The silk industry was a huge boon to the Japanese economy and helped drive the modernization of the country through foreign trade. By 1863, silk and related products made up over 80% of total Japanese exports. Unfortunately, as producers focused on generating profit by increasing production quantity, silk products varied significantly from business to business, and foreign merchants did not consider Japanese silks to be of high quality. In order to increase the flow of foreign money into the country, the Meiji government asked Shibusawa Eiichi (1840–1931), an official in the Ministry of Finance, to build a reeling mill in Tomioka, Gunma Prefecture. Paul Brunat (1840–1908), a former silk inspector in Yokohama, was brought on by Shibusawa as an advisor to the government. The government asked him to import a French-made reeling machine and steam power generator for the mill. The mill buildings were completed in 1872 and were a fusion of Japanese and French architecture.

Eiichi installed his brother-in-law, Odaka Junchu (1830–1901), as the manager of the new reeling mill, and Paul Brunat stayed at the mill as the director of operations for its first four years before moving back to France. It was initially hard to attract workers, so Junchu hired his own daughter as the first Japanese female worker at the factory. The mill soon became the center of silk production in Japan and the model for a new type of silk reeling factory that integrated Western and Japanese silk production styles. The factory was privatized in 1893 and continued to operate until 1987. In 2014 it was registered as a UNESCO World Heritage Site.