and its officials and employees are all transferred from the parent company.

The above-mentioned procurement division had been in charge of procurement of daily necessaries for the Mine's employees and had nothing of outside business.

no. 170 164)
Designated as successor company,
Sugust 14, 1950.

To: Hr. Yoshida Shigeru; Frime Minister

From : Saito Takeyuki : Din and President ; Besshi Construction Co., Itd.

No. B 1594-1, Raneko, Niihama City, Ehime-Ken

Date :

1950

Subject : Application for the Designation of Successor Company

Our company was established on March 1, 1950, as the Second Company of Seika Mining Company, a subsidiary of the Sumitomo Honsha, Itd.

So we hereby request you to designate our company as a successor company according to the prescription of Paragraph 3, Art. 9 of the Law for the Termination of Zaibatsu Family Control.

The requisite details are added as follows: ----

1. Establishment

Our company was established on March 1, 1950 as a second company of Seika Mining Co., Ltd. a subsidiary of the Sumitomo Honsha, Ltd. according to the business reconstruction and adjustment plan.

(The surviving company is now in existence)

2. Capital

The capital ¥ 5,000,000 has been invested in kind entirely by Seika.

The stocks of Seika have been put on the market whereas those of the new company is now being offered for public subscription.

3. Property

The details of the property is as is undicated in the appended balance sheet.

L. Officials

Officials of the surviving company (Seika)

-164-

Senior Managing Dir. : Fukunaga Toshihisa

: Tanaka Sotoji

Junior Managing Dir. : Adachi Tetsuo

: Sato Muneharu

: Ishimatsu Seitetsu

: Saruya Kakichi

: Ukita Takaie

: Kawakani Kenjiro

Director : Muraki Takeo

: Bada Isemu

" : Kuwabara Chiaki

: Ataki Choku

Auditor : Nawasaki Chutaro

Officials of the new company

Director and President : Saito Takeyuki

Senior Managing Dir. : Ueno Masso

Junior Managing Dir. : Seik e Takso

Director : Suzuki Ichiro

: Nakajima Gihachi

auditor : Konmai Fukujiro

5. Employees

Out of 1,244 office workers who fermerly belonged to the surviving company (Seika) 47 has come into the service of the newly established company.

6. Operation and customer

Surviving Company

Operation

Wining & smelting of gold, silver, copper and pyrite as well
as coal mining.

Accessory works:

railway, shipping, public works and construction, as well
as sale of the products.

New Company

Operation

Public works and construction

by contract, harboar works by

contract, production, and sale of

materials for public works and

construction, production and

sale of wooden wares, as well as

business incidental to the fore
going items.

Customer

Coal Distribution Corporation,

Dainihon Electric Wire Co.

Shin-Fuso Metal Co. Sumitomo

Electric Industry Co. Furukawa Denko. Nisshin Chemical Co.

Toyo Rayon Co. Down Mining Co.

Mitsubishi Mining Co.

Customer

Mitsui Mine, Seika Mining Co.

Joban Coal Mine, Besshi Mine

Office, Nisshin Chemical Co.

Shikoku Machinery Co.

Mitsubishi Mining Co.

Nitto Chemical Co.

7. Saito.

Saite Takeyuki : Dir. & Pres. ; Besshi
Construction Co., Ltd.

Balance Sheet

March 1, 1950

Besshi Construction Co., Itd.

Debit Side			Credit Side	
Total	Balance	Summary	Balance	Total
192,425.26	192,425.26	Floating asset account cash		AUUGL
856,741.80	856,741.80	Deposits		
2,070,258.72	2,070,258.72	Local Office account		
260,000.00	260,000.00	Bills receivable		
1,175,496.84	1,175,496.84	Deferred income		
1,101,017.72	1,101,017.72	Short term loan		
8,679,822.87	8,679,822.87	Purchase deposit		
6,715,549.97	6,715,549.97	Stored goods		
41,197,043.25	41,197,043.25	Work in process		
		Property investment account		
2,700.00	2,300.00	Capital		
		Fixed asset account		
517,585.70	517,585.70	Building		
79,578.50	79,578.50	Structure		
1,124,706.50	1,124,706.50	Mechanical equipment		
113,644.90	113,644.90	Trucks etc.		
97.00	97.00	Shipping		
159,243.00	159,243.00	Tools and dixtures and implement		
		Current Liabilities account		
		Short term loan payable	11,500,000.00	11,500,000.00
		Bills payable	2,769,960.47	2,769,960.47
		Depasits received	4,728,140.89	4,728,140.89
		Accounts payable	2,345,719,42	2,345,719.42

Accrued expenses 31,550,996.66 31,550,996.66 Deferred income account Advance income 5,183,878.00 5,183,878.00 Reserve account Retiring allowance reserve 1,167,016.59 1,167,016.59 Depreciation reserve Tax reserve Miscellaneous reserve Capital account Capital 5,000,000.00 5,000,000.00 Legal reserve General reserve Dividend Money transferred

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64,245,712.03

1050*X334*33

64,245,712.03

64,245,712.03

64, 245, 712.03

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March 1, 1950

Besshi Construction Co., Ltd.

Balance Sheet

- . -

August 14, 1950

Report on Examination (Designation concerning Successor Company) No. 164

Zaibatsu Appointees Examination Section

1. Applicant Company:

Besshi Kensetsu K. K.

Otsu 1,594-1, Kaneko, Niihama-shi, Ehime-ken. (Representative;

President Takeyuki Saito)

2. Reason for Application:

The application has been filed concerning designation of successor company in accordance with the provisions of Article 9, para. 3 as the applicant company was established on 1 March 1950 as the second company of the Seika Kogyo K. K. (hereinafter called as the parent company), Sumitomo direct affiliate company under its final reorganization plan. The parent company continues to exist.

3. As the result of examination the applicant company has been decided to be designated as successor company.

Reason:

The applicant company is established by the separation of the parent company's construction section made

independent

independent with 5 million yen capital wholly furnished by the parent company. The company was transferred the parent company's assets in correspondence to succeeded new account liabilities and the business and personnel.

August 14, 1950

Report on Examination (Designation concerning Successor Company) No. 164

Zaibatsu Appointees Examination Section

1. Applicant Company:

Besshi Kensetsu K. K.

Otsu 1,594-1, Kaneko, Niihama-shi, Ehime-ken. (Representative;

President Takeyuki Saito)

2. Reason for Application:

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independent

independent with 5 million yen capital wholly furnished by the parent company. The company was transferred the parent company's assets in correspondence to succeeded new account liabilities and the business and personnel.

no. 15-4 (163)

not designated as successor company,

July 28, 1950.

To

: Mr. Shigern Yoshida, Prime Minister

From

: Shinko Rayon Co., Itd.

No.2, Tori 3-chome, Nihonbashi, Chuo-ku, Tokyo

Subject :

Petition Concerning Shinko Rayon Co., Ltd.

Not Being Successor Company

June, 1950

As previously reported, Shinko Rayon Co., Ltd. was established as a second company of Mitsubishi Chemical Industries, Ltd. in accordance with the authorized reorganization plan of the Enterprise and Reorganization Law. The company believes that it is not a successor company according to the Law Concerning the Elimination of Control by Zaibatsu Families. We solicit your kind recognition of this matter and hereby submit to you explanations for the petition as follows:

I. History and Conditions of Establishment
The origin of this company was the Shinko Jinken
Kabushiki Kaisha (Shinko Rayon Co., Ltd.) and was founded
by textile industrialists of the Kansai District (S. Kawasaki,
T. Ito, T. Ishii, M. Fujii and 14 others) with the capital
of 10,000,000 Yen (increased to 15,000,000 Yen in June, 1940)
with the object of manufacturing and spinning chemical fiber,
a pure peace-time industry, and its shares were not concentrated
in any group, the subscription having been widely open to
the general public (the shareholders numbered about 2,000).

Accordingly, the company was not controlled by any Zaibatsu nor by any particularly influential person or persons.

The company was the very first in this country to inaugurate a truly competent kind of staple fiber experiment and research, and its products were always recognized as the highest in quality among the products of all synthetic fiber manufacturing companies in Japan, according to the examinations of such products at the Fiber Laboratory attached to the Ministry of Commerce and Industry of that time. In technical phases, it continued to hold the leading position in this field of industry, while its financial position was also sound and steady.

The Shinko Rayon Co., Ltd., such as it was, had to be merged by the Nippon Chemical Industries, Ltd. of the Mitsubishi Coterie with the following reasons:

(1) Due to the intensified regimentation of the war-time structure at home and the aggravation of the international situation caused by World War II, overseas demand dwindled, and raw material became scarce necessitating a drastic re-organization of domestic industries, and the textile enterprise, although a peaceful industry, was not to be an exception.

Under the circumstances, the Shinko Rayon Co., Ltd. would have been forced to liquidate itself, being subjected to the compulsory measure of the so-called enterprise re-adjustment.

Naval Submarine Training Base, which was adjacent to the premises of Otake Factory of the company, demanded the requisitioning of the factory site for the purpose of expanding the Base premises. Of the factory site, 200,000 "tsubo" in area, about 40,000 "tsubo", or one fifth, was requisitioned in 1940 and 1941. However, with the outbreak of the Pacific War in December, 1941, the Navy became impatient and made an urgent demand on the company for the requisitioning of the entire site of the Otake Factory in order to execute the Submarine School expansion program.

company was confronted by a crucial problem involving its very existence, and at this time the Nippon Chemical Industries, Ltd. offered the merger of the company because the former recognized the superb quality of Shinko products and the high grade of technique as well as the latter's sound, steady financial position. Although not all of the conditions of the merger were advantageous to the company, the offer was accepted to solve the crucial problem.

As it is evident that the merger was made by Nippon Chemical Industries, Ltd. which had quite a different line of business and was performed without the own will of either of the parties

concerned, the Shinko Rayon Co., Ltd., although becoming the Textile Department of Nippon Chemical Industries, Ltd. after the merger, continued to exist the same as before. Consequently, the Otake and Gifu factories, which belonged to Shinko Rayon Co., Ltd., had no special relations of business with the Kurosaki factory of Nippon Chemical Industries, Ltd. No transfer of employees between the two companies have been made.

By the contracts of the merger, all of the directors of Shinko Rayon Co., Ltd. should have resigned on the date of merger, but there being no suitable director to manage the Textile Department, Mr. E. Kashu, who was the executive director of the former Shinko Rayon Co., Ltd., became the managing director of Nippon Chemical Industries, Ltd. and supervised the Textile Department. Furthermore, regardless of the fact that the Textile Department was a peacetime industry, procurement orders were issued by authority for the equipment owned by the department. It also became difficult to obtain raw materials, and expansion was impossible because of the pressure by war industries.

The Nippon Chemical Industries, Ltd. changed its name to Mitsubishi Chemical Industries, Ltd. in April, 1944, and at the same time merged with the Asahi Glass Co., Ltd. The relation between the Glass Department and the Mitsubishi Chemical Industries, Ltd. was the same as that between the latter and the Textile Department.

After the termination of the war, Mitsubishi Chemical Industries, Ltd. separated into the three departments which corresponded to the three former companies. The separation was scheduled by the policy of Zaibatsu dissolution as ordered by GHQ, SCAP. In June, 1947, it was decided to rearrange the internal structure of the Mitsubishi Chemical Industries, Ltd. whereupon, the Nippon Chemical Industries, Ltd. became the Chemical Department, the former Shinko Rayon Co., Ltd. became the Textile Department and the former Asahi Glass Co., Ltd. became the Glass Department. Each department performed its own management and carried out independently its matters concerning personnel, payment of wages and monetary funds. The reorganization plan of Mitsubishi Chemical Industries, Itd., which was made according to the Enterprise and Reorganization Law, was written with the purpose to separate the company into these three departments, and the plan was authorized on 30th Jan., 1950. The Textile Department was started as a new company under the name of Shinko Rayon Co., Ltd., which had the same structure as the originally merged company.

II. Invested and Transferred Assets

As already reported, the invested assets by Mitsubishi Chemical Industries, Ltd. was 90 million yen, and the transferred assets was 1,433,812,830.91 yen. All of these assets belonged to the Textile Department, as is shown in the authorized reorganization plan. Furthermore, fixed assets

invested and transferred assets were that of the former
Shinko Rayon Co., Ltd. The new company was transferred
four factories, three of which, namely, the Otake, Gifu and
Rokujo factories, belonged to the former Shinko Rayon Co.,
Ltd. The other one, namely, the Koda factory, was purchased
for the Textile Department. All of the invested and transferred
assets belonged to these four factories.

Comparisons of the main fixed assets of Shinko
Rayon Co., Ltd. as of the merger with Nippon Chemical Industries,
Ltd. in October, 1942, and those of the new establishment of
Shinko Rayon Co., Ltd. in June, 1950 are given below:

	At the Time of Merger	At the Time of New Establishment
Land	242,446.01 Tsubo	239,591 Tsubo
Building	39,810	40,604 "

(Excluding the land and building of Koda Factory which was purchased for the Textile Department after the end of war)

Machinery and Equipment:

Rayon Staple Manufacturing Equipment

Steeping Press	13	13
Shredder	16	16
Vacuum Kneader	30	30
Spinning Machine	21	21
After Treatment Machine	22	18
Dryer	10	10

Sodium Sulphide Manufacturing Equipment. Reverberatory Furnace Carbon Disulphide Mamufacturing Equipment. Reacting Furnace 13 Distillation Apparatus Anhydrous Sodium Sulphate Manufacturing Equipment. 1 set 1 set Methyl Methacrylate Resin Manufacturing Equipment. 1 set 1 set Synthetic Polyvinyl Fiber Manufacturing Equipment. 1 set (Installed by Textile Department) Spinning Equipment. Ring Spinning Frame. 230 141 Weaving Equipment. Weaving Machine 220 770

(550 weaving machines were installed by the Textile Department)

As shown above, there are not so much difference between the equipment at the time of the merger as compared with that at the time of establishment of the new company. Consequently, it may be duly asserted that the fixed assets of the new company at the time of its establishment are the same as those of the merged Shinko Rayon Co., Ltd.

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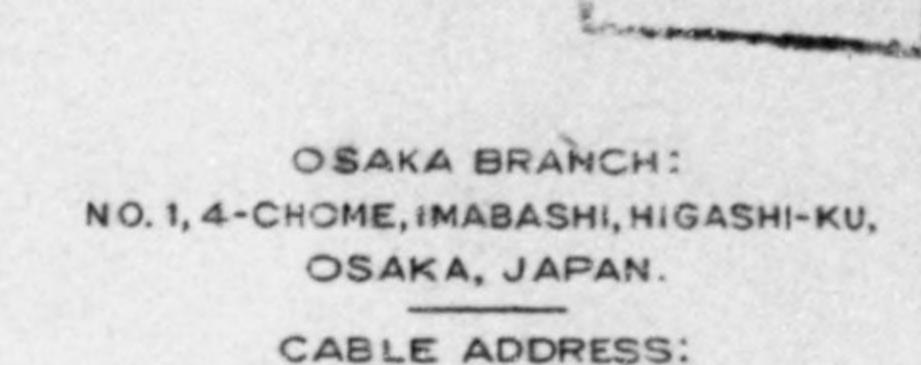
III. Directors and Employees

As already reported, the number of directors of the company is eleven (11), and among them, E. Kashu, R. Fukuwatari, N. Iwanami, K. Suyama, M. Nozaki, T. Yamashita and K. Shimizu have been director or employee since the time Shinko Rayon Co., Ltd. was merged, while Y. Yamamura, of Asahi Glass Co., Ltd., which was merged with Nippon Chemical Industries, Ltd., became chief of the Otake factory in 1945, and later, he became a director in December, 1946 and supervised the Textile Department. H. Ito, who entered the Nippon Chemical Industries, Ltd. in December, 1942, became the managing director in December, 1946 to supervise the Textile Department. In December, 1948, I. Fujii, who belonged to the Industrial Technical Consultant Office, became a Consultant of the Textile Department. K. Yamamoto, who resigned the Chiyoda Bank in November, 1948 to become Councellor of the Textile Department, took the post of Auditor in April, 1950. All of these directors and auditor do not come under the law of Elimination of Influence of Zaibatsu Families. All of the employees of the new company had belonged also to the Textile Department, as shown in the Authorized Reconstruction Plan of Mitsubishi Chemical Industries, Ltd., and those who hold important positions have served the company since the time of the old Shinko Rayon Co., Ltd.

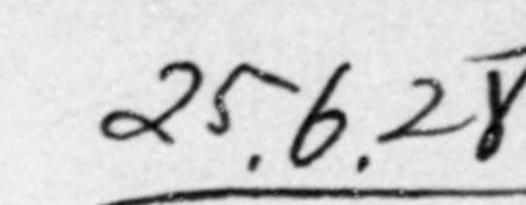
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HEAD OFFICE: NO.2, TORI 3-CHOME, NIHONBASHI, CHUO-KU. TOKYO, JAPAN.

CABLE ADDRESS: SHINRAYCO TOKYO SHINKO RAYON CO., LTD.



SHINRAYCO OSAKA





To

Mr. Shigeru Yoshida, Prime Minister

From

Shinko Rayon Co., Ltd.

No.2, Tori 3-chome, Nihonbashi, Chuo-ku,

Tokyo.

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Subject: Report on the Designation as a Successor Company.

Date:

June, 1950

Shinko Rayon Co., Ltd. was established as a second Company of the Mitsubishi Chemical Industries, Ltd. as of 1 June 1950.

A report regarding the designation as a successor company is hereby submitted, in accordance with Paragraph 3, Article 9 of the Law concerning the Elimination of Control by Zaibatsu Families.

1. Establishment

Shinko Rayon Co., Ltd. was established as one of the three new companies, which formerly constituted the Mitsubishi Chemical Industries, Ltd. the other two being Japan Chemical Industries, Ltd. and Asahi Glass Co., Ltd., in accordance with the authorized reorganization plan, as of 1 June 1950. The former Mitsubishi Chemical Industries, Ltd. was liquidated as of the same date.

2. Capital

- (1) The total capital is 120,000,000 yen which comprises 90,000,000 yen invested in kind by the former company and 30,000,000 yen in cash paid up by Share subscription.
- (2) All shares owned by the former company were transferred to or the voting rights assigned to the Holding Companies Liquidation Commission and none were taken over by this company.

SHINKO RAYON

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(3) The total shares issued by this company were 2,400,000 shares. 1,800,000 shares were underwritten by the former company as investment in kind and allocated to shareholders as of 20 February 1950, hereinafter referred to as former shareholders, at the rate of 0.8 shares to 1 share of the former company. 27,360 fractional shares that could not be allocated were transferred to officials and employees of said company.

The shares offered for subscription totalled 600,000 shares, 300,000 shares of which were underwritten by the Nikko Billbroker Company for public subscription, 221,580 shares were subscribed to former shareholders at the rate of 0.1 shares per share of the former company, and 78,420 shares were subscribed to officials, employees and related personnel of said company.

3. Assets and Liabilities

(1) Assets (excluding 90,000,000 yen of investment in kind)

Land	¥ 359,350.00
Building	35,059,650.28
Machinery & Equipments	60,043,851.00
Transportation Equipments	1,450,051.00
Tools & Furniture	11,495,997.00
Construction in Process	240,324,873.77
Cash and Deposits	48,761,661.47
Short Term Credit &	
Notes Receivable	18,405,399.89
Money Prepaid	75,842,053.70
Trade Accounts Receivable	172,248,738.91
Inventories	655,820,149.29
Investments	24,503.00
Prepaid Expenses	113,815,000.00
Guarantee Money Paid	161,551.60
Total	¥ 1,433,812,830.91

(2) Liabilities

Liabilities of Old Account ¥ 3,497,206.17
Reserve for Retirement Allowance ¥ 251,053.84
Liabilities of New Account ¥ 1,430,064,570.90

SHINKO RAYON

4. Officials

(1) Officials of former company

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Managing Director do Hiroshi Ito Director Minoru Ikuno do Saburo Shibuta do Yoshikazu Nakamura do Yoshimi Yamamura do Yoshiaki Fujiki do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditor Toshinori Hayashida do Satoji Nagasawa do Kiyoka Yamamoto	Director President	Tokiichiro Kuwata
Director do Saburo Shibuta do Yoshikazu Nakamura do Yoshimi Yamamura do Yoshiaki Fujiki do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditor Toshinori Hayashida do Satoji Nagasawa	Managing Director	Kiichi Watanabe
do Saburo Shibuta do Yoshikazu Nakamura do Yoshimi Yamamura do Yoshiaki Fujiki do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditor Toshinori Hayashida do Satoji Nagasawa	do	Hiroshi Ito
do Yoshikazu Nakamura do Yoshimi Yamamura do Yoshiaki Fujiki do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditer Toshinori Hayashida do Satoji Nagasawa	Director	Minoru Ikuno
do Yoshimi Yamamura do Yoshiaki Fujiki do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditor Toshinori Hayashida do Satoji Nagasawa	do	Saburo Shibuta
do Yoshiaki Fujiki do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditer Toshinori Hayashida do Satoji Nagasawa	do	Yoshikazu Nakamura
do Nobumori Shoji do Ryo Fukuwatari do Norikazu Iwanami Auditor Toshinori Hayashida do Satoji Nagasawa	do	Yoshimi Yamamura
do Ryo Fukuwatari do Norikazu Iwanami Auditer Toshinori Hayashida do Satoji Nagasawa	do	Yoshiaki Fujiki
do Norikazu Iwanami Auditer Toshinori Hayashida do Satoji Nagasawa	do	Nobumori Shoji
Auditor Toshinori Hayashida do Satoji Nagasawa	do	Ryo Fukuwatari
do Satoji Nagasawa	do	Norikazu Iwanami
do Satoji Nagasawa	Auditor	Toshinori Hayashida
do Kiyoka Yamamoto	do	
	do	Kiyoka Yamamoto

(2) Officials of the Company

		Position in the old company
Director President	Ekizo Kashu	Ex-Managing Director
Managing Director	Yoshimi Yamamura	Director
do	Hiroshi Ito	Managing Director
do	Ryo Fukuwatari	Director
do	Norikazu Iwanami	do
Director	Kiyoshi Suyama	Councillor
do	Isao Fujii	Advisor
do	Motoo Nozaki	Vice-chief, Otake Factory
do	Tameyoshi Yamashita	Chief, Gifu Factory
do	Kisaburo Shimizu	Chief, Koda Factory
Auditor	Kiyoka Yamamoto	Auditor

SHINKO RAYON

5. Staffs and employees

Shinko Rayon Co., Ltd. took over 3,371 out of 17,923 of staffs and employees of the former company and the remainder was taken over by Japan Chemical Industries, Ltd. and Asahi Glass Co., Ltd. excluding 23 who belong to the liquidation company (former Mitsubishi Chemical Industries, Ltd.)

- 6. Business & Customers
 - (1) Business of the former company was as follows:

COKE & TAR-PRODUCTS, DYES & LAKES, SYNTHETIC RUBBER, SYNTHETIC RESINS, ARTIFICIAL TEXTILES, EXPLOSIVES, CARBIDE, FERTILISER, SODIUM SALTS, INORGANIC ACIDS, GLASS, FIRE BRICKS, INDUSTRIAL CHEMICALS AND PHARMACEUTICALS.

(2) Said Company has taken over the following business and customers out of those of the former company. Synthetic Resins, Artificial Textiles and Industrial Chemicals.

Ekizo Kashu

Director President Shinko Rayon Co., Ltd.

July 28, 1950.

Report on Examination (Designation concerning Successor Company) No. 163

Zaibatsu Appointees Examination Section

1. Applicant Company:

Shinko Rayon K.K.

2, 3-chome, Nihonbashi-dori, Chuo-ku, Tokyo.

(Representative:
President Ekizo (Fashu)

2. Reason for Application:

The application has been filed concerning designation of successor company in accordance with the provisions of Article 9, para. 3 as the applicant company was established on 1 June 1950, together with the Wihon Kasei Kogyo K.K. and the Asahi Glass K.K. as the second company of the Mitsubishi Kasei Kogyo K.K. (hereinafter called as the old company), Mitsubishi direct affiliate company under its final reorganization plan. The old company was dissolved as of 1 June 1950.

As the result of examination the company has been decided not to be designated as successor company.

Reason:

(1) The applicant company was formerly the Textile Department (Senyi Hombu) which was made independent with the reorganization and its predecessor was the Shinko Jinken K.K. mergered by the Mitsubishi Kasei K.K. in 1942.

The Shinko Jinken was established in 1935 with various textile businessmen in the Kansai area as its promotors and had never been under control of any Zaibatsu family. Toward the end of 1942 the Japanese Navy put coercion on the company to proffer the entire lot of the Otake Plant for its disposal causing the company to face crisis of its extinction or existence. At the same time the company was also forcibly demanded to be mergered into other company under the government's staple fibre industry reorganization plan. When, under these circumstances, the Nihon Kasei Kogyo opened the talk of merger the Shinko Jinken gladly took the offer to be made its textile department. The Nihon Kasei Kogyo mergered the Asahi Glass K.K. in 1944 to be called as the Mitsubishi Kasei Kogyo.

As the Shinko Jinken's merger into the Nihon Kasei was not caused by its natural development as mentioned above and as there existed no reciprocal relation in their business operations no interchange in plant facilities or personnel were effected between the two departments representing the former Nihon Kasei and the Shinko Jinken respectively. In addition, the textile department, being considered as peaceful industry not directly contributing to the war efforts, was being forced to continue to contract its business scale due to the requisition of its business scale due to the requisition of its facilities and the difficulty in material procurement. Thus after its merger the textile department remained to be what the Shinko Jinken was before.

After the surrender the Mitsubishi Kasei, in compliance with the policy of Zaibatsu disolution, decided to return the independence of the three departments as they held before the merger and in 1947

reorganization

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reorganization was effected. The textile department had since been called as the textile Department (Senyi Hombu) and had been keeping its independence veritably in the affairs concerning personnel, remuneration for its employees and raising of the necessary funds.

- (2) Besides its history and substantial condition as mentioned above, the assets invested and transferred from the old company with the re-establishment are wholly those belonged to the Textile Department and, particularly, the most part of the fixed assets are those owned by the Shinko Jinken before.
- have continuously served with the company since the time as the Shinko Jinken. The entire number of employees are all transferred from the former Textile Department and the staff members are mostly former employees of the Shinko Jinken.
- (4) The business and customers are also those succeeded from the Textile Department.

July 28, 1950.

Report on Examination (Designation concerning Successor Company) No. 163

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Zaibatsu Appointees Examination Section

1. Applicant Company:

Shinke Rayon K.K.

2, 3-chome, Nihonbashi-dori, Chuo-ku, Tokyo.

(Representative:

President

Ekizo Gashu)

2. Reason for Application:

The application has been filed concerning designation of successor company in accordance with the provisions of Article 9, para. 3 as the applicant company was established on 1 June 1950, together with the Nihon Kasei Kogyo K.K. and the Asahi Glass K.K. as the second company of the Mitsubishi Kasei Kogyo K.K. (hereinafter called as the old company), Mitsubishi direct affiliate company under its final reorganization plan. The old company was dissolved as of 1 June 1950.

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The Shinko Jinken was established in 1983 with various textile businessmen in the Kansai area as its promotors and had never been under control of any Zaibatsu family. Toward the end of 1942 the Japanese Navy put coercion on the company to proffer the entire lot of the Otake Plant for its disposal causing the company to face crisis of its extinction or existence. At the same time the company was also forcibly demanded to be mergered into other company under the government's staple fibre industry reorganization plan. When, under these circumstances, the Nihon Kasei Kogyo opened the talk of merger the Shinko Jinken gladly took the offer to be made its textile department. The Nihon Kasei Kogyo mergered the Asahi Glass K.K. in 1944 to be called as the Mitsubishi Kasei Kogyo.

As the Shinko Jinken's merger into the Nihon Kasei was not caused by its natural development as mentioned above and as there existed no reciprocal relation in their business operations no interchange in plant facilities or personnel were effected between the two departments representing the former Nihon Kasei and the Shinko Jinken respectively. In addition, the textile department, being considered as peaceful industry not directly contributing to the war efforts, was being forced to continue to contract its business scale due to the requisition of its business scale due to the requisition of its facilities and the difficulty in material procurement. Thus after its merger the textile department remained to be what the Shinko Jinken was before.

After the surrender the Mitsubishi Kasei, in compliance with the policy of Zaibatsu disolution, decided to return the independence of the three departments as they held before the merger and in 1947

reorganization

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reorganization was effected. The textile department had since been called as the textile Department (Senyi Hombu) and had been keeping its independence veritably in the affairs concerning personnel, remuneration for its employees and raising of the necessary funds.

- (2) Besides its history and substantial condition as mentioned above, the assets invested and transferred from the old company with the re-establishment are wholly those belonged to the Textile Department and, particularly, the most part of the fixed assets are those owned by the Shinko Jinken before.
- (3) As to its personnel, the most part of the officials and employees have continuously served with the company since the time as the Shinko Jinken. The entire number of employees are all transferred from the former Textile Department and the staff members are mostly former employees of the Shinko Jinken.
- (4) The business and customers are also those succeeded from the Textile Department.