

January 17, 2025  
Japan Textile Federation

## **Action Policy for Fiscal 2025**

The Japan Textile Federation (JTF) has worked on various efforts for problem solution and appropriate response through organizing common challenges to be solved and directions to follow in the entire industry and cooperating with our member organizations while coping with various environmental changes surrounding our supply chains, based on the “Recommendations for a Desirable Shape of Our Industry in 2030” published in 2020.

As the trend of declining birthrate and aging in our country has accelerated and the demand for textile products has fallen gradually, our industrial competitiveness needs to be raised for wider entry into the global markets. To that end, responsive measures for sustainability including reduction of environmental loads and actions to ensure human rights are essential. Also, measures for ensuring human resources and smooth business succession are necessary to find and solve the choke points for strengthening supply chains in the respective production areas. Moreover, productivity improvement through deployment of digital transformation (DX) solutions continues to be an important challenge. Therefore, we conduct our activities this year with putting focus on “Response to Sustainability” and “Support for Small and Medium Businesses”.

The theme “Response to Sustainability” is divided into three items: (1) Response to Securing Human Resources, (2) Response to Circular Economy, and (3) Promotion of Trade Optimization. And, the theme “Support for Small and Medium Businesses” is divided into two items: (4) Strengthening of Supply Chain Robustness and (5) Response to Digital Revolution. Additionally, our existing major activities: (6) Active Approaches to Cope with Trade Issues, (7) Strengthening of Information Transmission Capability and Brand Power, and (8) Response to Taxation Issues continue to be tackled as our activities.

In terms of Response to Securing Human Resources particularly, we put together opinions of our industry to properly deal with the “Specified Skilled Workers Program” to which our industry was newly added and the “Employment for Skill Development Program” that will be created following the amendment of the relevant law by June 2027. In addition, we strive to make the “Guidelines for Responsible Corporate Conduct in Textile Industry” published in 2022 well known to our member organizations for further dissemination this year as well by recognizing the necessity to earnestly address human rights issues including proper operation of the respective programs in the entire Japanese textile industry.

JTF will make every effort for further development of the textile industry by recognizing that the trust from the society on the textile industry is important and sharing responsibilities in the overall supply chain, while further strengthening the trust-based

mutual relationships between our member organizations. Also, JTF will reinforce its activity basis through continuously making active policy proposals to the government and reinforcing our activity basis by starting drastic revision of our spending structure for more robust financial base and sorting out of our key activities.

Based on the basic concept outlined above, JTF will carry out its activities for development of the Japanese textile industry in terms of the above-mentioned eight policies based on the following policies:

#### 1. Response to Securing Human Resources

For securing sufficient human resources in the current labor shortage situation, we will work to create a better working environment for women, elderly people as well as foreigners, in addition to dedicating efforts to improve productivity.

We aim to create a better business environment with our further efforts to disseminate and make the “Guidelines for Responsible Corporate Conduct” widely known, thus the companies in the textile industry can fulfill their social responsibilities including respect of human rights of their workers as well as their suppliers and vendors.

In order for smooth operation of the “Specified Skilled Workers Program”, we strive to comply with newly added four requirements (international human rights standards in particular) and to cope with the “Employment for Skill Development

Program”.

## 2. Response to Circular Economy

In raising industrial competitiveness in the global markets, companies are definitely required to properly handle environmental issues. Our textile industry is required to tackle resource recycling issues in particular. For realization of the “Roadmap for Resource Recycling of Textile Products” mentioned in the interim report published in 2024 by the Textile Industry Subcommittee of the Manufacturing Industry Committee of the Industrial Structure Council, we will collect the related information, provide our member organizations with such information and consider responsive measures.

## 3. Promotion of Trade Optimization

Since trade optimization is a significant issue in terms of corporate survival, respect of human rights in supply chain and wage hike, we continue to implement the follow-up programs, etc. of the voluntary action plan conducted by the Fashion Industry SCM Promotion Association in cooperation with our member organizations.

In addition, we will promote cash settlement in our business transactions with taking account of the fact that promissory notes are scheduled to be abolished by the end of 2026.

#### 4. Response to Digital Revolution

For deployment of DX solutions in business operation, we will promote our support for small and medium businesses (SMBs) as a main target that have limited knowledge on specific responsive measures and are less advanced in efforts to cope with digitalization. Specifically, we provide assistance in electrification of attendance management that is additionally required in the “Specified Skilled Workers Program”, and encourage introduction of electronically recorded monetary claims (electronic promissory note) in a transaction where cash settlement is considered difficult after the abolition of promissory notes.

#### 5. Response to Strengthening of Supply Chain Robustness

In cooperation with our member organizations, we find the choke points in fiber and textile production areas and facilitate the use of the existing support networks to seek measures for seamless business succession, etc. with public assistance organizations playing a core role to create an environment for such businesses as a main target that are indispensable for the textile industry

#### 6. Active Approaches to Cope with Trade Issues

We will further take advantage of the existing economic partnership agreements. At the same time, we put together our opinions and requests to make proposal to the government for ongoing or anticipated negotiations on economic partnership agreements with Turkey, Bangladesh, GCC nations, and China and Korea.

Also, we continue to hold the Japan-China-Korea Textile & Clothing Conference annually in cooperation with the China National Textile and Apparel Council and the Korea Federation of Textile Industries to exchange the information broadly.

#### 7. Strengthening of Information Transmission Capability and Brand Power

JTF will put its efforts into information transmission activities including appeal of high-quality, high-sensitivity and high-functional materials that incorporate sophisticated technology and sensibility of the Japanese textile industry. Furthermore, we will work on the related organizations in order to allow textile products ranging from fashion goods to functional goods to be promoted widely both at home and abroad.

#### 8. Response to Taxation Issues

We will give the requests on taxation revision from our member organizations to the ruling parties and the relevant ministries, in order to build a tax system that would be favorable for the whole textile industry.