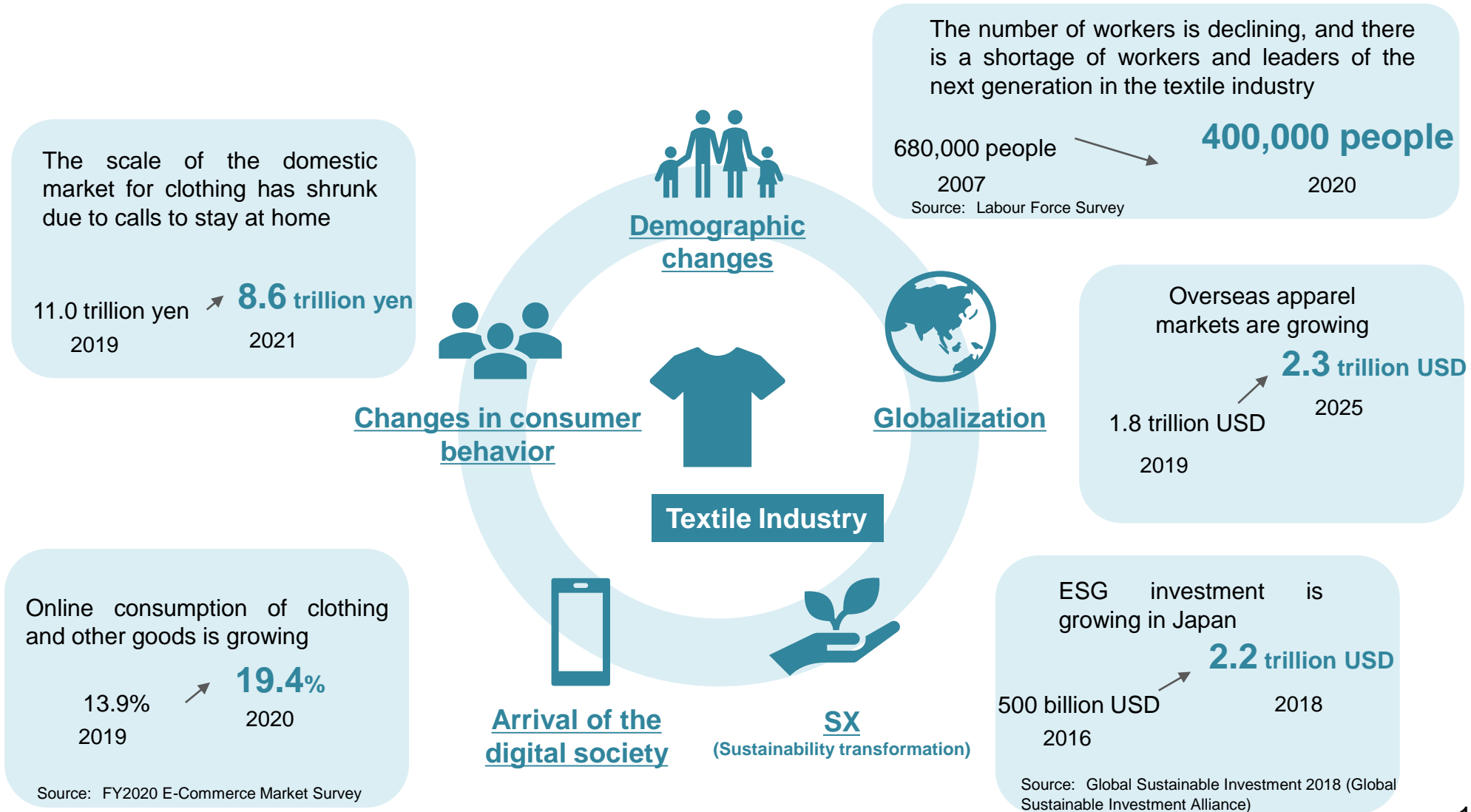


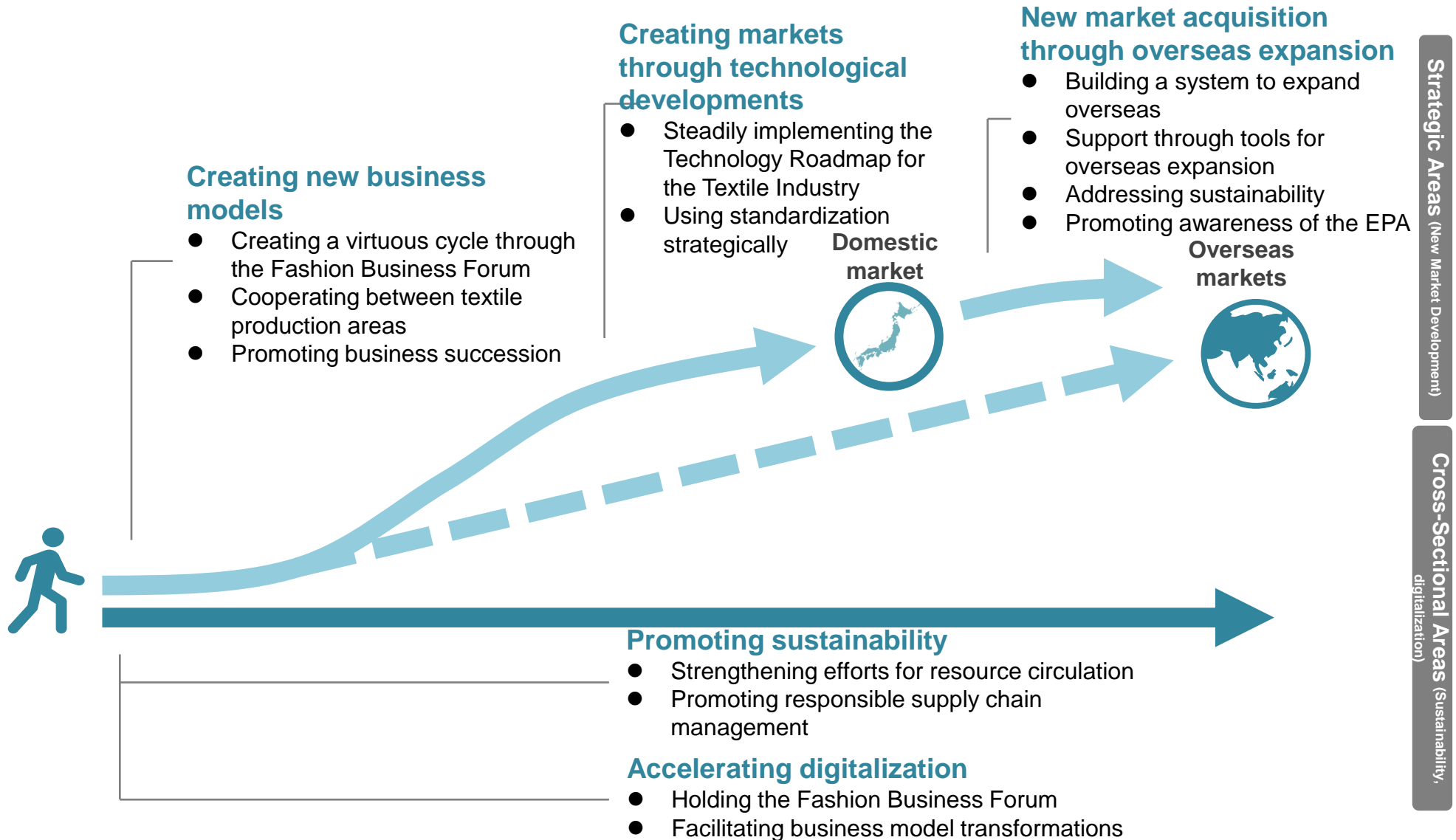
Main Environmental Changes in the Textile Industry

- There have been drastic changes surrounding the textile industry, including in the population's demographics and market scale.



Future Textile Industry Policy

- We will move forward with future policies by positioning areas in which to develop new markets as “Strategic Areas” and areas like sustainability and digitalization which are a prerequisite for business as “Cross-Sectional Areas.”

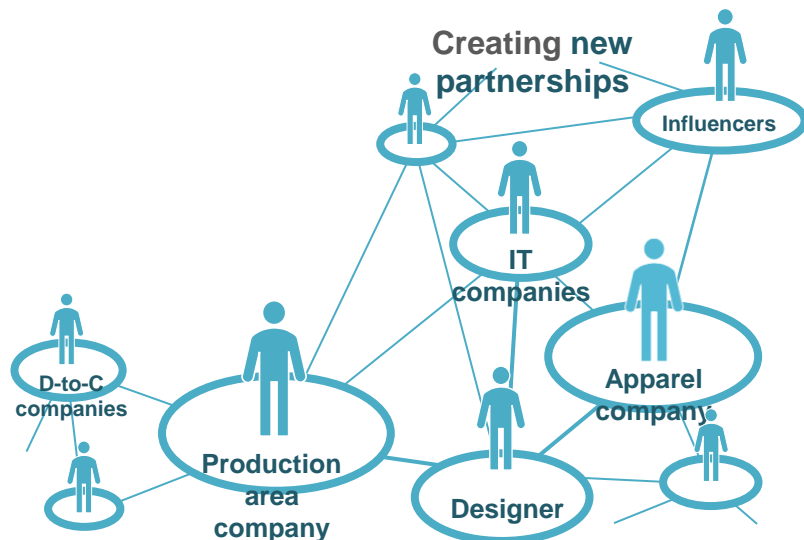


Strategic Area I: Creating New Business Models

- We will promote support to create many factory brands and D-to-C companies, and promote cooperation with other areas such as digital.
- We will promote efforts to pass on advanced technologies to the next generation by supporting business succession.

Creating a virtuous cycle through the Fashion Business Forum

- It is important to create a virtuous cycle that will lead to higher wages and acquisition of human resources by developing original products through original brands.
- The Fashion Business Forum (tentative name) will be held to provide a place to connect designers, influencers, and companies in production areas, D-to-C companies, apparels, and other industries.



Cooperating between textile production areas

- It would be desirable to share and roll out effective measures that address common issues among production areas in Japan, which include the declining number of workers and shipment value.
- The Textile Production Area Summit (tentative name) will be established and held, comprised of local municipalities that boast textile production areas.

Promoting business succession

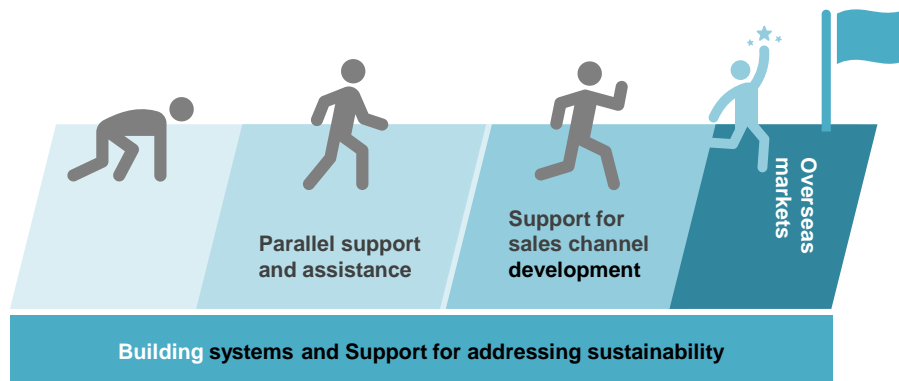
- We will provide support for fees related to reforming businesses after successions (e.g., capital investment, sales channel development) or hiring experts when succeeding a business through subsidies for business successions.
- In order to support business restructuring efforts aimed at improving productivity, we will support approved business restructuring plans through the Industrial Competitiveness Enhancement Act by providing support measures such as tax incentives and financial support.

Strategic Area II: New Market Acquisition through Overseas Expansion

- It is important to capture the growing overseas demand, as the domestic population is expected to continue decreasing.
- Against the background of technological capabilities which are highly evaluated by overseas, Japanese companies have the potential to expand overseas.

Building a system for overseas expansion

- In order to further promote overseas expansion, we will establish a system to share and study information from relevant organizations.
- It will include the Japan Fashion Week Organization (JFW), Cool Japan Fund, the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME Support, JAPAN), Japan External Trade Organization (JETRO), industry associations such as the Japan Textile Federation, and METI.



Support through tools for overseas expansion

- Using the framework of Consortium for a New Export Nation, experts will provide accompanying support for overseas expansion from the planning stage to its implementation, and contract conclusion.
- By providing support to exhibit at major trade fairs overseas, creating opportunities for buyers abroad to directly touch fabrics and other goods.
- We will provide support for SMEs such as expanding sales channels and branding when they expand overseas including cross-border EC.

Promoting awareness of sustainability and the EPA

- We will further promote awareness of the necessity of obtaining international certification and implementing due diligence.
- We will promote awareness to encourage businesses to actively take advantage of the EPA.

Strategic Area III: Creating Markets through Technological Developments

- It is important not to be inferior to other countries in terms of technological capabilities in order for the textile industry to develop and contribute to the 100-year life using textile technology.
- Industry, academia, and the government will cooperate to develop technology.

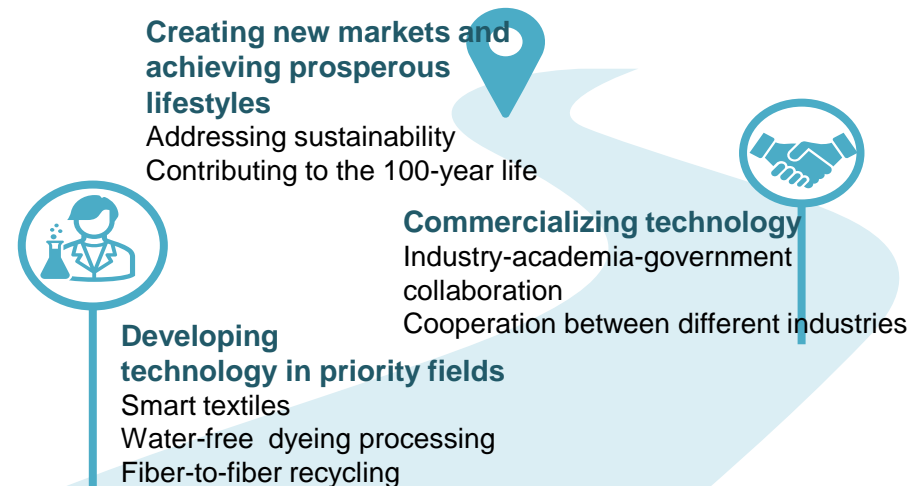
Steadily implementing the Technology Roadmap for the Textile Industry

- METI has formulated the Technology Roadmap for the Textile Industry. Its main subjects are the following.

- (i) Development of technology and services aiming to implement smart textiles into society
- (ii) Construction of Human Interface System for textile designing
- (iii) Dissemination of bio-based materials
- (iv) Development of fiber-to-fiber recycling technology
- (v) Development of water-free dyeing processing technology
- (vi) Promotion of commercialization through open platforms

Using standardization strategically

- We will support development of flexible and widely available standard through measures such as the Standardization System for Cultivating New Markets in order to make it possible to quickly acquire standards.
- We will support businesses in ensuring sustainable human resources through measures such as the Young Professional Japan Program (YoungPro) which aims at developing young human resources who are able to lead international standardization negotiations.



Cross-Sectional Areas: Promoting Sustainability and Accelerating Digitalization

- We will advance SX (sustainability transformation) in order to increase businesses' earning power while promoting ESG (environmental, social, and governance).
- Also, it is important to use digital technology, and should aim for digitalization as a whole industry, in order to respond to rapid changes in the business environment.

Strengthening efforts for resource circulation

- We will formulate product design guidelines which involve aspects of byproducts reduction, energy and resources conservation, longer product life, and resource circulation after consumption.
- We will proceed with discussions on encouraging businesses related to resource circulation, and the adoption of labels to encourage the use of recycled materials.

Holding the Fashion Business Forum

- We will promote the development of products and services that surpass traditional ones by establishing places for businesses in the textile industry to partner with those in other industries, including digital.
- We will hold pitch events gathering startups including in the digital area. We will also select 200 exceptional businesses in the textile industry.

Promoting responsible supply chain management

- More than ever, it is now critical to spread necessity of implementing due diligence and to explain in an easy-to-understand manner what parts could be potential corporate risks in due diligence process.
- We will proceed to formulate guidelines to facilitate responsible supply chain management.

Facilitating business model transformations

- We will use the Business Restructuring Subsidy to support SMEs and other businesses that wish to develop new areas, transition to other businesses, industries, or business nature, or conduct drastic business restructuring.
- We will support digitalization based on plans to implement DX across the company, by offering low-interest loans and tax deductions for investments related to digital technology, in addition to support for adopting IT tools through subsidies and DX certification systems.