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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Public Health & Welfare Section 29 May 1946

SUBJECT: Survey of the Narcotic Activities of the Shionogi Seiyaku Kabushiki Kaisha, (The Shionogi Pharmaceutical Manufacturing Company, Limited) General Head Office, 12, 3-Chome, Doshumachi, Higashiku, Osaka, Japan.

1. The Shionogi Seiyaku Kabushiki Kaisha, (The Shionogi Pharmaceutical Co. Limited), General Head Office, located 12, 3-chome, Doshumachi, Higashiku, Osaka, Japan, was established in 1878 as a private concern by the late Gisaburo Shiono and known as the Shiono Gisaburo Shoten (The Gisaburo Shiono Company).

2. In 1909 this company was incorporated and became known as "The Shionogi Seiyaku Kabushiki Kaisha, with a capital stock of Yen 1,500,000. The capital stock increased from time to time and in 1945 it reached Yen 12,230,000.

3. The following persons are officials of the Shionogi Company:

Gisaburo Shiono	President and son of the founder.
Kotaro Shiono	Managing Director
Saburo Hagiwara	Director
Tatsuo Nakasato	Director
Tsunezo Mita	Director
Keizo Ikeda	Director
Shutaro Sawada	Director
Tsunekichi Ui	Director
Usaburo Yamashita	Director
Kiyoshi Yano	Director
Kango Iwai	Auditor
Eigoro Kato	Auditor
Sentaro Kuriyama	Auditor
Kasaburo Nakano	Auditor

4. The following factories are owned and operated by the Shionogi Company and COCAINE HYDROCHLORIDE, the only narcotic drug produced by this Company was MANUFACTURED IN THE YODOGAWA FACTORY:

Urae Factory:	#49, 2-chome Sagisu-Kami, Fukushima-ku, Osaka, Japan. Factory Manager, Tatsuo Nakasato.
Yodogawa Factory:	#49, 3-chome Ebie-Shimo, Fukushima-ku, Osaka, Japan. Factory Manager, Hozumi Tanaka.
Izue Factory:	#17, 5-chome, Izuo-matsunocho, Taisho-ku, Osaka, Japan. Factory manager, Tsunekichi Ui.
Kanzaki Factory:	#931, Syonomoto Syonaicho, Toyonogun, Osaka, Japan. Factory Manager, Usaburo Yamashita.
Kuise Factory:	#192, Imafuku Amagasaki, Hyogo Prefecture. Factory manager, Kiyoshi Yano.
Akaho Factory:	#1125 Kariya Akahocho, Hyogo Prefecture. Factory manager, Minoru Yokoyama.
Wakayama Factory:	#12, 2-chome Motomachibugyocho, Wakayama Prefecture. Factory Manager, Teruji Aritome.
Branch Office:	#3-chome Notenmachi, Nihonbashi-ku, Tokyo. Branch Manager, Saburo Hagiwara.

5. In addition to COCAINE HYDROCHLORIDE, the only narcotic drug produced by this company, they manufactured a line of 66 pharmaceutical preparations.

6. The following tables identified as Numbers (1) and (2) relative to the purchase of Crude Cocaine and the production and distribution of Cocaine Hydrochloride were prepared from information furnished this Section by the Shinogi Company, through Saburo Nagiwaru, manager of the Tokyo branch. (See Tables Attached)

ANALYSIS OF TABLE NUMBER (1)

7. The Cocaine Hydrochloride produced by the Shinogi Company was from CRUDE COCAINE ONLY. The Crude Cocaine was purchased from the Taiwan Shoyaku Company, Limited, Formosa, and Nonomiya and Company, Lima, Peru, South America. In 1938 the Shinogi Company discontinued its purchases of CRUDE COCAINE from the Nonomiya Company, because the Japanese Government encouraged their manufacturers to patronize their home markets in an effort to build up their trade balances. From 1938 the Shinogi Company purchased their entire supply of Crude Cocaine from the Taiwan Company, Formosa.

8. 1932: Their purchases were decreased by the Home Ministry, and the Ministry of Welfare and Social Affairs who was charged with control of narcotics after 1938.

9. 1940: Increase due to demands of the Japanese Military Forces.

10. 1945: No crude cocaine brought into Japan from Formosa due to the effective blockade maintained by the American Armed Forces.

ANALYSIS OF TABLE NUMBER (2)

11. The production of Cocaine Hydrochloride was constant, other than in 1932, 1940, 1943, 1945.

12. 1932: Production curtailed due to The Home Ministry and later the Ministry of Welfare and Social Affairs cutting down their quota on purchases.

13. 1940: Increase due to demands of the Japanese Military Forces.

14. 1943: Increased demands of the Japanese Military Forces.

15. 1945: No CRUDE COCAINE brought into Japan due to the effective blockade maintained by the American Armed Forces.

16. Mr. Higawa also stated 100 GRAMS OF CRUDE COCAINE purchased from Lima, Peru produced about 80 GRAMS OF FINISHED COCAINE HYDROCHLORIDE.

17. 100 GRAMS OF CRUDE COCAINE purchased from FORMOSA produced about 105.5 GRAMS OF FINISHED COCAINE HYDROCHLORIDE.

18. The yield of COCAINE HYDROCHLORIDE from CRUDE COCAINE over a period of 15 years, AVERAGED, 100.803%.

19. The Cocaine Hydrochloride was sold to the trade in 5 and 25 Gram Bottles. Retail prices:

<u>1943</u>	5 gram Bottles ¥7.07	25 gram Bottles ¥33.26
<u>1944</u>	5 gram Bottles ¥7.09	25 gram Bottles ¥33.39
<u>1945</u>	5 gram Bottles ¥9.05	25 gram Bottles ¥42.55

Their sales of COCAINE HYDROCHLORIDE would average about 0.3 to 0.5 % of their total pharmaceutical business.

20. Mr. Higawa also stated their sales records were destroyed by fire following an air raid in Osaka in the spring of 1945 and for this reason they were unable to furnish a detailed record of their sales of cocaine hydrochloride. Since 1942 their cocaine hydrochloride was distributed through MEDICINE CONTROL COMPANIES and prior to that it was sold direct to physicians, pharmacists and hospitals.

21. No evidence of DIVERSTION was disclosed during this survey.

JOSEPH M. BRANSKY
Narcotic Investigator

TABLE NUMBER (1)

<u>YEAR</u>	<u>PURCHASED FROM</u>		<u>TOTAL ANNUAL PURCHASES</u>	<u>COST PER KILO ¥ 500</u>
	<u>TAIWAN SHOYAKU COMPANY LIMITED, FORMOSA</u>	<u>NONOMIYA & COMPANY LIMA, PERU</u>		
1931	47.241 kg	25.209 kg	72.450 kg	36,225.00
1932	45.650 kg	20.419 kg	66.069	33,034.50
1933	43.650 kg	20.419 kg	64.069 kg	32,034.50
1934	43.650 kg	20.419 kg	64.069 kg	32,034.50
1935	37.000 kg	29.069 kg	66.069 kg	33,034.50
1936	37.000 kg	29.069 kg	66.069 kg	33,034.50
1937	38.000 kg	28.069 kg	66.069 kg	33,034.50
1938	62.944 kg	0.000 kg	62.944 kg	31,472.00
1939	62.945 kg	0.000 kg	62.945 kg	31,472.50
1940	82.945 kg	0.000 kg	82,945 kg	41,472.50
1941	62.945 kg	0.000 kg	62.945 kg	31,472.50
1942	62.945 kg	0.000 kg	62.945 kg	31,472.50
1943	62.945 kg	0.000 kg	62.945 kg	31,472.50
1944	62.945 kg	0.000 kg	62.945 kg	31,472.50
1945	37.000 kg	0.000 kg	0.000 kg	0.00
<u>15 years</u>	<u>752.805 kg</u>	<u>172.673 kg</u>	<u>925.479 kg</u>	<u>462,839.00</u>

TABLE NUMBER (2)

<u>YEAR</u>	<u>CRUDE COCAINE PURCHASED</u>	<u>CRUDE COCAINE PROCESSED</u>	<u>PRODUCED</u>	<u>COCAINE HYDROCHLORIDE</u>	
				<u>SOLD</u>	<u>BALANCE ON HAND</u>
1931	72.450 kg	72.450 kg	69.939 kg	69.939 kg	000
1932	66.069 kg	66.069 kg	62.945 kg	62.945 kg	000
1933	64.069 kg	64.069 kg	62.945 kg	62.945 kg	000
1934	64.069 kg	64.069 kg	62.945 kg	62.945 kg	000
1935	66.069 kg	66.069 kg	62.945 kg	62.945 kg	000
1936	66.069 kg	66.069 kg	62.945 kg	62.945 kg	000
1937	66.069 kg	66.069 kg	62.945 kg	62.945 kg	000
1938	62.944 kg	62.944 kg	62.944 kg	62.944 kg	000
1939	62.945 kg	62.945 kg	62.945 kg	62.945 kg	000
1940	82.945 kg	82.945 kg	91.643 kg	82.945 kg	8.698 kg
1941	62.945 kg	62.945 kg	65.744 kg	62.945 kg	2.799 kg
1942	62.945 kg	62.945 kg	65.747 kg	62.945 kg	2.802 kg
1943	62.945 kg	62.945 kg	68.140 kg	62.945 kg	5.195 kg
1944	62.945 kg	62.945 kg	68.140 kg	62.945 kg	5.195 kg
1945	00.000 kg	00.000 kg	00.000 kg	24.000 kg	0.000 kg
<u>15 years</u>	<u>925.478 kg</u>	<u>925.478 kg</u>	<u>932.912 kg</u>	<u>932.223 kg</u> ***0.689 kg <u>932.912 kg</u>	<u>24.689 kg</u>

***0.689 grams lost by burning in air raids in 1945.