enrichment of fashion in people’s lifestyles.

[Business Stimulation Endeavors]

[Human Resources Development]

[Structural Reform Endeavors]

[Compliance Adjustment Endeavors]

[Environmental Programs]

Message from the Chairman

The Japanese economy maintains a gradual upswing with glimpses of trends towards improvements in company revenues and job climate, but how long this will continue is unclear due to concerns of downturns in overseas economies. There is no guessing how the UK's decision to leave the EU will change the world. Meanwhile at home in Japan consumption grows ever more polarized as the moderate or middle class continue to buy less. Furthermore, there also seems to be a lull in binge shopping by inbound visitors as people shift away from spending on things to spending on experiences. Despite all of this, there should be hope if better individual income and employment circumstances carry over to consumer spending, with the recent postponement of the consumption tax increase likely providing an added bit of tailwind.

We at JAFIC will continue to embrace our two themes of creating demand and expanding the market. A key part of creating demand is the ongoing introduction of new creations and young minds that support growth. One of our efforts towards this end is the “JAFICPLATFORM”, a place for member companies and creators to interact. This year marks the fifth since the launch of JAFICPLATFORM, with the project showing steady progress and expanding into collaboration with localities that produce materials. Collaborations with manufacturers and creators in some of Japan's major fabric production regions like Hokuriku (synthetic fibers), Bishu (wool), Niigata (knits), and Banshu (cotton) have progressed and formed what can be called a solid foundation for craftsmanship. We hope to back and cultivate these creators so that their handiwork will become officially recognized “J∞QUALITY” products that consumers support.

In terms of securing, educating, and cultivating human resources, we also conducted JAFICPLATFORM internships last year. Other endeavors included continuing our cooperative classes at vocational schools and company briefings for students, along with joint fashion shows with regular college students in the general assembly. We will continue to explore even further possibilities in the days to come.

J∞QUALITY has also become an active component of our market expansion efforts. This system for certifying that the weaving/knitting, dyeing/finishing, and sewing of a product were all conducted in Japan now has applications from over 600 companies and helped products reach the marketplace, many of which have become hits. This year we will bolster our efforts towards expanding the market by adding creativity to the mix and working with our members as an even more active implementation unit to conduct promotion and marketing that will lead to sales. If the TPP goes into effect as agreed upon last year, we can expect to see greater imports and exports through the abolition of tariffs, which will spur the expansion of overseas markets. As we enter an increasingly borderless era, the application of predominant RFID will be an effective measure. We have seen the potential to implement innovative modes of operation through the use of big data and the Internet of Things. Conceptualizing a new apparel e-commerce platform using customer and product information is another of our endeavors.



This year we will also begin a trial run of the revised retrieval system for care tag symbols. In regards to the Japan industrial standards bill that safety in children's clothing and a declaration against using azo chemicals, our goal is to inspire an industry-wide move towards social responsibility with ordinary citizens in mind and in doing so achieve a more sustainable society.

Chairman Takeshi Hirouchi

Representative Director and Chairman, Onward Holdings Co., Ltd.

[Business Stimulation Endeavors]

●Marketing Promotion Committee

Our efforts towards the manufacture and marketing of apparel have changed greatly in adapting to shifts in political and economic situations abroad and at home. Given these circumstances, we continue to back overseas-aimed business efforts while keeping the risk towards Japan in mind.

(1) Support business development and advancement into the international market

① Changes in our cooperation with the government's "Cool Japan" initiative

Working alongside Japan Fashion Week, we aim to share business plans and strategic data from the Cool Japan initiative (a support mechanism for cultivating foreign demand) in Asia and participate in well-defined projects.

② Support and promote advancements into the Chinese market

We will utilize preferential treatment systems such as the customs system of the Shanghai Free Trade Trial Zone towards advancing and expanding sales in the Chinese market, where there is increased interest in Japanese products, as well as consider business tactics for avoiding any accompanying risks.

③ Support the overseas growth of J∞QUALITY products

We will collaborate with the J∞QUALITY office of JAFIC to decide upon plans for supporting the advance of J∞QUALITY products overseas, including participation in international e-commerce enterprises.



J ∞ QUALITY

(2) Strengthen marketing promotion in the domestic market

① Strengthen sales promotion and market permeation of J∞QUALITY products

The products of member companies that have received J∞QUALITY certification will appear in the media, where we will focus on promotional efforts that will lead to increased exposure and recognition of J∞QUALITY among Japanese consumers. We will also devote effort to inbound promotion such as flyers for tourists and websites aimed at overseas customers.

② Operating the Dress up Men WEB website

With businessmen continuing to move away from traditional suit and tie looks, we will use the "Dress up Men WEB" website to foster interest in dressed-up styles by proposing outfits that help men shine.

Dress up *Men*

③ Promotion of inbound demand

We will utilize the "Japan Shopping Now" website for tourists operated by the Japan Shopping Tourism Organization to promote various member brands and events and stimulate demand among visitors to Japan.

● Business Activation Committee

We will aim to activate member businesses by researching management issues faced by mid to small-sized companies as well as drafting and actively implementing attractive business plans.

(1) Establish the JAFIC Platform as a practical flagship operation

- ① Work to discover talented creators, promote recruitment and registration of member businesses, as well as active use of the platform.
- ② Implement business matching by devising direct interaction between companies and creators.
- ③ Actively work towards having domestic material producers, creators, and apparel companies work in unison to pursue new collaborative ventures, and in doing so establish a system for creating demand.
- ④ Collaborate with vocational schools and conduct internships at creative companies.

(2) Hold management seminars

Social environment and the state of the economy are creating even greater changes in the lifestyles of consumers. We will hold timely seminars dealing with themes businesses need to learn about or catch up on now.



● Commercial Issues Committee

As regional economic partnership negotiations such as Japan, China, and Korea free trade agreements, RCEP, and Japan/Europe FTA pick up pace in response to initial agreements to TPP proposals, we work to ensure that these negotiations reflect the opinions of the fashion industry, as well as discuss and promote the effective use of existing free trade agreements among member companies.

(1) Take part in the planning and application of regional economic partnership negotiations

① In regards to regional economic partnerships that are still under negotiation such as the Japan/China/Korea FTA and Japan/EU FTA, the committee will advance adjustment of views with the Japan Textiles Foundation and the Ministry of Economy, Trade, and Industry, as well as ensure that said agreements are conducive to industry profits.

② Effective utilization of existing FTA/EPA

The committee will hold seminars and workshops on effectively utilizing free trade agreements and economic partnership agreements with Asian nations that are already in place as a means of supporting global business within Asia in terms of both production and sales.

(2) Collaborative fashion business projects between Japan, China, and Korea

① Collaborative fashion business projects between Japan, China, and Korea

Preparations are underway to hold 3D digital fashion awards for young creators as a joint project between Japan, China, and Korea, with the intent of discovering and cultivating talented individuals capable of upholding the future of the fashion industry.

② Support for trademark registration and protection of international property overseas

Working alongside JETRO and the Japan Patent Office, we support the consolidation for overseas business infrastructures for member companies by encouraging trademark registration overseas, using government-subsidized projects, exposing cases of copyright infringement such as imitation products or registration of misappropriated applications, and utilizing government-subsidized projects.



[Human Resources Development]

●The Human Resources Development Committee

JAFIC works to secure and cultivate personnel capable of supporting the fashion industry, as well as talented individuals that are essential to helping Tokyo grow as a global fashion hub. We will also begin to collaborate with student fashion groups at universities and provide career education to help spread the appeal of fashion among children.

(1) Securing human resources

①Tackling the issue of the cultivation of future human resources in fashion through academic-industry partnerships.

By working with the Tokyo Fashion Community (TFC), JAFIC takes part in the planning of the Ministry of Education, Culture, Sports, Science, and Technology's "Saturday Study Support Team", and spreads the appeal of the fashion industry through career education support (vocational education) in elementary, middle, and high school curriculums.



JAFIC co-operates in the promotion of professional post-secondary courses at apparel vocational schools in order to cultivate a new generation of professionals with practical skills.

② Holding a variety of events

JAFIC holds occupational briefings and seminars with members of the fashion industry for students interested in a career in fashion. We are also planning seminars with the operators of member companies to deepen understanding of the industry and secure a new generation of human resources.

(2) Development of Fashion Human Resources

- ① The committee holds the "Model-ist Forum" aimed at improving draping skills and cultivating modelists who can maintain Japanese craftsmanship.
- ② The committee holds a practical knitting seminar with the intent of training attendees in the practical knowledge needed in knitting businesses.
- ③ The committee holds a FB seminar helpful for the fashion business.

(3) Positive action projects

- ① Promotion of gender-equal business participation.
- ② JAFIC supports that active utilization of women in the apparel/fashion industry.
- ③ JAFIC aims to provide rich content in order to make the senior citizen employment website into a portal for positive action.

[Structural Reform Endeavors]

● Business Dealings Reform Committee

The Business Dealings Reform Committee will work in collaboration with related industries and industry bodies to resolve issues regarding the fashion industry and distribution.

(1) Efforts and Transaction Revisions Towards Adapting to New Distribution Structures

① Planning an e-commerce platform for apparel

The e-commerce market is expanding and moving towards an omnichannel approach as it adapts to changes in the way consumers shop. We are investigating the implementation of an amalgamated e-commerce site for apparel, and are compiling a research report for new transaction models in collaboration with retailers and e-commerce retailers.

② Adapting to the increased consumption tax

In light of the upcoming implementation of a 10% consumption tax rate, we are petitioning the government to make the accompanying “special measures law” and “unit price + tax” price labels permanent.

③ Improving working environments for sales staff at department stores

In regards to the shortening of total yearly working hours, we are continuing our overtures to ensure that new years vacations and the return of regular days off do not fall by the wayside.

Furthermore, in regards to the reduction of secondary duties for sales staff, we continue to make direct appeals to stores to improve their working environments in light of the results of new field studies. We also work and collaborate with related industries and various industry organizations to resolve other issues in fashion and distribution.

Core Endeavors Towards Stimulating e-Commerce at Apparel Companies

JAFIC works to strengthen channels for reaching customers by creating portal sites that collect and integrate details from the apparel companies' e-commerce activities.

● The Supply Chain Management Promotion Committee

JAFIC promotes supply chain management structures in order to improve productivity and overall optimization through the use of information technology from a global standard viewpoint.

(1) Supply Chain Management Structure Endeavors

① Expanding implementation of RFID

Since the institution of the RFID Promotion Subcommittee in 2003, JAFIC has moved forward with various actions to spread RFID such as research, verifying proof, deciding upon association standard guidelines, and opening RFID demonstration centers. The industry's first UHF frequency RFID was introduced in 2010, with an RFID demonstration center where the technology could be experienced firsthand opening in 2012. Since September the following year the number of companies that have introduced and use RFID has increased steadily, with many companies planning to adopt the technology in 2016.

While most examples of RFID use up to this point have been in storefronts, there are plans this fiscal year to begin using the technology at distribution centers for the first time in the apparel industry, something that we predict will have a major impact. Furthermore, in the many stores that have already adopted RFID it will be possible to support omnichannel approaches, saving labor and increasing efficiency in tasks like inspection of goods received, accounting, and inventory. It will also be possible to incorporate the Internet of things and deliver items purchased from e-commerce sites to customers via the shortest route available thanks to improved accuracy in inventory management and more precise demand forecasting using pre-point-of-sale data. JAFIC will continue to hold presentations and seminars to increase adoption of RFID, open solution centers, as well as conduct knowledge-spreading activities with the media.

② Endeavors towards establishing environmentally conscious distribution

In order to reduce distribution costs for businesses and contribute to environmental measures, the committee will promote the increased research and use of reusable hangers, returnable hangers, and returnable boxes with an eye towards reducing materials. The committee will also research and promote the spread of standardized cardboard boxes with an eye towards increasing shipping efficiency. Furthermore, the committee will continue to research the streamlining and standardization of business shipping materials.

③ Promoting and spreading distribution BMS between the distribution industry and the apparel industry

The committee promotes activities towards the practical application, maintenance, and spread of distribution BMS, the stipulated international standard of EDI, between department and chain stores, and apparel companies.



④ Spreading and Promoting JAICS-L

The committee researches distribution EDI (linked to logistics and commercial distribution) and further improvements aimed at streamlining the JAICS-L system, with the intent of bettering the accuracy and labor-saving between apparel/fashion companies (shippers) and delivery services/distributors.



[Compliance Adjustment Endeavors]

● The Compliance Committee

In regards to conformance to international standards and preventive measures against product malfunction, the Compliance Committee will work closely with administrations and related organizations, putting for the intentions of the industry as well as spreading word within the industry to minimize confusion concerning legal revisions and conveying said information to consumers in a easy to understand manner.

(1) Endeavors concerning the disuse of harmful substances

In accordance with legislation restricting the use of harmful substances such as tin compounds or chemical compounds with a risk of generating specific aromatic amines, the committee will appeal to member businesses to maintain the traceability of their products through use of the Safety Guidelines for Use of Harmful Substances in order to ensure the safety of their production and in order to assure the disuse of regulated substances. The committee will also encourage member businesses to use the Whitelist Management System operated by the China National Textile and Apparel Council (CNTAC).

(2) Endeavors towards international standardization

① Adapting to the changeover to ISO handling instruction codes

The Quality Control Subcommittee played a leading part in the guideline creation conference for the transition to ISO handling instruction images for responsible parties, and has issued guidelines for creating handling instruction symbols and built a new search system in order to avoid confusion during the changeover to new handling instruction codes that will begin this December. This year the committee will continue to promote awareness of the new handling instruction symbols and create tools for use by retailers in order to prevent confusion in stores.

② International standardization of apparel sizes

The committee is currently deliberating physical measurement index, product measurement index, and the 4 proposed sizes currently under consideration the ISO/TC133. Several of the proposed items are expected to become standardized this fiscal year, so we are gathering the thoughts of the apparel industry and presenting these views so that the Japanese industry is not placed at a disadvantage. We will also inform member companies of any proposals that do become standards in an easy to understand manner.

(3) Promotion of Customer Satisfaction

The committee will conduct panel discussions based upon examples from various marketing respondents and audiences in order improve those in charge of customer relations.

(4) Legal compliance and protection of intellectual property

The Legal Affairs Subcommittee works closely with related committees regarding legal positions on the activities of the JAFIC and the protection of the intellectual property rights of member companies, and takes steps to resolve issues regarding the prevention and occurrence of infringements on said rights. International competition is expected to increase with the announcement of new international standards, so we will work with intellectual property and standardization departments in companies to share information via study meetings and similar activities to spread awareness among member companies.

[Environmental Programs]

● Environmental Programs Committee

The Environmental Programs Committee researches measures regarding apparel companies' environmental initiatives from the perspective of CSR (corporate social responsibility) in order to increase knowledge.

(1) Information sharing meeting for environmental endeavors

We will share information on our members or supporting members' environmental and CSR endeavors in a study session format three times a year in order to help with new endeavors for each company.

(2) Seminars

We will hold seminars in order to introduce and provide examples of CSR (corporate social responsibility) and CSV (corporate shared values).

[Public Relations Endeavors]

● Public Relations Committee

This committee bolsters the ability to deliver information to members and the industry in general, working with related organizations to increase awareness and understanding of members' activities as well as further improving and developing JAFIC as an appealing organization. This committee also aims to increase participation among the younger generations who are the future of the industry by delivering JAFIC activities from a younger person's perspective.

(A) We will increase promotion of effective PR and advertising activities in order to build communication with the media.

(B) We will promote greater understanding of JAFIC among younger generations, member companies, and the industry through effective operation of our homepage.

(C) We will distribute "JAFIC News". In order to keep up with the fast pace of today's society, we will respond quickly towards informational matters such as amendments to regulations or legislation by government ministries, and deliver information that will contribute to the growth member companies and the industry as a whole.

(D) We will promote the acquisition of new members by working with the Organizational Strengthening Committee.

[Member Services]

●General Affairs Committee

(A) This committee will operate the manufacturer registration number system, which acts as a contact point for consumers regarding the products of member companies. By having JAFIC act as a representative for queries regarding products manufactured and sold by member companies, this system is intended to stabilize the quality level of responses to queries, as well as increase the benefits to consumers and those handling the products.

(B) This committee will provide a free-of-charge legal consultation service from law offices in order provide appropriate responses and help member companies gain legal advice based on examples of issues faced with labor troubles and transactions.

(C) In order to increase friendship and lively interaction between member companies and supporting members, we will hold New Year's parties and get-togethers during general meetings. We will also hold a yearly JAFIC Friends Golf Competition.

[General Meeting / Get-together]

The 34th regular general meeting was held on Thursday June 16, 2016 at the Shibuya Hikarie (Shibuya Ward, Tokyo).



[Council Overview]



【Name】

JAPAN APPAREL FASHION INDUSTRY COUNCIL

【Representative】

Board Director Takeshi Hirouchi

【History】

<October 1979>

The private organization “The Japan Apparel Industry Council” is founded

<April 1982>

The Japan Apparel Industry Council is developmentally disbanded, and the corporation “The Japan Apparel Industry Council” is founded

<April 2001>

The Japan Apparel Industry Council, the Tokyo Women’s Children’s Clothing Industry Association, the Tokyo Men’s Apparel Industry Association, and the Harajuku Apparel Conference merge to become the corporation, “The Japan Apparel Industry Council”

<April 2011>

In accordance with legislation concerning general corporations and foundations, the Japan Apparel Industry Council is renamed as a general corporation

<July 2011>

The official name becomes the general corporation “The Japan Apparel Fashion Industry Council”

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【Member Companies】

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