

Achievement Case of a Support Project to Investigate Overseas Expansion for Small and Medium-sized Enterprises

[Project Name] Development of Kurozan leather sales channels in France

SAKAMOTO CORPORATION

Company Profile

■Location	367-1 Ogawa, Hanada-cho, Himeji-shi
■Representative	Hiroshi Sakamoto
■Industry	Leather goods manufacturing industry
■Outline of operations	Manufacture and sale of Himeji Kurozan leather used in bags and accessories, etc.
■Sales	10 million yen
■Number of employees	2
■URL	http://himejikurozan.net
■Overseas expansion status and plan	Hong Kong and EU countries mainly Paris



Leather tanning work

■Business Summary

We started our business in 1923 as a manufacturer of cowhide lacquered leather which was used for the breastplates (Do) of Kendo tools, and tsukagawa (leather handles), nakayui (leather ties) and sakigawa (leather caps) of bamboo swords. Kurozan leather, which has lacquer applied to the uneven texture on the surface of the cowhide, is the blend of a “tanning technique” and a “lacquering technique” which are traditional Japanese methods using Japanese Kuroge Wagyu. Kurozan leather is also known as “Black Diamond Leather,” a beautiful type of leather that appears to be strewn with a countless number of small diamonds. Because of its hardness and strong resistance against friction, it was used for warriors’ high quality armor and helmets during the Sengoku (Warring States) Period, and was a valuable item that could not be cut even by an extraordinary master. We were thinking whether we could use the Kurozan leather inherited from two generations ago, for fashion, and we have carried out repeated studies based on our commitment to perform the entire production process from tanning to processing by ourselves.

First of all, all the fur is removed from the Kuroge Wagyu rawhide, which is then tanned to a white color and soaked in plant tannins. We have used this tanning technique for nearly 10 years. Next, the leather is soaked in liquid iron. The liquid itself is not black, but the tannins and iron have a chemical reaction that dyes the light-brown leather to a black shade. Lacquer is repeatedly applied to the uneven texture by hand and then dried.



Business negotiation in Paris

These multiple layers of lacquer create a sense of luster and volume, and also enhance the glossiness of the black color. Depending on differences in the process, the texture of the Kurozan leather changes into an embossed, hand-rubbed or KIWAMI type. Only a small amount of rare Kurozan leather can be completed via labor of this sort. Even a dedicated craftsman can only make around 20 pieces per month. Our efforts bore fruit. We received a number of awards and received comments such as “traditional Samurai leather has improved modern fashion such as bags and shoes.” In addition, we have also been expanding our business to establish the “Himeji Kurozan” brand which we want to send from Japan to the world by making efforts for our products to be highly evaluated in the market and to fascinate our customers.

■ Motivation and Aim for Overseas Expansion

We participated in many different domestic contests in order to see the achievements that had resulted from many years of research. We started by receiving the Outstanding Award in the Hyogo New Leather Contest in 2004, we won the Governor’s Award in 2010 and the Director’s Award from the Manufacturing Industries Bureau of the Ministry of Economy, Trade and Industry, and the Japan Eco-Leather Award in 2012 in the same contests. At this stage, we thought we would like to compete not only domestically but also in the international fashion scene, and in March 2013 we exhibited our products at the “APLF Exhibition Leather & Materials”, which is the world’s largest leather fair in Hong Kong. We also decided to conduct a marketing survey for Hong Kong.

As part of this exhibition, contests were held competing on the basis of superiority or inferiority of the leather which was to become the material for shoes and bags, at the trade fair which began in 1984. Concerning the exhibition in March 2014, when we visited the Hyogo Business & Tourism Centre (HK) and consulted with them about an effective PR method and access to local famous brand companies, we got the advice that brochures in a foreign language were important.

In addition, they contacted the local famous brands and we had business negotiations with those companies that had shown interest. We have received a great deal of support from the Hyogo Business & Tourism Centre (HK), which also included the support of interpreters at the business negotiations.

In the contest, we exhibited a work named “KIWAMI”, and we had the honor of winning “The Best New Leather” prize, positioned as the best of the APLF awards. We were truly delighted that the traditional technique of Himeji, Hyogo had been recognized as the world’s best and had been evaluated with comments such as “This leather is strong but bounces like rubber. I have never seen such leather before.” from authentic craftsmen in Italy and the United Kingdom.



Won the Best Prize in Hong Kong in March 2014

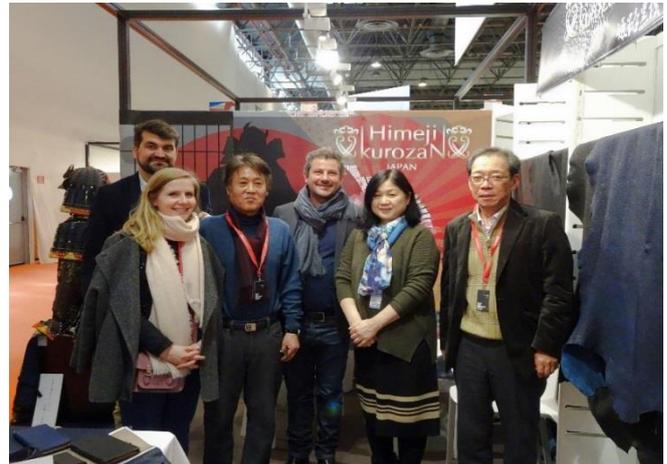
■ Received Support from Hyogo International Business Center, Developed into Europe, and

Gained Achievement

As we were hoping to break down the current situation where Japanese tanned leather has lost ground to inexpensive overseas leather, we won the best prize at the exhibition in Hong Kong and decided to expand our sales channels to the real origin of leather, Europe, starting with Paris. Contacting the Hyogo Prefecture Hong Kong Economic Exchange Office gave us the opportunity to receive support from the Hyogo Economic Development Center, a public interest incorporated foundation, and Hyogo International Business Center. For our planned exhibits at “Premiere Vision Paris”, the international fashion materials trade fair to be held in Paris in February 2016, we discussed our approach and other information such as textile exhibitions. Since they promptly contacted the Hyogo Representative Office in Paris to request assistance, we were able to utilize the Hyogo prefecture's subsidy “Jiba-san Hyogo Brand Creation Support Project subsidy.”



Business negotiations at the booth



At the Premiere Vision Paris booth

Using the subsidy, we visited the representative office in Paris in September 2015 and received kind advice from parties related to the host of Premiere Vision, introduced through the network of the representative office in Paris, and as a result, we were able to exhibit our products at the exhibition safely. Since we did not have experience in trade practices or overseas sales, we also received guidance and advice on fundamental things such as merchandise trade and contracts from Hyogo International Business Center. In addition, the center introduced us to JETRO Kobe which the center collaborates with as part of Hyogo-Kobe International Business Square, and we received support such as the introduction of a sales consultancy company in Paris and help with exhibiting our products at the exhibition in Paris. In this way, we were able to obtain concrete results thanks to the various support provided through collaboration between the Hyogo Representative Office in Paris and JETRO Kobe, all based on core support from Hyogo International Business Center.

When we participated in “Premiere Vision Paris”, the international fashion materials trade fair held from February 16 to 18, 2016, we also received various support from the Hyogo Representative Office in Paris, and as a result we could negotiate with dozens of companies of world famous brands and received orders.

After that, when we made another business trip to Paris from June 22 to 29, 2016 and carried out negotiations with several buyers we'd met at the previous exhibition, we could send samples to the Hyogo Representative Office in Paris in advance, which was also very helpful.

In addition, we participated in “Premiere Vision Paris” held from September 13 to 15, 2016 and we won one of three awards in the leather category (PV Awards, Handle Award) for the first time as a Japanese leather producer.

■Future Prospects

After receiving the top prize at the Hong Kong exhibition, we tried a new challenge in Europe. We were also well evaluated overseas, such as winning an award at the international trade fair in Paris. Based on these achievements, we will devise measures to solve our problems and hope to further expand our sales channels.



Award ceremony on September 13, 2016

■From Overseas Expansion Promotion Staff (Shiro Asakawa)

We expect this case to serve as an example that a company can expand its business globally regardless of the size of the place and scale, as long as it has a technology with high added value. We would like to continue supporting the development of sales channels and foreign trademark applications in collaboration with the Representative Office in Paris.

In the future, we think it will be a challenge to enhance the production system and pass on the craftsmanship skills when the orders have increased due to success in developing the sales channels for Kurozan leather.