New owner Sankyo Seiko’s expansion plans for Leonard Paris

By Dominique Muret - July 27, 2022

The announcement of the sale of Leonard Paris to its long-standing Japanese partner Sankyo Seiko took the cosy world of Parisian luxury labels by surprise. On closer inspection however, it was an inevitable outcome, and probably the best solution for the label's long-term prospects. Sankyo Seiko’s goal is to tap the label's legacy, maintaining its connection with Paris, in order to accelerate its expansion in Asia, especially China and Korea, and boost the accessories category.
“[Sankyo Seiko] was the best buyer we could find for Leonard. We have been working together for over 50 years. We were practically born in and grew up with Japan, and Sankyo Seiko has contributed decisively to the label’s worldwide growth,” said Nathalie Tribouillard Chassaing, since 2017 at the helm of Leonard Paris, which she left reluctantly a short while ago. “We became too dependent on Japan, which had ended up accounting for over 60% on our total sales and, with Covid, our critical mass shrank further, as well as our presence in Europe and the rest of the world,” she told FashionNetwork.com.

“We were also very concerned about rising prices and the availability of raw materials. This pushed us to sell, especially since this situation is destined to become even tougher,” she added. “We sold a super-healthy business. Revenue for our last summer collection was up 20%. But to continue to operate, more was needed. We are one of the last, independent family-run luxury labels, too small to cope with giants like Kering and LVMH,” said Tribouillard Chassaing.

The acquisition deal, the value of which was not disclosed, was signed on July 19 after several months of negotiations. Sankyo Seiko has bought the brand and its archives - 10,000 designs, of which nearly 5,000 have not yet been utilised - as well as the studio where the style and textile design teams work, and the prototyping atelier in Paris, alongside the Milanese production site. Since 1969, Osaka-based Sankyo Seiko has been developing, producing and distributing two ready-to-wear lines specifically created for Japan and Taiwan (Leonard Fashion and Leonard Sport), and it also commercialises the Parisian collection through its 60 stores.

In recent years, Sankyo Seiko too has had to downsize, cutting in half the number of Leonard stores it operated - some 20 years ago they were nearly 120. Keen to invest in the brand but also to stop paying royalties, the group took advantage of the opportunity afforded by the Covid-19 crisis to up the ante with the Tribouillard family and make an acquisition offer. Sankyo Seiko is active in real estate, textiles and fashion, and also owns long-established British luxury label Daks, which it acquired in 1991 and has expanded in scope in recent years, notably in China. The group intends to apply the same blueprint to Leonard, which is entirely absent from the Chinese market, except for a store in Hong Kong.

“With Daks, we opened more than 30 stores in China. There is, in our opinion, enormous potential [in the country] for Leonard too. Thanks to its valuable heritage, the brand is very strong in Asia, where it is already highly appreciated. It is in this region, where there are major opportunities for [Leonard], that we are going to focus. We want to expand the label’s presence notably in China, Korea and Thailand,” said Akira Inoue, CEO of Sankyo Seiko, who has recently taken charge of Leonard, talking to FashionNetwork.com.

A great expert in the Chinese market, Inoue is also keen to forge stronger ties with Korean group LG and its subsidiary, LG Fashion Corporation, which distributes Leonard, as well as Daks, in South Korea. “We are planning to expand the Leonard Sport line in Korea, where the casualwear market is sizeable. The line could have great
potential there," he said.

Sankyo Seiko has kept the Daks design studio in London, and it equally plans to leave untouched Leonard's Parisian headquarters, with its operations and full staff of 41. "They are talented people who need to work together. Preserving the label's expertise, developed over decades, and the links with Paris, by continuing to show there, is essential for Leonard's brand image," said Inoue. "[Paris] is where the collection and printed fabrics are developed. While ready-to-wear is manufactured at the Milan subsidiary. Our linchpins are a very elegant Parisian style on one hand, and Italian manufacturing excellence on the other, two key elements to position Leonard appropriately," he indicated.

Tribouillard Chassaing added that “maintaining Leonard's Parisian presence enhances the brand. From the start, we have been supporting Sankyo Seiko with our technical know-how. Colour quality, [fabric] printing, shaded effects techniques, frame-printing on jersey. [Sankyo Seiko] now has a well-equipped production set-up to enable the label to grow worldwide.”

Another project in the offing relates to accessories. While the label's heritage and archives are its strengths, its weakness is, according to Inoue, lack of diversification in this category. "Leonard has no accessories, except for a very fine collection of scarves. We will most likely grow the leather goods category on the Japanese market," he said.

As for Georg Lux, the label's young German creative director, he is appreciated by Leonard's new boss. "Working with Georg Lux is extremely interesting. I'm eager to see his new collection, which we will look at carefully. I invited him to come to Japan, where he has never been. It's important that he gets to know this market," he concluded.

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