

Creating the World's No. 1 Products in Ethiopia

Individualized development of human resources made possible only by an SME



July 31, 2019



株式会社 **ヒロキ**

Hiroki Co., Ltd.

Hiroyuki Gonda, President

1. About Hiroki Co., Ltd.



Company profile

- ◆ Established: May 1952
- ◆ Head office: 2-89 Motomachi, Naka-ku, Yokohama, Kanagawa 231-0861 Japan
81-(0)45-681-1335 <http://www.hiroki-co.jp>
- ◆ Directly operated stores: Yokohama Motomachi Main Store, Yokohama Porta Store
- ◆ Business : Designing, manufacturing and selling leather and fur clothes, bags and other goods
Importing and selling leather and fur products made outside Japan

Global network

- ◆ China (Beijing): Beijing Fuchuang Fur & Leather Co., Ltd. (a wholly-owned subsidiary of Hiroki Co., Ltd.), established in August 2005
- ◆ Ethiopia (Oromia): Hiroki Addis Manufacturing S.C., established in July 2014



■ Visitation by Ethiopian VIPs



Then-Prime Minister Hailemariam Desalegn and other ministers at Hiroki's head office, June 2013

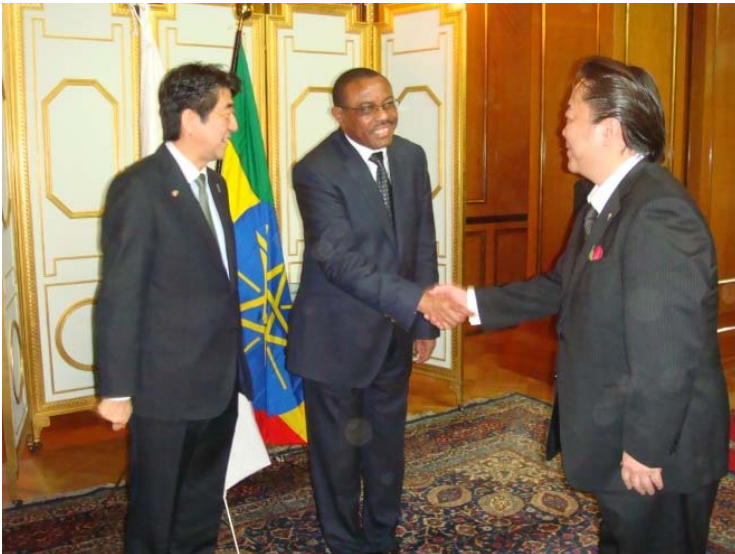


Then-Minister of Trade and Industry Tadesse Haile at Hiroki's head office, March 2009



Then-Governor Muktar Kedir of the Oromia region at Hiroki's head office, August 2014

■ Summit meeting



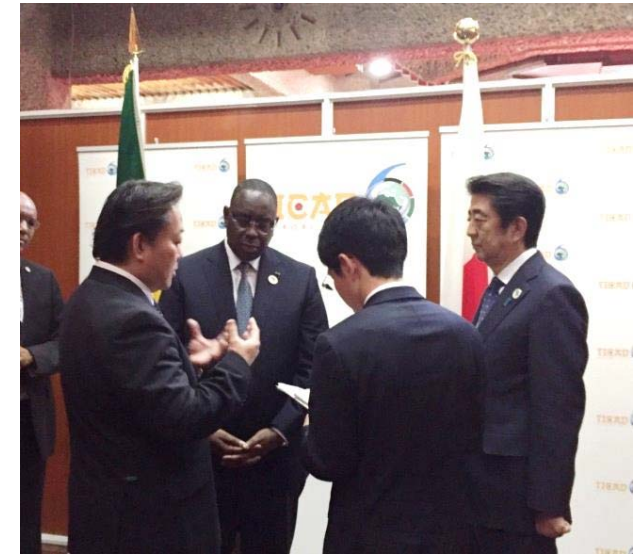
Japan's Prime Minister Shinzo Abe, accompanied by Hiroki's President Hiroyuki Gonda, at the National Palace in Ethiopia, January 2014

■ United Nations conference



President Gonda in the ISID Forum hosted by UNIDO in Vienna, Austria, November 2014

■ TICAD VI



Prime Minister Abe and President Gonda in a plenary session at TICAD VI in Kenya, August 2016

2. Why Hiroki expanded into Ethiopia



- Hiroki's management was deeply attracted by Ethiopian sheepskin at a trade show for materials for craft products, and they decided to make clothing from Ethiopian sheepskin.
 - * Ethiopian sheepskin, highly rated as a material for golf gloves and other gloves, is soft, smooth and durable and described as the world's No. 1 sheepskin.
- In pursuit of this ultimate leather, Hiroki's members visited tanneries in Ethiopia. In 2007, Hiroki started doing business directly with a local tannery.
- In the past, Ethiopian sheepskin was supposed to be used for gloves. Hiroki and the Ethiopian tannery have overcome this conventional wisdom and successfully developed 0.45 mm-thick reversible clothing.
- In those times, Hiroki had sheepskins tanned in the Ethiopian tannery, dispatched to Hiroki's factory in China, and cut and sewn there.



“Ethiopian artisans use home-grown materials, make leather products of Japan-origin world-class quality, and send such products to markets worldwide.”

Based on this philosophy, Hiroki has become the first Japanese enterprise to establish a subsidiary in Ethiopia.

Adding value to home-grown materials in Ethiopia and exporting them from Ethiopia to the world is meaningful for both Hiroki and Ethiopia.

Working near our Ethiopian business partners can facilitate our collaborative material development.

Two missions of Hiroki as a pioneer

- Transferring technology to Ethiopia to boost its industrial development
- Encouraging Japanese businesses' investments in Ethiopia



3. Establishment of Hiroki Addis Manufacturing S.C.



Hiroki Addis Manufacturing S.C.



Exterior of the factory



Inside the factory

Company profile

Capital: 530,000 US Dollars

Start of operation: August 2014

Number of employees: 22

Major shareholders:

Hiroki Group

Toyota Tsusho CSV Africa Pte. Ltd.



Scenery from a window of the factory



Factory staff meeting

4. Challenges faced by Hiroki's Ethiopian factory



◆ Developing human resources requires much time and costs.

At present, three Japanese professionals train and educate a small number of Ethiopian staff.

Because ...

- Leathers made from Ethiopian sheepskin are characterized by tight-fitting texture and softness, which distinguish them from other leathers. To maximize these characteristics, Hiroki sticks to a water-based dyeing method without coating the surface with pigments. This method requires advanced cutting and sewing skills.
- Ethiopian staff have limited access to high-quality Japanese products that are meticulously designed and crafted.
- It takes one to three years to train each factory worker until they can generally perform all processes of making clothing.
- Many workers make a career move to a different company after completing a training course at Hiroki.
- It is difficult to retain Japanese professionals who can stay as an instructor for a long term in Ethiopia.



5. Solution—education and training



◆ Meticulous training and coaching on an individual basis

Teaching Ethiopian staff skills and techniques and getting them to love Japan are equally important.

- What Japanese instructors teach Ethiopian staff first is the philosophy of manufacturing rooted in Japan. They preach about Japan's style of manufacturing with attention to details (including invisible parts) and encourage Ethiopian staff to understand and accept this style.
- Materials used at Hiroki are genuine natural leathers and, unlike standardized industrial products, Hiroki's products are craft works manufactured by hand. Therefore, each employee is trained to perform all processes of making one product. In those processes, devoting adequate time and making a product mindfully and carefully is more strongly emphasized than efficiency.
- Since most other apparel manufacturers adopt an assembly line system, their employees cannot acquire skills of creating clothing by themselves, regardless of how long they work there.
At Hiroki's factory, where an assembly line system is not deployed, factory workers must learn all processes of creating clothing. If they master those skills, they will be capable of serving as the head of any other factory or even working as an independent artisan.
- The actual steps that Ethiopian staff go through are as follows: participate in a training program offered by AOTS, learn the basic philosophy of manufacturing, put it into practice at the factory in Ethiopia, visit Japan and enjoy various opportunities to interact with the Japanese people and society, visit and observe the stores where their products are put on sale, and communicate with customers. We believe that these steps could help them like Japan.
- Leveraging an expert dispatch program offered by AOTS, Hiroki affords opportunities for Ethiopian staff to continuously learn about advanced skills of Japanese professionals basis and their attitude of pursuing uncompromising quality. In this way, Hiroki endeavors to continue manufacturing world-class products.

6. Message from Hiroki



■ **The time will surely come when Ethiopian people seek quality over quantity.**

Ethiopia is now rapidly growing. Its current growth is mainly supported by manufacturing businesses focused on mass production. Eventually, however, the Ethiopian manufacturing industry will grow mature and the concept of quality over quantity will surely become mainstream.

Ahead of the advent of such a new age, Ethiopian businesses should nurture as many young professionals as possible to have a mindset of manufacturing quality products. It is our sincere desire to devote our efforts so that our activities could assist such evolution in Ethiopia.

We sincerely hope that the term “Made in Ethiopia” will become a synonym for “world-class quality” in the near future.

HIROKI ORIGINAL LEATHER CLOTHES COLLECTION



HIROKI ORIGINAL LEATHER BAG COLLECTION

