on steel and copper rolling technique; Dr. T. Yamazaki, the greatest authority of natural and artificial rubber in Japan; Dr. Y. Shimizu, Mr. Kosugi, and Dr. Miyagi of Sumitomo Electric Ind.; authorities on high tension electricity; Dr. T. Yabe, one of the few authorities on aluminum reduction; Mr. K. Takegoshi, the former president of the Nippon Kensetsu Sangyo, K.K. one of the best architects in Japan, etc. The loss of all these valuable men will do considerable harm to the past hard earned name of the highest quality goods in Japan, a reputation which the Sumitomo's various products enjoyed. The trust and good faith of all customers, in Japan and oversea, will be difficult to regain.

We must also take into consideration that since the most important characteristics of future Japanese Industry will naturally be the development of a closer tie with American Industry, the loss of the very ones who in the past tried hard to build up the cordial relations and co-operations between Sumitomo and various American Industries is certainly going to be a great handicap to the future of these enterprises, such as Mr. Y. Tanaka of Sumitomo Honsha, Dr. S. Bekku of Sumitomo Electric Industries and Mr. K. Ishikawa formerly of the Nippon Electric Co.,Ltd. and the International Standard Electric Corp. of the I.T.T. of Amerida; Mr. K. Ohshima, formerly of the Sumitomo Bank, with the National City Bank of New York and etc. The loss of such gentlemen, will really be a great obstacle towards the attainment of the revival of such former connections. We believe that it will be many many years before each company will be able to produce again executives of such ability.

We also take this opportunity to stress the important fact that since so many men were called to arms during the past thirteen years

of war (starting from the Manchurian Incident of 1931), many of the men of the next generation has had very inadequate and insufficient experience in actual business. Not only that, but in the basic education itself, it must be noted that men born after 1924, or under 23 years of age, have had their whole education in war-time period when the military cliques exerted tremendous power over the Ministry of Education and coerced them to turn out typical youths of the Totalitarian type. Men born between 1917-1924, or those from 30 to 24 years of age, had their middle school, high school and college university education during war-time. Men born between 1913-1917, or those from 35 to 30 years of age had a part of their High school, all of their College and University during war-time. Men born between 1909-1912, or those from 38 to 35 years of age, had whole of their University education during war-time. That is to say we must admit that all men under 38 years of age, had a chance to be influenced by the war, directly or indirectly, and also by the biased education which becahe specially rampant as the years went on. The Sumitomo's various industries are now already in the hands of comparably young executives of forty to forty-five. For years to come, we can hardly conceive that the next generation will be qualified to accept the tremendous responsibilities of managing the enterprises which are of vital importance to the national rehabilitation and the prosperity of the general public.

-The End-

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The Number of the Executives to be purged according to the G.H.Q. Purge Plan (Removed)

	Present Number of Executives.	Number of Executives appointed before Nov. 6,1945.	Number of Executives appointed before the day of transfering shares held by Holding Co. to the H.C.L.C.
Mitsui 62 Co.	453	228	321 (Oct. 8, 1946)
Mitsubishi 43 Co.	311	180	228 (")
Sumitomo 40 Co.	286	157	233 (Oct. 18, 1946)
Yasuda 15 Co.	136	75	99 (Oct. 29, 1946)
Total	1,186	640	881

The Number of the Executives Retired since the End of War

	At the End of War	Number of those who retired since the End of War	Remaining Number
Mitsui 62 Co.	665	424	218
Mitsubishi 43 Co.	497	440	57
Sumitomo 40 Co.	465	333	89+43 *
Yasuda 15 Co.	210	157	53
Total	1,837	1,354	460

* These 43 were the officers of the companies overseas and are still remaining because it has not been possible to take necessary legal procedures to retire.

The Number of the Executives Retired the 16 A Class Companies of Sumitomo

July 1, 1947

Standing No. at end of War.	Retired Number since V-J day till date.	Remaining Number.	N.B.
158	142 (purged 27, voluntary 115)	16	To the other A Class Companies of the Sumitomo 3 To the other Sumitomo Companies (excluding A Class Companies) 13 Retired from the Sumitomo Companies 126

Studies on Change of No. of High Salaried Employees since V-J Day

(of the Sumitomo Honsha & the Directly-Controlled Companies)

	No. of employees at end of War	No. of retired since V-J day	Remaining Number
Monthly Salary over 300 yen at the end of War.	751	460	291

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Investigation on Executives to be purged according to Rumored the G.H.Q. Plan.

A. Total No. which occupied executive positions since July. 7, 1937.

B. Present remaining total.

Name of Co.		Total No. of A & B	Total No. which falls under the G.H.Q. Purge Plan: Total No. appointed before Sept. 28, 1945	Total No. appointed before Nov. 6th, 1945	Total No. appointed before Oct. 16th, 1946
Sumitomo Honsha	A	24	23	23	23
	B	4	3	3	3
Seika Mining Co., Ltd.	A	47	32	33	36
	B	13	1	1	2
Fuso Metal Industries Ltd.	A	55	46	46	50
	B	11	2	2	6
Sumitomo Electric Industries Co., Ltd.	A	32	27	27	29
	B	8	3	3	5
Nissin Chemical Co., Ltd.	A	48	40	40	41
	B	11	3	3	4
Sumitomo Aluminum Reduction Co., Ltd.	A	27	23	23	23
	B	4	0	0	0
Shikoku Machinery Works Ltd.	A	30	25	25	27
	B	6	1	1	3
Sumitomo Co-operative Electric Power Co., Ltd.	A	17	14	14	16
	B	3	0	0	2
Nippon Electric Co., Ltd.	A	33	28	28	32
	B	6	2	2	6
Nippon Kensetsu Sangyo Co.,Ltd.	A	35	31	31	31
	B	11	7	7	7
Sumitomo Bank Ltd.	A	47	36	37	37
	B	13	2	3	3
Sumitomo Trust Co., Ltd.	A	33	24	26	30
	B	9	1	2	6
Sumitomo Life Insurance Co., Ltd.	A	24	22	23	24
	B	7	5	6	7

Sumitomo Warehouse Co., Ltd.	A	26	20	20	22
	B	6	0	0	2
Nippon Sheet Glass Co., Ltd.	A	27	20	20	23
	B	9	2	2	5
Osaka-Sumitomo Marine & Fire Insurance Co.,Ltd.	A	25	21	21	21
	B	8	4	4	4
Nippon Synthetic Resin Co.,Ltd.	A	24	24	24	24
	B	6	6	6	6
Sumitomo Borneo Plantation Co.,Ltd.	A	8	6	6	8
	B	2	1	1	2
Dai Nihon Mining Co., Ltd.	A	26	22	24	26
	B	10	6	8	10
Tohi Mining Co., Ltd.	A	15	12	12	13
	B	7	4	4	5
Sazare Mining Co., Ltd.	A	15	14	14	15
	B	5	4	4	5
Riken Metal Industries Ltd.	A	6	5	5	7
	B	4	1	1	3
Ebisuya Machine Tool Mfg.Co.,Ltd.	A	23	21	22	22
	B	5	3	4	4
Tsujido Special Steel Mfg.Co.,Ltd.	A	21	18	18	18
	B	5	2	2	2
Teikoku Compressed Gas Co., Ltd.	A	22	19	20	22
	B	5	2	3	5
Nippon Pipe Mfg. Co., Ltd.	A	21	20	20	21
	B	8	8	8	8
Asahi Metal Industries Ltd.	A	16	15	15	15
	B	5	4	4	4
Beppu Chemical Ind. Ltd.	A	16	12	12	15
	B	7	4	4	6
Toyo Nitrogen Ind. Co., Ltd.	A	21	18	18	18
	B	4	2	2	2
Tohoku Metal Ind. Ltd.	A	34	26	26	32
	B	7	5	5	6
Toyo Communication Apparatus Co.,Ltd.	A	22	17	17	17
	B	12	7	7	7
Anritsu Electric Co., Ltd.	A	22	18	18	22
	B	6	3	3	6
Nippon Electric Arms Co., Ltd.	A	34	28	28	32
	B	11	6	6	9
Nippon Communication Ind. Ltd.	A	22	18	18	22
	B	5	3	3	5
Total	A	900	745	754	814
	B	243	107	114	160

Antung Light Metal Co., Ltd.	A	17	17	17	17
	B	0	0	0	0
Manchurian Sumitomo Metal Ind. Ltd.	A	18	18	18	18
	B	16	16	16	16
Korean Sumitomo Steel Works Co.,Ltd.	A	6	6	6	6
	B	6	6	6	6
Manchurian Light Metal Alloy Co.,Ltd.	A	11	11	11	11
	B	11	11	11	11
Korean Sumitomo Light Metal Co.,Ltd.	A	13	13	13	13
	B	0	0	0	0

Manshu Communication Apparatus Co., Ltd.	A	17	17	17	17
	B	10	10	10	10
Total	A	82	82	82	82
	B	43	43	43	43
Grand Total	A	982	827	836	896
	B	286	150	157	203

The Desired Plan of the Range of Officers to be Purged from the Zaibatsu

1. Men who have been nominated as belonging to the Zaibatsu family.
2. All the executives of the Zaibatsu Honsha and the Directly-Controlled Companies of Zaibatsu.
3. The principal executives, i.e., chairmen of the Board, presidents, vice-presidents, chief managing directors, managing directors, and standing auditors of those companies of which the percentage of shares held by the Zaibatsu is approximately over 50% and the amount of capitals is over five million yen.
4. The period in question to be from July 7th 1937 till Nov. 6th 1945.

Alternative Plan

of the G.H.Q Plan

A. Total No. which occupied executive positions since July 7, 1937

B. Present Remaining Total.

Name of Co.		Total No of A & B	Total No. which fall under the alternative plan: Total No. appointed before Sept. 2 1945	Total No appointed before Oct. 16th 1945.
Sumitomo Honsha	A	24	21	22
	B	4	1	2
Seika Mining Co., Ltd.	A	47	33	36
	B	13	1	2
Fuse Metal Industries Ltd.	A	55	44	49
	B	11	0	5
Sumitomo Electric Industries Co, Ltd	A	32	24	28
	B	8	2	4
Toyoda Chemical Co., Ltd.	A	45	37	40
	B	11	1	3
Sumitomo Aluminium Reduction Co., Ltd.	A	27	23	23
	B	4	0	0
Shikoku Machinery Works Ltd.	A	30	25	27
	B	4	1	3
Sumitomo Co-operative Electric Power Co, Ltd.	A	17	14	14
	B	3	0	2
Nippon Electric Co., Ltd.	A	33	27	33
	B	6	1	6
Nippon Kousetsu Sangyo Co, Ltd.	A	35	26	29
	B	11	3	5

Sumitomo Bank Ltd.	A	47	37	37
	B	13	3	3
Sumitomo Trust Co., Ltd.	A	33	26	30
	B	9	2	4
Sumitomo Life Insurance Co., Ltd.	A	24	23	24
	B	7	4	7
Sumitomo Warehouse Co., Ltd.	A	24	20	22
	B	4	0	2
Total	A	418	352	414
	B	112	20	50
Nippon Sheet Glass Co., Ltd.	A	29	14	14
	B	9	2	2
Osaka-Sumitomo Marine & Fire Insurance Co., Ltd.	A	24	14	14
	B	5	3	3
Nippon Synthetic Resin Co., Ltd.	A	24	11	12
	B	4	3	4
Sumitomo Bernic Plantation Co., Ltd.	A	1	5	6
	B	2	1	1
Dai Nihon Mining Co., Ltd.	A	24	15	17
	B	10	1	3
Toki Mining Co., Ltd.	A	15	7	7
	B	7	2	2
Sazare Mining Co., Ltd.	A	15	4	6
	B	4	1	2
Riken Metal Industries Ltd.	A	5	3	4
	B	4	1	3
Ebisuya Machine Tool Mfg. Co. Ltd.	A	23	9	9
	B	4	2	2
Tsujido Special Steel Mfg. Co., Ltd.	A	21	14	15
	B	4	2	2
Teikoku Compressed Gas Co., Ltd.	A	22	10	10
	B	4	3	3

Nippon Pipe Mfg. Co., Ltd.	A	21	9	9
	B	8	4	4
Asahi Metal Industries Ltd.	A	14	4	5
	B	5	1	3
Befu Chemical Industries Ltd.	A	16	4	9
	B	7	1	3
Toyo Nitrogen Ind. Co., Ltd.	A	21	5	8
	B	4	0	0
Tohoku Metal Industries Ltd.	A	34	6	9
	B	7	3	5
Toyo Communication Apparatus Co., Ltd.	A	22	4	7
	B	12	3	3
Anritsu Electric Co., Ltd.	A	22	7	8
	B	4	1	2
Nippon Electric Arms Co., Ltd.	A	34	10	13
	B	11	1	4
Nippon Communication Industries Ltd.	A	22	5	7
	B	5	2	3
Total	A	422	170	193
	B	131	39	54
Anlung Light Metal Co., Ltd.	A	17	14	14
	B	0	0	0
Manchurian Sumitomo Metal Ind. Ltd.	A	15	15	15
	B	14	13	13
Korean Sumitomo Steel Works Co., Ltd.	A	4	4	4
	B	4	4	4
Manhurian Light Metal Alloy Co., Ltd.	A	11	8	8
	B	11	8	8
Korean Sumitomo Light Metal Co., Ltd.	A	13	13	13
	B	0	0	0
Mansha Communication Apparatus Co., Ltd.	A	17	12	13
	B	10	7	8

Total	A	52	70	71
	B	43	34	35
Grand Total	A	982	422	650
	B	284	93	141

Annotation : Investigation of No. to be purged according to following range

All executives of the Directly-controlled Companies.
Managing directors and Standing Auditor upward of the other Companies.

Percentage of Shares Held of the 40 Sumitomo Companies Nominated by the Cabinet.

Name of Company	Capital		Percentage of Shares Held at Sumitomo	Stemization		Remarks
	Nominal	Paid-up				
	¥	¥	%		%	
Sumitomo Honsha	10,000,000	225,000,000	100	Families	78.3	
				Bank	11.7	
				Others	10.0	
a. Directly Controlled Co.						
Seika Mining Co., Ltd.	80,000,000	80,000,000	97.5	Families	52.4	
				Honsha	26.6	
				Others	20.5	
Fuso Metal Ind., Ltd.	418,750,000	418,750,000	39.1	Honsha	20.6	
				Bank	6.9	
				Others	11.6	
Sumitomo Electric Ind., Ltd.	120,000,000	86,500,000	39.9	Honsha	24.3	
				Nippon Electric Co.	5.4	
				Others	10.2	
Fisin Chemical Co., Ltd.	110,000,000	98,750,000	31.7	Honsha	17.9	
				Families	7.2	
				Others	6.6	
Sumitomo Aluminium Reduction Co., Ltd.	120,000,000	20,100,000	87.7	Honsha	24.6	
				Fuso Metal Ind.	26.3	
				Others	36.8	
Shikoku Machinery Works Ltd.	40,000,000	35,000,000	97.5	Seika Mining Co.	31.7	
				Honsha	21.0	
				Others	44.8	

Sumitomo Co-operative Electric Power Co. Ltd.	20,000,000	20,000,000	92.1	Honsha	22.5
				Nissin Chemical Co.	18.8
				Others	55.8
Nippon Electric Co. Ltd.	150,000,000	150,000,000	26.0	Honsha	11.1
				Sumitomo Electric	19.4
				Others	5.5
Nippon Kensetsu	41,500,000	41,500,000	86.8	Honsha	26.6
Sangyo Co., Ltd.				Families	34.7
				Others	25.5
Sumitomo Bank Ltd.	73,175,000	53,175,000	50.3	Honsha	24.1
				Families	11.8
				Others	14.4
Sumitomo Trust Co. Ltd.	20,000,000	5,000,000	45.0	Bank	46.2
				Families	2.8
				Others	2.0
Sumitomo Life Insurance Co. Ltd.	1,500,000	750,000	100.0	Families	70.0
				Honsha	30.0
Sumitomo Warehouse Co. Ltd.	15,000,000	15,000,000	100.0	Families	38.3
				Bank	33.3
				Others	28.4

(Sumitomo Companies)

Nippon Steel Pipe	12,250,000	7,175,000	28.5	Honsha	19.2
Co. Ltd.				Families	4.8
				Others	4.5
Osaka Sumitomo Marine & Fire Insurance Co. Ltd.	24,000,000	6,000,000	22.5	Honsha	17.0
				Families	2.6
				Others	2.9
Nippon Synthetic Resin Co. Ltd.	20,000,000	11,915,000	54.1	Fuso Metal Ind.	33.1
				Honsha	17.8
				Others	3.2
Antung Light Metal Co. Ltd	200,000,000	100,000,000	50.0	Fuso Metal Ind	15.0
				Nissin Chemical Co	15.0
				Others	20.0
Manchurian Sumitomo Metal Ind. Ltd.	30,000,000	30,000,000	100.0	Fuso Metal Ind.	54.0
				Honsha	25.2
				Others	20.8
Sumitomo Borneo Planting Co. Ltd.	2,100,000	2,500,000	100.0	Honsha	80.0
				Sumitomo Electric Ind.	20.0
Dainichon Mining Co. Ltd	5,100,000	4,500,000	59.2	Seiko Mining Co	30.2
				Honsha	25.0
				Others	4.0

Toho Mining Co. Ltd	2.500.000	2.500.000	71.3	Seika Mining Co	39.2
				Honsha	22.1
				Others	10.0
Sazare Mining Co. Ltd	1.500.000	1.500.000	100.0	Seika Mining Co.	100
Korean Sumitomo Steel Works Co. Ltd.	6.000.000	6.000.000	50.0	Fuso Metal Ind	50.0
Manchurian Light Metal Alloy, Co. Ltd.	5.400.000	4.500.000	47.6	Fuso. Metal Ind	45.0
				Honsha	4.6
Riken Metal Ind. Ltd.	14.800.000	14.800.000	45.4	Fuso Metal Ind	40.8
				Sumitomo Life Insurance	4.6
Etsuya Machine Tool Mfg. Co. Ltd.	5.500.000	5.500.000	51.6	Fuso Metal Ind	30.0
				Sumitomo Electric Ind	21.6
Bunjido Special Steel Mfg. Co. Ltd	20.000.000	14.000.000	100.0	Fuso Metal Ind.	100.0
Teikoku Compressed Gas Co. Ltd	7.500.000	5.400.000	61.4	Honsha	22.7
				Fuso Metal Ind	14.5
				Others	24.2

Nippon Pipe Mfg Co. Ltd.	14,400,000	11,700,000	14.4	Furo Metal Ind. Sumitomo Marine & Fire Insurance	57.1 14.3
Asahi Metal Ind. Ltd	5,000,000	5,000,000	90.0	Sumitomo Electric	90.0
Toyo Communication Apparatus Co., Ltd	15,000,000	15,000,000	46.4	Nippon Electric Sumitomo Life Insurance Others	37.0 7.7 1.7
Furukawa Metal Ind. Ltd.	10,000,000	10,000,000	61.2	Nippon Electric Co. Furo Metal Ind Others	39.8 12.9 8.5
Anritsu Electric Co., Ltd.	10,000,000	10,000,000	50.3	Nippon Electric Co Asaka Sumitomo Marine & Fire Insurance	48.5 1.8
Mansha Communication Apparatus Co., Ltd.	1,000,000	6,000,000	85.0	Nippon Electric Co	85.0
Nippon Electric Comm Co., Ltd	12,000,000	12,000,000	53.7	Nippon Electric Co.	53.7
Nippon Communication Ind. Ltd.	10,000,000	10,000,000	57.8	Nippon Electric Co Sumitomo Life Insurance Others	49.6 5.0 3.8
Pacific Chemical Ind. Ltd	12,000,000	12,000,000	51.8	Mitsui Chemical Co	51.8
Toyo Nitrogen Ind Co. Ltd.	5,000,000	3,500,000	90.5	Mitsui Chemical Co. Honsha	58.0 12.5
Korean Sumitomo Light Metal Co., Ltd	80,000,000	40,000,000	50.0	Honsha Sumitomo Aluminum Refining Co. Mitsui Bussan Furo Metal Ind Others	10.0 12.0 10.0 10.0 8.0

DRAFT

12 June 1947

MEMORANDUM FOR THE RECORD:

SUBJECT: HAYASHIKANE SHOTEN, Conference with Mr. Murai and Miss Chick on 9 June 1947.

1. The HAYASHIKANE SHOTEN was established in 1880 as a private enterprise. In 1924 the enterprise divided into three associations:

a. HAYASHIKANE Fishery Company Ltd. with a capitalization of 3,000,000 yen.

b. HAYASHIKANE SHOTEN, a fishery with a capitalization of 5,000,000 yen.

c. HAYASHIKANE Refrigeration Company, whose principal refrigeration product consisted of fish, with a capitalization of 2,000,000 yen.

2. In 1925 these three companies amalgamated into the HAYASHIKANE SHOTEN K.K., with a total capitalization of 10,000,000 yen. The history of capitalization of this company is as follows:

a. In 1933 the HAYASHIKANE SHOTEN K.K. merged with the HAYASHIKANE Iron Shipping Company, capitalization 10,100,000 yen.

b. In 1937 the company increased in capital by 4,400,000 yen, making total capitalization 14,500,000 yen.

c. In 1937 the company amalgamated again, this time with the TOSA Whaling Company, Ltd., which had a capitalization of 500,000 yen, bringing total capitalization to 15,000,000 yen.

d. In 1941 the capital was increased by 5,000,000 yen, bringing total capitalization to 20,000,000 yen.

e. In 1943 capital was increased by 5,000,000 yen, bringing total capitalization of 25,000,000 yen.

3. In 1943 the Western-Pacific Fishing Control Company Ltd. (NICHI TAIYO GYOGYO TOSEI K.K.) was established with the property of the HAYASHIKANE SHOTEN K.K. under the ordinance of the Marine Products Control. Therefore, the HAYASHIKANE capital became nominal actually; the property was in possession of the TAIYO concern. The HAYASHIKANE SHOTEN in return held 64.36% of the TAIYO capital and became in actuality a holding company with 96.27% of the stock held by the NAKABE family - one of the families being investigated by the Liquidation Commission for purpose of being placed on the restricted list. See attached annex IV for detailed information.

4. Therefore, it is obvious that the HAYASHIKANE SHOTEN as a fishery and the TAIYO Fishery are one and the same organization and must be treated in the same manner. Since the TAIYO Fishery has been placed on paragraph 12 it automatically follows that the HAYASHIKANE SHOTEN must be considered in the same category.

Note: By a phone conversation with Mr. Adams from NRS we were informed that in case TAIYO was not removed from paragraph 12, as requested by the Japanese Government, they planned on moving in the HAYASHIKANE SHOTEN offices and continuing their business through that organization.

5. Subject was referred by check sheet to NRS for comment on ARVIL CHUCK ; answer received by check sheet dtd 16 July 47 stating NRS had no evidence to the contrary

ANNEX lV

OUTLINE OF BUSINESS OF HAYASHI KANE CO., LTD.

During the period from 1937 to 1943, the Hayashi Kane Co., Ltd. was engaged in the below listed lines of business with its offices scattered all over the country as follows:

Main office - Shimonoseki City
Branch offices - Aomori, Tokyo, Nagasaki, Formosa and Korea
Sub-branch offices - Shiogama, Osaka, Raroto, Fusan, Hogyoshin, Chozen, Koho, Shimpo and Seishin.

1. Transport and sale of raw fish:
Engaged in transportation of fresh fish between Honshu, Korea, Hokkaido, Saghalien, the Kurile Islands and the Antarctic Ocean areas by the use of 61 large-size engine-vessels and 77 small-size engine-vessels (137 vessels in total).

2. ~~Drift-net~~ Stationary fishing and purse-net fishing:
a. Drift-net fishing grounds for yellowtails - 33 grounds
b. " for sardines - 16 "
c. " for whales - 5 "
d. Vessels for purse-net fishing - 53 vessels

3. Trawling:
Engaged in trawling with 8 trawlers.

4. ~~Haul-net~~ Danish trawler fishing:
a. Vessels with their base at Shimonoseki - 13 groups
b. " at Nagasaki - 29 "
c. " at Kiirun - 11 "
d. " at Takao - 5 "
e. " at Seishin - 1 "
f. " at Hoko - 1 "
Total 60 groups

5. Operation of ~~freezing manufactory boats~~ refrigerate ships.
The below listed vessels were used for refrigerating on board fish caught in the fishing grounds mentioned above:
Ten-yo-maru, Chiyo-maru, Taiyo-maru, Banshu-maru, No. 3 Banshu-maru, No. 5 Banshu-maru and No. 6 Banshu-maru.

6. Processing of marine products:
Engaged in canning of aquatic products at 5 plants located in Korea, Nagasaki, etc., producing 345,000 boxes annually.

7. Manufacture of fish-oil and fish-manure:
Engaged in manufacture of sardine oil, fish powder and oil-cake at 12 plants, producing 26,000 tons annually.

8. Freezing and cold-storage, and manufacture and sale of ice:
Engaged in this line of business at Shimonoseki, Gunzan, Jinsen, Raroto, Aomori, Seishin, Tokyo, Takao, Kiriu, Nagasaki, Shiogama, Manchuria and North China. (The Company used to own refrigerating equipment and was engaged in freezing and selling fresh fish in Korea and Manchuria. However, in Manchuria the Company made an investment in kind of the said equipment there into the Manchurian Marine Products Co., Ltd., which was established in 1944, while in Korea the

Company made an investment in kind of the said equipment there into the Western Ocean Fishery Co., Ltd. in 1943 and has since been engaged in no line of business there.)

9. Foreign trade:

Engaged in import and export of fishes and shell-fishes.

10. Operation of iron-works and shipyards:

Engaged in repairs of various ships, and manufacture of fishing-boats and engines for fishing-boats at Shimonoseki and Nagasaki.

11. Commercial business:

Dealt in fishing implements, fishing nets, ship fittings, cases and boxes, petroleum, etc. and owned case and box manufacturing plants, fishing-net plants and oil tanks.

12. Whaling:

Engaged in whaling operations in the seas adjacent to Japan proper since the Company amalgamated the Tosa Whaling Co., Ltd. in 1937.

13. Pharmacy:

Engaged in manufacturing vitamine drugs from marine products.

14. Fishing in the South Sea areas:

Upon the outbreak of the Pacific War, the Company's fishing vessels were requisitioned and ordered to engage in haul-net fishing etc. of bonitos and tunas in their respective areas. Since the termination of hostilities in 1945, however, none of those vessels have returned home so that no information is available on the results of their operations.

In 1943, however, the Company, complying with the provisions of the Mrine Production Control Ordinance, made an investment in kind of the entire facilities belonging to its marine products branch into the Western Ocean Fishery Control Co., Ltd., with the result that the Company lost the major part of its business and has naturally become something like a holding company. The Company has decided on its dissolution under these circumstances. But, as the Company is a "special accounting concern", formal procedures for its dissolution are to be followed, upon approval by the authorities of its settlement plan, in pursuance of the provisions of Article 15 of the Company Accounting Emergency Measures Law. ~~In the meantime, the dissolution of the Company is only internally decided in definite terms.~~

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June 14, 1947

SHARES HELD BY HAYASHIKANE SHOTEN

name of company	its capital	its shares	held by Hayashikane	percentage
Hokkaido Fishing Co.	6oo,ooo	12,ooo	1,92o	12.66
Kanmon Shipbuilding Co.	1,o52,ooo	21,o4o	7,ooo	33.27
Hayashikane Marine Products Industry Co.	2,345,65o	46,913	4o,732	86.83
Hayashikane Shipbuilding Co.	12,93o,ooo	258,6oo	24o,8oo	93.13
Taiyo Fishing Co.	6o,ooo,ooo	1,2oo,ooo	772,3oo	64.36
Ogawajima Whaling Co.	153,ooo	3,o6o	5oo	16.o1
Showa Fishing Co.	195,ooo	3,9oo	3,198	82.oo
Japan Special Foodstuff Co.	15o,ooo	3,ooo	9oo	3o.oo
Yamaguchi Pref. United Purseine Fishing Co.	18o,ooo	3,6oo	98o	27.22
Shimonoseki Petroleum Supply Equipment Co.	19o,ooo	3,8oo	7o5	18.55
Aomori Pref. Canning Co.	1,35o,ooo	27,ooo	7,458	27.52
Nagasaki Pref. United Canning Co.	2,2oo,ooo	44,ooo	22,295	5o.67

¥ 51,243,65o

Business outlines of the above-mentioned companies.

Hokkaido Fishing Co.	Coastal fishing around Hokkaido Island.
Kanmon Shipbuilding Co.	Building of small crafts.
Hayashikane Marine Products Industry Co.	Drug manufacturing and food processing.
Hayashikane Shipbuilding Co.	Building of fishing boats and other vessels.
Taiyo Fishing Co.	Fishing in general including whaling.
Ogawazima Whaling Co.	Whale fishing off Kyushu Island.
Showa Fishing Co.	Mackerel fishing in Japan Sea.
Japan Special Foodstuff Co.	Processing of marine products.
Yamaguchi Pref.United Purseinet Fishing Co.	Fishing in Yamaguchi Prefecture.
Shimonoseki Petr. Supply Equipment Co.	Storing of Petroleum for fishing.
Aomori Pref. Canning Co.	Canning of fish, meat and vegetables.
Nagasaki Pref. Canning Co.	Canning of fish, meat and vegetables.

June 14,1947.

LIST OF SHARE HOLDERS OF HAYASHIKANE SHOTEN,LTD.

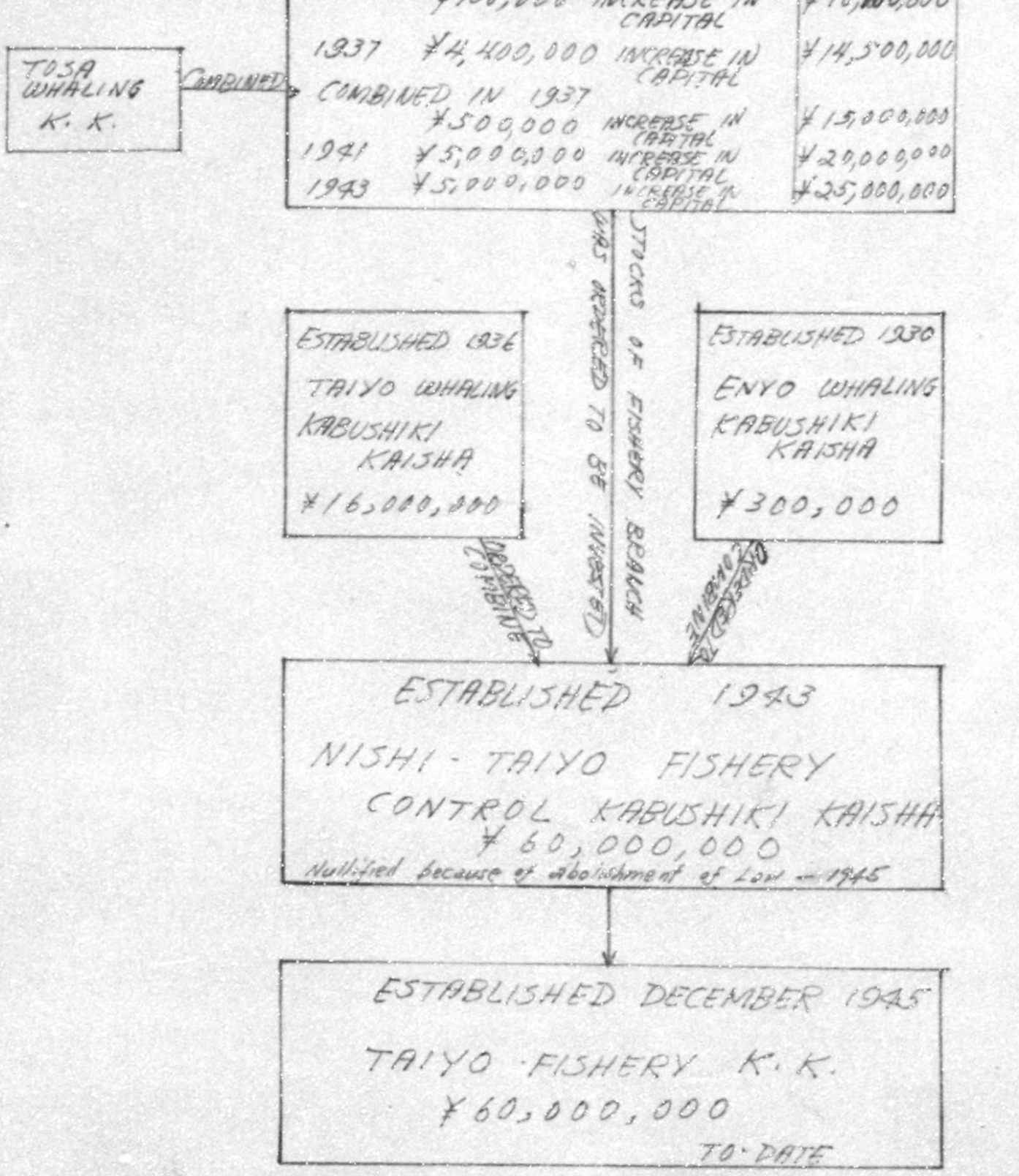
Name	Number of shares	percentage
Kaneichi Nakabe	135,o2o	27.oo
Kenkichi Nakabe	65,91o	13.18
Etsuro Nakabe	5o,36o	1o.o7
Risaburo Nakabe	47,97o	9.59
Yoshikichi Nakabe	28,98o	5.79
Kanejiro Nakabe	2o,98o	4.19
Bunjiro Nakabe	12,49o	2.49
Shinjiro Nakabe	12,3oo	2.46
Raijiro Nakabe	6,91o	1.38
Lenjiro Nakabe	18,36o	3.67
Tojiro Nakabe	17,17o	3.43
Chojiro Nakabe	26,8oo	5.36
Ichijiro Nakabe	11,3oo	2.26
Masajiro Nakabe	92o	o.18
Shojiro Nakabe	25,84o	5.16
Taka Ejima	5,6oo	1.12
Toshio Matsui	56o	o.11
Yasujiro Hashimoto	1,12o	o,22
Hayashikane Mutual Aid Association	8,4oo	1.68
Hayashikane Crew Mutual Aid Association	3,ooo	o.6o
Total	5oo,ooo	1oo.oo

HISTORICAL SUMMARY OF CAPITAL STOCK OF HAYASHI KANE Co., Ltd.

1925	Established	10,000,000 yen
1933	Amalgamated the Hayashi Kane Iron-Works and Shipyard Co., Ltd.	100,000 "
1937 .	Increased the capital	4,400,000 "
	Amalgamated the Tosa Whaling Co., Ltd.	500,000 "
1941	Increased the capital	5,000,000 "
1943	Increased the capital	5,000,000 "
Total	(Present capital)	25,000,000 yen.

HAYASHIKANE SHOTEN KABUSHIKI KAISHA

HISTORY



FROM MR MURAI
9 JUNE 47

1775072

I O

Re: Ordinary Director, Standing or Managing Director and Other High Ranking Officers

6 Sept. 1947

Generally speaking, directors are executive organs within a company while they are representatives in relation to third persons. The Japanese Commercial Code, however, authorises directors without right of representation.

As for the execution of business decisions are made with majority votes by officers meeting or directors meeting to be held usnally twice a year. In actuality, however, ordinary executions are decided by standing officers meeting to be held at any time when necessary.

In Japan ~~is~~ companies provide for constitution or rule of the company by which president, vice-president, managing or standing directors, on being mutually elected, are quite often given authorities to make decision by themselves. In some companies chairman and vice-chairman may be elected among themselves in addition to the above officers. Therefore, in a perfect form of a company there are scaled Chairman, Vice-chairman, President, Vice-president, managing director and standing director (they are called "standing officers" or "directors in charge of standing business") and next to them are ordinary directors who are often called " borrowed lord". (Narabi Daimyo). In many cases ordinary directors are related to company only twice a year when they are reported from "standing officers" on businesses carried in the previous term

without further explanation in an intent to avoid useless questions or interference which might be raised. It is, therefore, usual in Japan that "standing officers" should have responsibilities on management and business.

A chairmanship has been often instituted in some "Zaibatsu" companies or in companies with a big capitalization. In this case a chairman is either an ex-president of the company or a big figure for the company.

It must be added here that during the war many companies became strikingly despotic under the Munitions Company Law which was promulagated, Oct. 1943. According to this law, a president of a company must be called " a person soley responsible for production" with entirely autocratic powers in order to effectuate munitions production. In this respect many companies subject to this law came to abolish the system of standing officers as the system was no more necessary. In such an instance as this we fail to discover a director comparable to a standing director in actuality. It is also to be added here that companies such Electric Supply Companies which were subject to the Control Company Law should be considered in the same light as stated above.

For 12, #75

Development
Mozan Iron Ore Company Ltd. — branch office in Seoul

1. The board of director ~~who~~ which was responsible for the general affairs and management departments.

   The manager of the main office, KATO, Masao

   The manager will carry out his duties by directing his subordinates in accordance with an order received from a managing director and ~~who~~ will neither represented the company outside nor ~~has~~ registered as a manager under the commerce law.

2. A ~~member of the~~ board of directors who ~~have~~ held an additional office either in an attached company or in a small company.
   (None)

3. Directors who have held offices for a long period and who have received ~~a~~ larger ~~amount of~~ wages than other directors in the same corporation.

   SASAKI, Takanosuke (From Dec. 1939 to Oct. 1941 - director)
   (From Oct. 1941 to May 1945 - Managing director.)

   KATO, Sentaro (From Oct. 1941 to Aug. 1946 - Director)
   (From Aug. 1946 to Dec. 1946 - Chief of the Directors Assoc.)

   KOMURA, Sentaro (From 7 Dec. 1939 to 3 Oct. 1941 - Managing director.)
   (From 3 Oct. 1941 to 30 April 1943 - Director.)
   (From 30 April 1943 to 31 Aug. 1946 - Chief of the Directors Association.)

4. Directors who occupied a position of some kind throughout and some sort of responsible assignment in the operation of company.

   SASAKI, Takanosuke, ~~President~~ manager of Mozan Mining (From Dec. 1939 to Oct. 1941)
   KATO, Masao, Manager of the Main Office (From Dec. 1939 to Aug. 1946)
   TANIZAKI, Akira, ~~President~~ manager of Mozan Mining (From Oct 1941 to March 1942)

   Remark:
   TANIZAKI, Akira held office as the ~~managing~~ director for a short period.
   Since Mozan Mining was located in a remote place (North Korea) and due to traffic conditions at that time, he did not attend a meeting of directors but merely carried out his duties as ~~president~~ manager of Mozan Mining Co.

5. Directors who possesed more than one percent of the shares of the same corporation or related corporations who took an active role in the decisions affecting operational policy of the company.
   (None)

6.

The Term of Office.

a. YOSHIDA, Kenzaburo, Director from 6 Dec. 1939 to 21 July 1942

FUKUDA, Yasuo, Director from 6 Dec. 1939 to 7 Dec. 1942

NAGAMOCHI, Genji, Director from 30 May 1941 to 7 Dec. 1942

TANIZAKI, Akira, Director from 8 Oct. 1941 to 31 March 1942

KATO, Masao, Director from 8 Oct. 1941 to 30 Aug. 1946
Chief of the Directors Association from 30 Aug. 1946 to 23 Dec. 1946

b.

Salary and Bonus.

KOMURA, Sentaro

Salary	Dec. 1939 Dec. 1940 1,111 yen	Jan. 1941 Dec. 1941 4,000 yen	Jan. 1942 Dec..1942 1,000 yen	Jan. 1942 Dec. 1943 1,421 yen	Jan. 1944 Dec. 1944 2,000 yen	Jan. 1945 Dec. 1945 2,000 yen	Jan. 1946 Aug. 1946 1,833 yen	
Bonus		Oct. 1941 Mar. 1942 250 yen	Apr 1942 Mar. 1943 1,000 yen	Apr. 1943 Mar. 1944 2,300 yen	Apr. 1944 Mar. 1945 2,400 yen			

3,121

FUKUDA, Yasuo

Salary	Dec. 1939 Dec. 1940 888 yen	Jan. 1941 Dec. 1941 1,000 yen	Jan. 1942 Dec. 1942 1,250 yen
Bonus		Oct. 1941 Mar. 1942 250 yen	Apr. 1942 Dec. 1942 700 yen

1,900
250
2,150

YOSHIDA, Kenzaburo

Salary	Dec. 1939 Dec. 1940 888 yen	Jan. 1941 Dec. 1941 1,000 yen	Jan. 1942 July. 1942 888 yen	
Bonus		Oct. 1941 Mar. 1942 250 yen	Apr. 1942 July. 1942 350 yen	

123° for 6 mos.

MOCHINAGA, Genji

Salary	June 1941 Dec. 1942 333 yen	Jan. 1942 Dec. 1942 1.250 yen	
Bonus	Oct. 1941 Mar. 1942 250 yen	April.1942 Dec. 1942 700 yen	

1950

← Komura fall
Kato - fall
Yoshida - maybe
Eukada - maybe

TANIZAKI, Akira

Salary	Oct. 1941 Dec. 1941 2,010 yen	Jan. 1942 Mar. 1942 2,010 yen	
Bonus			

KATO, Masao

Salary	Oct. 1941 Dec. 1941 1,860 yen	Jan. 1942 Dec. 1942 7,440 yen	Jan. 1943 Dec. 1943 7,440 yen	Jan. 1944 Dec. 1944 8,133 yen	Jan. 1945 Dec. 1945 11,043 yen	Jan. 1946 Dec. 1946 32,560 yen	
Bonus							

CHAPTER I General Provisions

Article 1. This company shall be named Mozan Iron Ore Development Company, Ltd.

Article 2. This company is established with the following purposes:

1. Mining of iron ores in Korea.
2. Transaction of iron ores.
3. Incidental industry to the above mentioned.

Article 3. The main office of the company shall be located at Kojimachi Ward in Tokyo.

Article 4. Notification regarding this company shall appear in the Japan Economic Newspaper (Nippon Keizai Shimbun).

CHAPTER II Capital and Shares.

Article 5. The capital of this company shall be 50,000,000 yen.

This shall be divided into 1,000,000 shares. The value of one share shall be 50 yen.

Article 6. Share certificates shall be registered as one share-certificate, ten share-certificate, fifty share-certificate, one hundred share-certificate, one thousand share-certificate, and ten thousand share-certificate.

Article 7. The method of paying for the shares shall be decided at the meeting of the board of directors.

Article 8. Share-holders who have not aid for the shares must pay a fine at the interest of four cents a day per 100 yen.

Article 9. The shares of this company cannot be transferred or mortgaged unless approved at the meeting of the board of directors.

Article 10. Persons who request for new shares due to transfer of shares, registration pertaining to mortgage or cancellation, loss, and damage, must follow the set procedure required by the company.

In such cases, it is necessary to pay the expenses required by the company.

Article 11. Transfer of shares, registration pertaining to mortgages or cancellation shall be suspended from April 1 to the end of the regular general meeting of the share-holders.

In case of an extraordinary share-holders' meeting, those mentioned above will be suspended after giving ample ti e for the announcement.

Article 12. Names, address and seal-impressions of the share-holders, mortgagees and legal representatives must be submitted to the company. In case of any changes, the same will be applicable.

Article 13. Share-holders, mortgagees and legal representatives residing abroad must report their temporary residence and legal representative in Japan. In case of any changes, the same will be applicable.

CHAPTER III Officers

(Article 16 deleted)

Article 17. The temure of office for the directors shall terminate at the end of third regular meeting of the share-holders, and at the end of the second regular meeting of the share-holders for the auditors.

The tenure of office for directors and auditors who have been elected because of vacancy and of increasing of staff, will terminate with the tenure of office for other directors and auditors.

Article 18. One principal managing director (semmu torishimari yaku) shall be elected by mutual vote from among the directors, and he shall represent the company.

Article 19. The directors shall form a meeting of directors. Business policy and other important matters of the company must require the decision of the directors' meeting.

The principal director (semmu torishimariyaku) shall execute the decision of the directors' meeting and supervise the affairs of the company.

Article 20. The principal director shall call the meeting of directors and shall assume the chairmanship. If the principal director is not available, one of the other directors shall assume the chairmanship.

Article 21. By-elections shall be held whenever there are vacancies for the positions of directors and auditors.

In accordance with the decision of the directors' meeting, however, it can be postponed until the regular meeting of the directors if the statutory number of members is filled.

Article 22. The directors can become a director or member of other unlimited corporations (mugen sekimin shain) which conduct the same enterprise as this company if unanimously approved by the auditors or decided at the directors' meeting.

CHAPTER IV General Meeting of Share-holders

Article 23. The regular meeting of the share-holders shall be called annually in May.

Article 24. The chairman for the general meeting of share-holders shall be the principal director. The director shall assume the chairmanship if the principal director is not available. The chairman shall be elected from among the share-holders at the general meeting of the stock-holders if directors are not available. The chairman of the general meeting of share-holders can exercise the right of voting as a share-holder.

Article 25. The share-holder can exercise his right of voting through one of the share-holders present. The minutes of the general meeting of stock-holders must be kept. The minutes must contain the proceedings of the meeting. It must be kept at the company with the names and seals of the chairman, directors and auditors who were present.

CHAPTER V Accounts

Article 27. The fiscal year of the company is from April 1 to March 31 of the following year. The accounts shall be settled at the end of each fiscal year.

Article 28. The disposition of profits for each period shall be determined in accordance with the decision of the general meeting of share-holders.

Article 29. The dividends shall be paid to the share-holder at the end of each fiscal year.

Remark:

a. In view of its confidential nature, bonus payments to workers were handled by the managing director and the manager. However, since the resignation of the managing director Sasaki and the manager Kato who were in charge of the previously mentioned task, bonus payments to KATO, Masao and to TANIZAKI, Akira are not ascertainable. Moreover, these bonuses were not given as payments to officers but as workers according to the work they performed.

b. Wages paid to Kato and Taniguchi were considered payments to workers for work performed.

Wages and Allowances for TANIZAKI, Akira

	Oct. 1941 Dec. 1941	Jan. 1942 Mar. 1942
Salary	430 yen	430 yen
Allowance for working in Korea	150 yen	150 yen
Allowance for working in secluded place	45 yen	45 yen
Frontier allowance	45 yen	45 yen

Mozan Mining where Taniguchi has been working is in Manchuria. Since the climate, transportation, and other living conditions are very bad, it has been decided to provide to all employees allowances for working in Korea, allowances for working in secluded place, and frontier allowances.

Wages and Allowances for KATO, Masao

		Oct. 1941 Dec. 1941	1942	1943
Salary	550 yen	1,650 yen	6,600yen	6,600 yen
Allowance for House	70 yen	210 yen	840 yen	840 yen
		1,860 yen	7,440 yen	7,440 yen

Wages and Allowances for KATO, Masao

		1944	1945	1946	
Monthly Salary	Jan. 1945 May 1945 550 yen	2,750 yen			
Annual salary	June 1945 Oct. 1945 8,500 yen	4,958 yen	7,083 yen		
"	Nov. 1945 Dec. 1945 22,500 yen		3,750 yen		
"	Jan. 1946 Dec. 1946 28,500 yen			28,500 yen	
Allowance for House		350 yen			
Meal Allowance		75 yen			
Family Allowance			20 yen	240 yen	
Temporary Allowance			100 yen	1,750 yen	
City Allowance			90 yen	2,070 yen	
Total		8,133 yen	11,043 yen	32,560 yen	

MITSUI OTONSHA
(subsidiary)

Dr 11 #62

May 20th.,1947.
Yuasa Storage Battery Co.
Head Office: Takatsuki City,
Osaka Prefecture.

To your Excellency Chief Purge Officer,

We have the honour to send you a report which explains the actual situation of the Yuasa Storage Battery Co..

To wipe out any suspected family or personal relationships between Yuasa Storage Battery Co. and Mitsui Honsha, we sent a letter to the Mitsui Honsha asking to make clear and authenticate the true relationships of the Yuasa Storage Battery Co. to the Mitsui, and we got a letter of authentication as per annexed papers.

If you will kindly read them and recognize the situation we are now facing, and if you will kindly pay any consideration in connection with the dissolution of the Zaibatsu connections, we should be very much obliged to you.

Thanking for your kindness in emancipating us out of the Zaibatsu ties, and hoping you to pay any consideration to our company in connection with the Zaibatsu dissolution,

We remain,

Yours Respectfully,

Yuasa Storage Battery Co.

M. Kuwata

Minoru Kuwata,
Chief of the General Affairs' Section,
Yuasa Storage Battery Co.

Mitsui held stocks in this company for about 29 years from 1918!
30% at first.
+ 21% in 1940.
In 1945 Yuasa came home retirement to become President.
He holds 1500 shares now + held 102 when he was Pres.

775072

REPORT

Concerning the actual situation of the Yuasa Storage Battery Co. which was designated as a subsidiary company of the Mitsui Honsha on the 24th. of May, 1946.

May 10th.,1947.
Yuasa Storage Battery Co.
Head Office: Takatsuki City,
Osaka Prefecture.

Total Capital of the Yuasa Storage Battery Co. is ¥ 16,000,000. Total number of shares is 320,000 (¥ 50 paid per share).

Of these 320,000 shares, 163,600 (51.1%) shares which had formerly been held by the Mitsui Bussan (Mitsui Trading Co.) have automatically fallen in the hand of the Mitsui Honsha (Head office of the Mitsui Concern) at the time of the Mitsui Reformation in 1944. But those shares were already transfered to the Holding Company Liquidation Committee at the end of October in 1946.

Such being the case, in general cases people may consider that the Mitsui Honsha, having held 51.1% of the shares of the Yuasa Storage Battery Co., might have exercised any dominating influences concerning the appointment or dismissal of the executive staffs of the Yuasa Storage Battery Co. using the right of voting, but the case has been quite contrary.

So far as the Yuasa Storage Battery Co. is concerned, the executive staffs of the Yuasa Storage Battery Co. has always been fighting against the Zaibatsu pressure of the Mitsui Concern with the full support by all the employees of the Yuasa Storage Battery Co.. That is why even the Mitsui Concern could not interfere the appointment or dismissal of the staffs of the Yuasa Storage Battery Co. in spite of the fact that the Mitsui Honsha has come to hold 51.1% of the shares of the Yuasa Storage Battery Co..

At the early stage of the company the investment by the Mitsui Bussan Co. was introduced for the purpose of selling storage batteries, but ~~$$$~~ actually the Mitsui Concern could never succeed in encroaching on the management of the Yuasa Storage Battery Co. as they could in case of other companies.

In this point the Mitsui Honsha has been no more than a mere invester, and all managements of the Yuasa Storage Battery Co. has been operated absolutely independently of the Mitsui Honsha from the independent ~~point of view~~ stand point and the Mitsui Honsha has only been receiving the dividend accrueing from the stocks.

The present staffs of the Yuasa Storage Battery Co. have all been strong anti-Mitsui elements and they have nothing to do with the Mitsui at all. The names of the present directors and auditors are as follows:

President director: Yuichi Yuasa.
Managing director: Torasaburo Sugiyama.
Standing director: Ichizo Tsuji.
Director: Minoru Kuwata.
Director: Ryoji Yumoto.
Auditor: Bunkichi Ishiguro.
Auditor: Shinhichi Yuge.

These members are all genuine Yuesa members and they have never been family appointees of the Mitsui at all.

During the war, the Yuasa Storage Battery Co. was compelled to try hard to increase the production under the threat by the Militarist's lashes because of the necessity of the batteries in Navy and Army, but now having been emancipated from the Zaibatsu and Militaristic ties, the entire staffs of the company are all trying to proceed just according to the line suggested by the ~~Armed~~ Armed Forces with all their efforts and joy, and they feel extremely

...SIFIED PER EXEC. O. 9(c) AND 9(b) OR (E) NND # 775072

happy and thankful for the Armed Forces' Efforts in emancipating the company out of the Zaibatsu pressure.

The present president of the company, Mr. Yuichi Yuasa is now one of the most active democratic leaders in the economic circles in Osaka and was elected as a member of the board of directors of the Osaka Chamber of Commerce and Industry quite recently and is also executive member of the Osaka Chapter of the Junior Businessmen's Association which was recently organized in Japan for the purpose of reconstructing the economic situation keeping close contact with the Armed Forces.

In spite of these facts and to their great disappointment, the Yuasa Storage Battery Co. was designated as a subsidiary company of the Mitsui Honsha on the 24th. of May in 1946, and the entire staffs of the company feel it exceedingly sorry, but now the company is trying to distribute the Zaibatsu shares democratically among the employees at the earliest possible opportunity and already started negotiation at the end of last year about the price at which the share should be sold with the Holding Company Liquidation Committee according to the advice suggested by Mr. Henderson of the anti-Trust Cartels Division, E.S.S., SCAP, GHQ.

Pl. 11, # 143

Tohoku Development Pulp Co. Ltd
President of Boardof Directors
TAKAIDE, Ryosaku

I proof ANDO, Nobuaki didnot accept any standing appointment such as president, vice-president, standing director and standing auditor of our company during Jan. 25, 1938 to Feb. 20.1947.

List of major officers (since Jan. 1938 our company established)

Chaireman	FUJIWARA, Ginjiro	Jan. 1938 to Jan. 1940
President	TAKASHIMA, Kikujiro	" to Dec. 1942
"	ADACHI, Tadashi	Dec. 1942 to May 1946
"	TAKADA, Ryosaku	Mar. 1947 to present
vice-president	TANAKA, Jiro	Jan. 1938 to Oct. 1940
"	KANAMORI, Taro	Jan. 1938 to July 1942
"	KUWABARA, Kankon	July 1942 to May 1945
"	ISOGAMI, Rinjiro	June 1944 to Dec. 1945
"	TAKEUCHI, Tokuji	May 1945 to Feb. 1946
"	TATSUNO, Masayuki	May 1946 to Dec. 1946
"	YAMANAKA, Renji	Jan. 1947 to presnt
"	KATAYAMA, Tomomata	Jan. 1947 to present
standing director	MITSUZAWA, Yoshio	Jan. 1938 to June 1944
"	ISOGAMI, Rinjiro	" "
"	YAMANAKA, Renji	" to Jan. 1947
"	KATAYAMA, Tomomata	June. 1944 to Jan. 1947
"	IDOGAWA, Shunzo	Jan. 1947 to present
"	FUJIMOTO, Kenji	" "
"	NAKAGAKI, Masanori	" "
standing auditor	FUJISAWA, Susumu	Jan. 1938 to June 1944
"	SEKIYA, Toshitsugu	June 1944 to Dec. 1946
"	TAKEU, Chonosuke	Jan. 1947 to present

From Manch. Yearbook 1940, p. 610-612.

Par. I

REORGANIZATION MANCHURIA COLONIAL DEVELOPMENT COMPANY

The Manchuria Colonial Development Company (Manshu Takushoku Kabushiki Kaisha) was established at Hsinking with an authorized capital of Y15,000,000 as a special Japan-Manchoukuo corporation. It was created for the purpose of assisting settlers through acquisition of land suitable for settlement, supervision and distribution of such land, and provision of financial aids and other necessary equipments and facilities for settlers. One-third of the capital was provided by the Manchoukuo Government, one-third by the South Manchuria Railway Company, and one-third by the general public in Japan. The actual establishment of the Company took place late in December, 1935, with a paid-up capital of Y9,000,000 and started its activities in January, 1936. The Company succeeded to a tract of land, about 1,000,000 cho, originally acquired by the East Asia Land Development Company (Toa Kangyo Kabushi Kaisha), and in April, 1936, drew up a plan for settling 20,000 Japanese farming households in ten years, beginning with 1,500 households during 1936. Each household was to have 20 cho of land and necessary assistance in the settlement. For this purpose, the Department of Colonial Affairs in Tokyo placed at the disposal of the Company a special fund of Y1,135,000. It was under this plan and through the general supervision of the Manchuria Colonial Development Company that the Fourth and Fifth Settlements were actually realized during 1936 and 1937.

In the meanwhile appeared a still larger plan for settling one million Japanese farming households involving five million farmers in twenty years. After studies and deliberations, this plan was adopted by the Tokyo Government as a national project in August, 1936. This program divides the settlers into two general classes: (1) those receiving direct governmental aid and protection, and (2) those receiving aid from private organizations or relying upon their own resources. Each household in the former subsidized-immigrant group was to receive approximately one thousand yen to cover travelling expenses, housing allowance, purchase of farming implements, leasing of land, and other necessary expenses, while the latter free-immigrant group was to receive about Y300 to cover travelling expenses and acquiring farm lands. For the sake of convenience, the twenty-year period is divided into four five-year stages and the number of immigration was allotted as follows: 100,000 households during the first stage, 200,000 households during the second stage, 300,000 households during the third stage, and 400,000 households during the fourth stage.

The 70,000 farming households which were to migrate into Manchuria during 1937-41 were to be selected from among sturdy farmers all over Japan: 26.14% from six prefectures in the Tohoku (Northern) region of Japan, 11.68% from seven prefectures in the Kanto (Eastern) region, 22.45% from nine prefectures in the Chubu (Central) region, 8.28% from seven prefectures in the Kinki (Mid-Western) region, 11.36% from five prefectures in the Chugoku (Western) region, 6.66% from four prefectures in the

Shikoku region, and 13.43% from eight prefecture in the Kyushu region.

For the realization of such a large immigration project, the existing Manchuria Colonial Development Company was considered to be quite inadequate. At first an increase of its authorized capital to Y50,000,000 was seriously considered but eventually, by May, 1937, both Tokyo and Hsinking decided to establish a new and stronger corporation to succeed to the existing one. The Tokyo Government approved the treaty thereon on July 2 and the Privy Council on July 28, while the Hsinking Government passed upon the same plan on July 7 and the Privy Council on July 28. As a result, the Japan-Manchoukuo Treaty and accompanying documents were signed on August 2, 1937, by Ambassador General Kenkichi Uyeda and Premier Chang Ching-hui. Three days later, Japanese and Manchoukuo committees, each with fifteen members, were named to make necessary preparations for the establishment of the proposed Company. The Manchuria Colonial Development Company (Manshu Takushoku Kosha) thus prepared was established on August 31, succeeded to the Manchuria Colonial Development Company (Manshu Takushoku Kabushiki Kaisha) on September 1, and began its official life on the same date. The new Company is a Manchoukuo special corporation with an authorized capital of Y50,000,000 (Japanese Government, Y15,000,000; Manchoukuo Government, Y15,000,000; South Manchuria Railway Company, Y10,000,000; and Japanese-Manchoukuo public, Y10,000,000). Its fundamental purpose is the same as that of its predecessor and it took charge, not only of the already settled groups, but also of the new project for the settlement of 1,000,000 households with 5,000,000 farmers in twenty years already outlined. To assist its various activities the Manchuria Colonial Development Committee, composed of seven Japanese and seven Manchurian members, was created at Hsinking on September 1, 1937, while the Manchuria Colonization Society (Manshu Iju Kyokai) in Japan was transformed into a legal corporation on April 30, 1937, and enlarged the scope of its activities to harmonize with the new outlook.

According to this new plan, the Japanese Government was to advance necessary subsidies and to despatch leaders for the purpose of establishing and managing settlements for three years, while the Manchuria Colonial Development Company was to loan out necessary funds. The total fund required during this first three year period was estimated at 2,560 yen per household. Besides 240 yen advanced by the Japanese Government for travelling expenses, the Japanese Government was to furnish 650 yen as subsidy and the Manchuria Colonial Development Company was to loan out 1,910 yen toward these expenses. In the case of the free immigrants, the Japanese Government was to subsidize up to 500 yen per each household for necessary expenses. Under this general plan, the Manchuria Colonial Development Company in cooperation with the Japanese and Manchoukuo Governments, took charge of the sixth wave of 3,787 immigrants in 18 groups during June and July, 1937, and settled the seventh batch of 1,156 immigrants in 22 groups during February, 1938. It may be added that roughly 15,000 other persons, who were trained for immigration, 10,000 of whom are subsidized group immigrants and the remainder free immigrants, joined the

army in connection with the current China Incident and could not participate in the scheduled settlement.

IMMIGRATION OF JAPANESE YOUTHS IN 1939

The Manchuria Colonial Development Co. has planned to bring over 30,000 Japanese volunteer youth immigrants from Japan for the year 1939. According to the plan, 4,800 youths were to arrive in May, 5,100 in June, another 5,100 in July, 4,800 in August, 5,100 in September and the same number in October. Of this total 10,200 will settle at the Tiehli Training Camp, 4,500 at the Poli Training Camp, 4,800 at the Nenkiang Training Camp, 5,100 at the Tuitien Training Camp, 2,100 at the Ningan Training Camp, 900 at the Sunwu Training Camp, 2,400 at the Harbin Training Camp, and 900 at the Changtu Training Camp.

STATE OWNERSHIP OF IMMIGRANTS' LANDS

The policy of the Manchoukuo government with regard to lands allocated for settlement by Japanese immigrants is characterized by the factor of state ownership. The lands are to be prepared for occupancy and cultivation at the hands of the General Board of Immigration, of Manchoukuo. The immigrants are to secure permanent tenancy of the land, in place of ownership, and a sound guarantee is granted for the right of tenancy as proof against dispossession. Furthermore, for building up wholesome rural villages, for managing the farming industry on ideal lines, for stabilizing agricultural economy, and for elevating the farmers' level of living, the authorities propose to establish a hereditary indivisibility between the farmers and their tenanted lands, to prevent any one outside any particular village from owning farmland in it, to keep farmlands from being split up, to prevent monopolistic possession of an extensive farm area, and to do away with all absentee land-owners from fattening on the tenancy rents. In addition, special regulations and arrangements will be instituted, restricting the transfer of farmland to any one other than one of the immigrant colonies or other specific parties. In case any settler is deprived temporary, wholly or in part, of the ability to tend the farmland, the gap so created then is to be properly filled by one of the parties just mentioned.

Toyo Spinning PP 11, P 152

March 14, 1947.

C. I. S.,
GHQ, SCAP.

Sirs:

I am one of the Japanese who stayed in China during the war. I know how the "enemy" properties and assets were seized by the Japanese army after the outbreak of the Pacific war, and how they were turned over to the Japanese individuals or companies as trustees. I also closely observed how these trustees treated the old employees of the seized organizations, and how the "enemy" properties were operated for private gains for the military and civil officials as well as for the trustees themselves. These individuals shall not remain without paying due penalty.

Mr. Toshizo Miura and Mr. Mitsutaro Ito of the Toyo Cotton Spinning Company were the responsible persons for the management of the British American Tobacco Company in Hongkong. They clearly come under Paragraph G, Item 5, Sub-title 5 (a) of the Enlarged Purge Order of the Japanese Government issued on January 4, 1947. And yet they are using every means to disguise their responsibilities and to take directing positions of the Company. The Japanese Qualification Investigation Committee may pass their applications, but it is urged that the Occupation Forces will keep eyes open, so that injustice may not bear fruit.

Sincerely yours,

A. M.

Information contained in questicnaire of the Toyo Menka Daisha, Ltd.

April, 1947

Explanation for "General Manager"

"General Manager" were installed on June, 1944 as a permanent system since one of Company Regulations were amended on Oct. 10th 1946.

The main objects of "General Manager" system were to do the liason works among branch offices of various places and between the Head office and various branch offices, and also to supervise the branch offices's business within his districts.

General Managers were to be appointed at such districts as Korea, Manchuria, North China, and South China and Southern Area, and the manager of branch office within the above district could hold additionally the post of General Manager of the said districts.

On June, 1944, the Branch Manager at Shanghai, Tientsin, Harden, Sahoul and Penang were appointedadditionally to the post of General Managers of the respective districts.

The manager of Shanghai Branch of that time happened to be held by one of the directors, but the other managers were all senior employees.

The Manager of Shanghai Branch of that time happened to be held by one of the director, but the other managers were all senior employees.

The power of attorney given to the General Manager by the Board of Directors was same asthe one given to the ordinary branch managers amd excepting the general manager at Shanghai, which was held by a director additionally, all the other general managers were only the senior employees ranked below the ordinary director, and their sadaries were far smallerthan the remunerations given to the ordinary directors.

Yokahama Specic Bank

Pzv V.

From the strategic reason, the Japanese Occupation Forces then stationed in French Indo-china placed the administrative organizations under its control March 10, 1945. But the said control which had been executed from purely strategic necessity did not make any alteration to the structure and legislation of administration as well as the position of the French and all French officials except very few remained in their offices.

KANAI, Tsunehiko, manager of the Yokohama Specie Bank Saigon branch of the time resigned from his office at the request of the Occupation Forces, was installed as an acting chief of the Fiscal Affairs Department and the chief of the Economic Department of the French Indo-china Government and in charge of fiscal and economic administration.

The manager of the Yokohama Specie Bank Saigon Branch was ordered by the chief of the staff of the Occupation Forces to attend to the supervision of the Banque de l'Indo-chine and NAKAGAWA, Takeo, successor to KANAI was appointed as supervisor.

Estimate of number of purgees of the Yokohama Specie Bank

1. In case where the managers of all the branches in the occupied area (directors and auditors included) are to be purged. ---------- 119

2. In case where the managers of controlling offices and Bangkok, Manila and Dairen offices only are to be purged (directors and auditors included) ---------- 65

Note: Controlling offices are Hsingking, Peking, Shanghai, Singapore, Saigon, Batavia, Rangoon, Bukit-Tingi and Api offices.

3. In case where the managers of controlling offices and Bangkok, Manila, Dairen, Hoten, Tientsin, Hankow, Hongkong, and Canton are to be purged.---------- 73

DECLASSIFIED: E.O. 12356, SEC. 3(E) AND 3(B) OR (E) NNDB # 773072

Part V

Bank of Thailand

The Bank of Thailand was established on December 12, 1942 with the capital of Baht 20,000,000 fully subscribed by the Government (capital amount shall be increased up to Baht 100,000,000 subject to the permission of the Finance Minister) in virtue of the Banking Act approved by the Congress April 1942 in consequence of the abolition of the Thai Banking Bureau.

The business of the Bank is carried out by the Note-issuing and Banking Bureau of the Bank; the business of Note-issuing Bureau is, for the time being until the international financial affairs are settled, limited to the handling of the Government-notes issued in virtue of the current Currency Act (the currency of Thailand, Baht notes and subsidiary coin are solely issued by the Finance Ministry until the stabilization of the international financial market in accordance with the current Currency Act, while the right of issue shall be transferred to the Bank of Thailand, central bank) the Banking Bureau is in charge of the ordinary central bank business -- business concerning Treasury, exchange control, exchange concentration and credit regulation.

Thai Banking Bureau

This is one of the departments of the Finance Ministry and had been in charge of the central bank business -- business of Treasury, exchange control, exchange concentration, and credit regulation before its absorption by the Bank of Thailand.

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(B) OR (E) NND # 773072

Yokohama Specie Bank Par II, #

The main business as controlling offices

(1) Control of personnel affairs (Advices and informations regarding personnel affairs to the President office)

(2) Determination of business policy regarding business of offices within the area under control.

(3) Making finance budget and its operation regarding business of offices within the area under control.

(4) Control and inspection of loans of offices within the area under control.

(5) Conclusion of interest agreement and determination of commission rate.

(6) Instruction regarding an individual business policy towards customers.

(7) Center of investigation and interchange of informations

Offices designated as controlling office during the War are as follows:

Hsinking, Peking, Shanghai, Saigon, Singapore, Rangoon, Batavia, Bukit-Tingi, and Api offices.

In the Hsinking, Peking, Shanghai and Singapore offices supervisory directors had been stationed.

PURSUANT TO EXEC. ORD. 9066, SEC. 3(a) AND 3(b) OR (c) NNDC # 175012

Taisho Marine and Fire Insurance Company, Limited.

Tokyo, February 1, 1947.

His Excellency,
The Prime Minister,
Shigeru Yoshida.

Sir,

Petition for Exempting our Company
from the List of Companies falling under
Category of the Economic Purge.

According to the Imperial Ordinance regarding the economic purge as published by the Cabinet Secretariat on January 4th, 1947, our company falls under the designated company as the object of the said purge.

For reasons mentioned hereunder, we appeal to your most sympathetic understanding of our position and exempt our company.

(1) Our company was established in 1918 with a meagre capital of ¥5,000,000 and has engaged in peace industry. In 1941, after an elapse of twenty-four long years, the capital was doubled. Even with this increase, we ranked very low among the non-life insurance companies in Japan. In pursuance of the Government policy of merging non-life insurance companies and also of suggestion made by the Finance Ministry, we amalgamated the Mitsui Fire and Marine Insurance Co. in 1944, and the authorized capital was increased to ¥23,000,000 but the paid-up capital was as small as ¥5,750,000 which remained unaltered up to the present. As the result of this amalgamation, the Mitsui's share of capital rose from 24% to 48% representing 222,900 shares out of the total 460,000.

However, we can safely say that we have been under no direct control of the Mitsuis, and it has been our unswerving rule throughout to manage our affairs in our own way according to the will of the general stockholders even after the merger of the orthodox Mitsui Fire and Marine Insurance Co. In fact there existed no question of financing with the Mitsuis, and the personnel affairs were dealt with on our own initiative without subjecting to any outside influence. We should like to emphasize the fact that the Mitsuis have held the said 48% for a brief period of only one year before the end of the war. We are not only thus remotely connected with the Mitsui Honsha but also have such a slight affinity with their affiliated companies that we never enjoyed special previleges. The Mitsui Bussan Kaisha, for instance, acting as agents for 10 insurance companies, has placed us to stage a free competition with others.

(2) As already stated, the anthorized capital of our company is ¥23,000,000(the paid-up capital stands at ¥5,750,000), and ranks only the eighth among the non-life insurance companies in Japan. We depend solely upon fire insurance business as a chief source of premium income. The amount of fire insurance premiums received by various companies during 1941 and 1945 is as per attached copy No.1. Our ranking is the seventh with contribution of only 7.6% which clearly shows how negligible is our position.

Regarding the number of our personnel, we should like to point our that ours is only 834 and ranks the poor tenth among the

- P.T.O. -

SHIPPING BOARD FORM 3(C) AND 3(D) OR (E) ENDG # 175072

Pw 11-# 135

17 non-life insurance companies whose total personnel is 15,953, averaging 938.

The appended copy No.2 will picture our plight in sharp contrast with the Tokyo Marine and Fire Insurance Co., foremost non-life insurance concern in Japan. As compared with this company, we hold only 9.2% in the paid-up capital, about 45% in the earned fire insurance premium and 38.8% in the number of personnel.

Viewed in the light of capital, premium income and number of personnel, our company is of insignificant importance.

(3) We wish you to review the question whether a non-life insurance company is to be classified as a financial organ. In applying for permission to start an insurance business, a non-life insurance company in Japan is requested to submit "statement on the method of utilizing property" according to the Article I of the Insurance Company Act and even afterwards various restrictions are placed on the method and proportion regarding the utilization of property as expressly set forth in Articles 18 and 19 of the enforcement regulations attached to the said Act.

It is clear to everybody beyond any doubt that in the investment field a life insurance company is playing far more important role than any non-life insurance company with the percentage generally estimated to be ten to one.

In order to prove that our activity is unworthy of an influential financial organ, we give below the employment of our assets averaged since the beginning of the War. (a) Immovable property in our possession amounts to about ¥477,000. (b) Our investment in negotiable instruments consists of stocks, totalling ¥17,000,000, bonds and debentures. Only 14% of these stocks have connections with the Mitsuis. But these and all other stocks are held by us for the sole purpose of profit taking, and therefore their kinds are always subject to market fluctuations. (c) Our loans average about ¥1,100,000.

We are sure you will note that our company is poorly capitalized, remotely connected with the Mitsuis, and conducted the business on a small scale with results none too satisfactory and that we are pursuing a peaceful enterprise with originality in points of capital, management, financing and personnel. In these circumstances, we assume ourselves fully entitled for exemption from the decree issued on January 4, and we earnestly ask you to find your way to grant our request at your earliest convenience.

Yours respectfully,

Managing Director

THE TAISHO MARINE & FIRE INSURANCE CO., LTD.

SELECTED DOCUMENTS PURSUANT TO SEC. 3(E) AND 3(D) OF (E) NNDC # 773072

FIRE INSURANCE PREMIUMS OF THE LEADING COMPANIES.

No.1.

Name of the Companies	1941	1942	1943	1944
The Tokio Marine & Fire Insurance Co., Ltd.	¥ 35,610,950	¥ 30,828,550	¥ 58,836,370	¥ 85,591,633
The Yasuda Fire & Marine Insurance Co., Ltd.	35,473,090	28,744,130	51,796,730	60,664,139
The Nihon Fire & Marine Insurance Co., Ltd.	24,461,410	20,316,630	35,223,910	44,902,473
The Dowa Fire & Marine Insurance Co., Ltd.	26,363,100	21,802,250	33,799,400	46,372,394
The Osaka-Sumitomo Marine & Fire Ins. Co., Ltd.	20,912,670	17,778,820	33,113,100	46,348,414
The Chiyoda Fire & Marine Insurance Co., Ltd.	13,844,690	16,515,770	28,333,430	38,994,104
The Taisho Marine & Fire Insurance Co., Ltd.	14,345,850	12,219,380	22,417,160	37,779,949
(Others)	51,547,460	37,046,620	74,712,370	111,549,387
Total	¥222,559,220	¥185,252,150	¥338,282,470	¥472,202,493

SURANCE PREMIUMS OF
TRADING COMPANIES.

43	1944	1945	April 1946(/Oct.)	Total	%
86,370	¥ 85,591,633	¥ 99,207,172	¥117,948,000	¥ 428,022,675	16.8
96,730	60,664,139	105,237,647	76,217,000	358,132,736	14.0
23,910	44,902,473	68,126,158	76,192,000	269,222,581	10.5
99,400	46,372,394	69,378,372	69,009,000	266,724,516	10.4
13,100	46,348,414	60,231,484	57,825,000	236,209,488	9.2
33,430	38,994,104	54,598,082	57,790,000	210,076,076	8.2
7,160	37,779,949	54,904,682	53,070,000	194,727,021	7.6
2,370	111,549,387	149,644,878	166,683,000	591,243,715	23.3
62,470	¥472,202,493	¥661,328,475	¥674,734,000	¥2,554,358,808	100.0

	Tokio Marine & Fire Ins.Co.,Ltd.	Taisho Marine & Fire Ins.Co.,Ltd.	Percentage
Paid-up Capital	¥ 62,000,000	¥ 5,750,000	9.3%
Employees	2,147	834	38.8%
Premium Incomes			
1941	35,610,950	14,345,850	40.3%
1942	30,828,550	12,219,380	39.6%
1943	58,836,370	22,407,160	38.1%
1944	85,591,633	37,779,949	44.1%
1945	99,207,172	54,904,682	55.3%
1946(Ap.-Oct.)	117,948,000	53,070,000	45.0%
	¥428,022,675	¥194,727,021	45.5%

Taisho Marine and Fire Insurance Company, Limited.

An Excerpt from the Enforcement
Regulations of the Insurance Company Act.

The Chapter Four. The Utilization of
Property.

(Restrictions on the Utilization of Property.)
Article 16. An Insurance Company shall not utilize its property by any other method except by the following:

1. Possession of national bonds: local bonds: debentures or securities or stocks of a corportation created by the special laws and regulations.

2/ Possession of national bonds, local bonds, securities or stock of foreign countries.

3. Loans on hypothecation of negotiable instruments mentioned in the preceding two items.

4. Possession of immovable property.

5. Loans on hypothecation of immovable property or of a foundation created by laws and regulations.

6. Loans on hypothecation of vessels in case of a company who engages in a marine insurance business.

7. Loans on a public body.

8. Loans made according to an insurance clause in case of a life insurance company.

9. Postal savings or bank deposit.

10. Trust of money or negotiable instruments with a trust company.

11. Any other method approved by the Finance Minister.

(Restrictions on the proportion of the Utilization of Property.)
Article 19. In utilizing its property, an Insurance Company shall not exceed the following proportions to the total assets(excluding un-paid capital or un-paid fund), provided that this rule shall not apply to special circumstances which the Finance approves:

1. Possession of stocks. 3/

2. Possession of immovable property. 1%

3. Possession or loans on hypothecation of bonds and stocks of the same company. 1%

4. Loans on the same person. 1%

5. Deposit with the same bank or trust with the same trust company. 1%

6. Loans on hypothecation on the same object. 2%

In applying the preceding stipulations, the amount utilized by methods mentioned in the 3rd and/or 5th items shall be added up.

The number of stocks of the same company which an insurance company possesses or receives as hypothecation shall not exceed one fifth of the total stocks of the said company, provided that this rule shall not apply to a business necessity which the Finance Minister approves.

Par. 11 #109

The Nomura Securities Company Ltd.

The Relation Between the Nomura Securities Company, Ltd. and Nomura Zaibatsu.

In connection with the recent "purge" directive, the Nomura Securities Company together with four other securities companies has been designated as Class A Company. The reason, we understand, is that these five companies monopolized securities transaction in the market.

The five companies thereupon appealed to the competent authorities alleging that they never monopolized securities market and in fact they played rather minor roll with regard to the transaction of shares of stocks.

While the above appeal is being considered by the authorities, the Nomura Securities Company has come to entertain a fear that this company may be treated separately from the other four companies because of its connection with the Nomura Zaibatsu concerns.

It is true that about 88% (212,200 shares) of the total number of shares of stocks (240,000 shares) in the Nomura Securities Company is owned by the Nomura Gomei Kaisha (Holding Company), and as such the former company is designated as a Restricted Concern. However, in actual operation as well as in personnel of the company there has hardly been any connection at all between the company and the Nomura Zaibatsu, and there seems to be no reason why the Nomura Securities Company should be treated separately from the other four securities dealers.

The following explanation is given to prove the above allegation:

1. Financial Operation

The loan (including call loan) account of Nomura Securities Company

as of 11 August 1946 shows the following list:

Nanto Bank	¥ 7,100,000
Yagi Call Loan Company	3,500,000
Kinki Mutual Financing Association	2,830,000
Kiyo Bank	2,000,000
Chiba Bank	1,400,000
New Nippon Life Insurance Company	1,000,000
Imperial Bank	738,000
Nippon Stock Exchange Corporation Osaka Branch	479,000
Jyoyo Bank	400,000
Shiga Bank	300,000
Tomoyemon Iwata	200,000
Hokkaido Exploiting Bank	100,000
Mizumisawa Agricultural Corporation	99,933.30
Total	¥ 20,146,933.30

As is shown in the above list, the Nomura Securities Company borrowed funds over ¥20,000,000 from various banks, financial organs and individuals but it borrowed nothing at all either from Nomura Bank or Nomura Life Insurance Company. This fact clearly shows that the Nomura Securities Company is entirely dependant from financial influence of Nomura Zaibatsu.

2. Personnel

Ever since the establishment of the Nomura Securities Company the invariable rule has been adhered to by the company, namely, all the executive or standing directors of the company be elected from among its employees. Non-executive directors (or directors who do not handle daily business affairs) were in some instances chosen from outside, including Nomura concerns or Mitsui or Industrial Bank of

Japan, but the actual management and operation of the company was exclusively executed by the executive officers, and those outside directors never interefered with the management. In other words the management of the Nomura Securities Company has always been entirely independent from Nomura or any other Zaibatsu influence.

We sincerely hope that the above fact shall be properly understood in considering the status of the five securities companies, and that the Nomura Securities Company shall not be discriminated from other four companies on undue assumption that the former is a member of Nomura Zaibatsu concerns.

for the Nomura Securities Company, Ltd.

Nomura Securities Co.

Quantity of stocks	Name of stockholder	Ratio of the holding to the total amount of stocks	District
212,200	xNomura Gomei Co.	88.4 (%)	Osaka
10,000	xNomura Bank	4.2	Osaka
10,000	xNomura Life Insurance Co.	4.2	Tokyo
3,000	Tojiro Shiosaki	1.2	Osaka
1,600	xTokushichi Nomura	0.1	Osaka
3,200	Other 11 stockholders	1.3	
Total 240,000	16	100.0	

(NB) x Shows the stocks transferred to the Holding Company Liquidation Commission

Yamaichi Securities Co.

Quantity of stocks	Name of stockholder	Ratio of the holding to the total amount of stocks	District
52,330	Konosuke Koike	17.4 (%)	Kanagawa
11,000	Yoshiro Koike	3.8	Tokyo
10,000	Fukoku Life Insurance Co.	3.3	"
9,450	Toru Koike	3.2	"
7,805	Koike Limited Partnership	2.6	"
7,450	Shigeru Kinoshita	2.5	"
3,000	Sanwa Bank	1.0	"
3,000	Shoei Kogyo Co.	1.0	Osaka
195,565	Other 1453 stockholders	65.2	Tokyo
Total 300,000	1460	100.0	

Taken off Par. 11.

22 January 1947

Petition for the exemption of Daiwa Shoken (Securities) Co., Ltd. from A clause of the Economic purge.

To: General Headquarters for Allied Powers.

22 January 1947

Daiwa Shoken Co.,
8, 2-chome, Otemachi,
Kojimachi-ku, Tokyo.

From: Daiwa Shoken Co.,
8, 2-chome, Otemachi, Kojimachi-ku, Tokyo.

We hereby request the permission to present the following petition to General Headquarters.

Daiwa Shoken (Securities) Co., has been designated as a company which corresponds to A clause of the last Ordinance concerning Economic Purge. However it is rather hard to understand why this company has been thus designated, as this company's position in Japanese economy is so low and small and the contribution to the war economy was entirely nominal and also this company's business has been far from monopolistic or dominating in its market.

Here GHQ's generosity is earnestly requested to examine our business condition and also kindness to consider the possibility for the exemption from A clause of the economic purge. The detailed explanation of our business condition will be given as follows.

1. Name of Company — Daiwa Shoken Co. Ltd.,

Address — No. 8, 2-chome, Otemachi, Kojimachi-ku, Tokyo.

Capital — ¥ 10,250,000.- (Paid up)

Names of Directors

Chairman of board of directors	Kisaku Matsushima
President	Yasutaro Watanabe
Managing Director	Kazuno Kato
" "	Shinichi Okamura
" "	Chisato Fukuda
Director	Hiroshi Sakai
"	Shinpei Watanabe
Auditor	Shuzo Katagiri
"	Masatoshi Takebe

Head and branch offices

Head office	Tokyo city				
Osaka Branch	Osaka "	Kanazawa Branch	Kanazawa city		
Nagoya "	Nagoya "	Kyoto "	Kyoto "		
Akita "	Akita "	Kobe "	Kobe "		
Fukushima "	Fukushima "	Okayama "	Okayama "		
Shizuoka "	Shizuoka "	Moji "	Moji "		
		Fukuoka "	Fukuoka "		

2. Brief history of the company

At first this company was started as Fujimoto Bill Broker Bank with ¥ 200,000 capital which was the first bill broker bank in Japan in 1909. As its business gradually expanded the company

opened the securities dealings. Afterwards in January 1933 Fujimoto abolished its bank ~~efx~~ business as it was forbidden from managing the side business, owing to the revision of bank bill, and changed its name as Fujimoto Bill Broker Securities Co. Then in July 1942, it changed its name again as Fujimoto Securities Co. In 1943 Fujimoto was merged with the two other companies of Nippon Shintaku Bank Co., and Yoshikawa Securities Co., and changed its name as Daiwa Securities Co., with a capitalization of ¥ 19,250,000.-. Prior to this, the ~~the~~ main offices of Fujimoto and Nippon Shintaku Bank both were in Osaka and were considered as entirely local concerns. When Fujimoto changed its name as Daiwa it removed its head office from Osaka to Tokyo, and grew up later as a country-wide securities company.

3. The constitutions and operation of the business fund.

The business fund of the company mainly consisted of ¥ 19,250,000.-, paid up capital and ¥ 1,750,000.- various reserves and ¥ 147,824,000.-, loan accounts. Actual situation of those funds in August 10, 1946 is as follows.

a) Capital

The capital funds are divided into 385,000 shares and owned by 6,870 holders. Average for one shareholder is 56 shares and there is no holder who has more than 10,000 shares and only three persons have more than 5,000 and the majority have less than 500 shares. This will be enough to demonstrate that this company's capital is distributed in a very democratic way and has no affiliation with Zaibatsu or monopolistic capitalists.

Capital Distribution

Number of shareholders who own more than	10,000	None	Shares
" " " " " " "	5,000	3	(0.04%)
		10,596	(4.3%)
" " " " " " "	1,000	36	(0.52%)
		60,486	(15.7%)
" " " " " " "	500	61	(0.59%)
		41,320	(10.7%)
" " " " " less than	500	6770	(83.5%)
		266,398	(69.2%)
Total		6870	385.000

b) Loan Account ¥ 147,634,000

Details are as follows

Overdraw from current deposit..... ¥ 190,000

Loans from Banks.....¥21,944,000

Call Money
~~Loans from Banks~~.....¥125,550,000

This shows that as the main part of our loan account consists of call money which can only be collected from various banks, there will be no special connection with the specific big banks or Zaibatsu.

c) How the fund is used.

The fund is used as follows.

For securities ..... ¥ 20,932,000

For securities abroad ..... ¥ 13,667,000

For loans ¥117,297,000

This shows that main business of this company is a loan (call loan ¥ 106,500,000 loan with bills ¥ 10,796,000) and only a small part of our fund is used for securities dealings.

This characteristic of our business is the natural result that the company has its origin in two concerns of Fujimoto Bill Broker and Nippon Shintaku Bank who have been both bill brokers.

Though this company is called securities company, main part of its fund is not operated in bill broker business; on this point the company is entirely different from other securities companies.

4. Business condition

This company's business covers:

a. Sale of national bonds.

b. Subscription and underwriting of bonds and debentures.

c. Transaction of securities

d. Investment trust

e. Bill broker

Each one of the activities of our business in wartimeas as follow:

a. Sale of national bonds.

This company is a sub-dealer of bonds which are subscribed by the Bank of Japan, and the amount and percentage of our dealing is as follow:

(Unit 1,000 yen)

Year	Amount of National Bonds issued	Amount of sale by this company	Percentage
1938	4,530,000	16,759	0.369%
1939	5,516,500	76,394	1.38%
1940	6,884,500	147,387	2.14%
1941	10,191,000	188,006	1.84%
1942	14,259,000	268,008	1.84%
1943	21,147,000	500,929	2.36%
1944	30,357,500	808,296	2.66%
1945	33,111,227	1,442,775	4.35%

The ranking of this company among four fellow securities companies for the dealing of bonds is as follows:

Year	
1938	3rd
1939	"
1940	4th
1941	"
1942	"
1943	"
1944	"
1945	2nd

This figure shows how small is our dealing in bonds. And the position of this company in dealings comes last.

b. Subscription and underwriting of bonds and debentures.

This company is called an underwriter of debentures, but really it is only a subunderwriter of syndicated banks which is the real underwriter and also the amount of our dealing is small as follows: (Unit 1,000,000 yen)

Amount of debentures used	Amount of sales of this company	Percentage
1938 1,778	125	7%
1939 2,486	280	11.2%
1940 3,078	260	8.4%
1941 4,263	234	5.2%
1942 5,228	275	5.2%
1943 6,087	390	6.4%
1944 8,407	502	5.9%
1945 9,699	198	2.5%

c. Transaction of securities and shares. This business is divided into two branches of transaction of shares (actual and clearing) and transaction of national bonds (actual and clearing) while the latter branch of business has been inactive during the time of war and the business condition of the company for the former branch is as follows:

Transaction of stocks in Tokyo Exchange

Year	Transaction of stocks (actual) Total amount unit 1,000 shares	Handled by this company	%	Transaction of stocks (in terms) Total amount (Unit 1,000 yen)	Handled by this company
1938	15,179	308	2.0%	58,729	None
1939	18,340	1,797	9.7%	68,993	"
1940	37,162	1,316	3.5%	76,402	"

1941	34,440	1,744	5.0%	82,872	"	
1942	75,338	2,705	3.5%	138,823	"	
1943	34,102	879	2.5%	111,184	"	
1944	41,203	1,785	4.3%	82,008	920	1.1%
1945	38,968	1,883	5.1%	21,940	396	1.8%

The amount of our transaction in this sphere is from two to nine per cent of the total in actual shares but in clearing, which is usually from two to four times bigger than the dealings of the actual shares, only 2% of the total. By these figures it is demonstrated that now our activities in this field is small and the ranking of our company among the follow traders by the volume of business is as follows.

	in dealings of actual shares	in dealings of shares in terms
1938	None	None
1939	3rd (among about 60)	"
1940	4th (")	"
1941	4th (")	"
1942	4th (")	"
1943	7th (")	"
1944	6th (")	27th (Among 57)
1945	None	18th (Among 59)

Thus the actual position of this company in actual shares is 6th and 7th and in shares in terms comes far below as 29th or 18th.

a. Investment trust.

We started this business in 1943 and the trusted money amounted to 90 million yen which is rather small compared with other business houses in this line and also very tiny compared with the amount of national savings. - 7 -

	Amount of national savings	trusted money to this company	Percentage
1942	23,457 million yen	7,000 thousand yen	0.03%
1943	30,988	27,000	0.08%
1944	48,489	49,000	0.10%
1945	67,392	7,000	0.01%

Call Money

In this business line when compared with other co-business houses, this company comes only second or third showing the conspicuous difference with the first one who has no connection with the purge list.

	Ueda Co. (¥ 1,000)	Daiwa Co.	Yamagida Co.	Hayakawa Co.
1940	259,755	93,325	86,860	45,150
1941	unknown	89,565	72,439	50,090
1942	302,339	63,238	68,907	37,140
1943	272,100	93,818	55,113	unknown
1944	355,550	53,830	45,678	"
1945	404,070	137,350	unknown	"

5. Business condition

Dividends of this company which is a good index of the business condition, are as folows;

1937	1st half year		8 %
	2nd	"	"
1938	1st	"	"
	2nd	"	"
1939	1st	"	"
	2nd	"	"
1940	1st	"	"
	2nd	"	"
1941	1st	"	"
	2nd	"	7 %
1942	1st	"	8 %
	2nd	"	"
1943	1st	"	"
	Extra		"
	2nd half year		7 %
1944	1st	"	"
	2nd	"	5 %
1945	1st	"	---
	2nd	"	---

We have managed to maintain our dividends at 7 or $\frac{8}{9}$ % until 1943 but it was done by using the profit to its limit and without leaving little surplus. With the advancement of the war various producing companies has been protected by the Government on various points. But this company having no direct contact with production, it has not been protected but rather handicapped by the requisition of our employees, or limitation of employment, and especially on the point of supply of funds, we were greatly handicapped. This is why we have merged

with Nippon Shintaku Bank to amplify our funds. After 1943 business conditions gradually deteriorated and the dividends came down to 5% and later to nothing. While the financial situation of this company was already staggering, the decisive blow was given by the termination of war, owing to the following reasons: (1) all the investments abroad consisting of bonds, debentures and shares of overseas institutions were lost; (2) financial debentures have been put into second account; and (3) quotations of shares became very low.

In August 1945 we have liquidated 14 million yen as a loss but we have still 30 or 40 million yen to liquidate and thus we were put into special account company. We expect our capital will probably be cut to its 10 % or less than 2 million yen. In February 1946 one third of our employees were dismissed and four branch offices of Hiroshima, Otaru, Yokohama and Matuyama have been abolished and we are now offering our office buildings of Tokyo and Osaka branch offices for sale. The present war from its beginning to end gave us the least advantage but did a great harm, especially the heavy depreciation of securities in hand which we were nearly compelled to hold by the government during the war, gave almost the decisive blow to the financial situation of the company.

6. Conclusion.

The above-stated facts may be summed up as follows:

a) This company can hardly be called a nationwide institution in 1945 when for so long remained as a mere local concern.

b) The capital of the company is divided into small share holders and has no background with Zaibatsu or monopolistic capitalists.

c) The main part of our working fund is invested in call loans and only a small part is used for proper securities business. On this point this company is very much different from other securities companies.

d) The function of handling the national bond or debentures was limited only to sub-distributions under the Bank of Japan or syndicated banks, and its percentage of handling is very small in com-

parison to the total issue. Also in the dealings of shares this company's position is rather low among co-business houses. Thus monopolitic or dominating activities in the market has never been the principle for this company.

e) During the war the company has suffered many suppressions and handicaps and after the war it was inflicted a great loss by the depreciation of securities on hand which we were compelled to hold.

Here we repeat again that our position in Japanese economy is so small and our contribution to war economy is almost nil and has never enjoyed any advantages or profits from war economy.

Owing to the above-stated reasons GHQ's generosity again is requested to reexamine our condition concerning the disignation to A Clause of the economic purge list.

Yasutaro Watanabe

Yasutaro Watanabe
President of Daiwa Shoken Co.Ltd

January 22, 1947

From: Daiwa Shoken Co., Ltd.
3, Nichome, Otemachi, Kojimachiku, Tokyo.

To: General Headquarters For The Allied Powers.

Subject: Petition for the exemption of Mr. Yasutaro Watanabe, the President of Daiwa Shoken Co., Ltd. from the Economic Purge List.

We the employees of the Daiwa Shoken Co., Ltd., are greatly surprised that as a result of the last Ordinance concerning the Economic Purge which designated Daiwa Shoken under A Clause, our highly respected president Yasutaro Watanabe will be obliged to resign from its post. It is a well known fact to us all that our company has never been controlled by Zaibatsu of any monopolistic capital and its business has neither been monopolistic or dominating in the market and also the company has rendered little contribution to the war economy of Japan. With those clear records of the resignation of our much beloved president be realized our minds will long be troubled with deep sorrow which cannot be find any reasonable solace.

Mr. Yasutaro Watanabe has entered the Fujimoto Bill Broker Bank in 1920 as a clerk and after steady efforts has been promoted to the chief of Tokyo Branch of its bank as a director in 1937, then bbecame the president in 1945. Not only has he made a great contribution to his company by his devotion and ability for more than twenty years but also he has been a great help to his junior clerks by his good guidence and kindness. After he becams director he has succeded, in spite of many hardships and supressions during the war to establish democratic ways of management by respecting the will of the constituents of the company. This devotion and efforts both to the company and its employees has won the greatest admiration and esteem from us all.

His strenous efforts to steer its ship through the high seas of stock market should be the respectable and beautiful records of life. Now the peace again regained and the securities business going to be revived and when his ability and experience is most earnestly desired, he is doomed to resign from his post. This is a tragedy and sorrow for himself who has only clear records in the past but also it is a great loss for us all who will lose a guiding star and a real leader.

In view of the above stated fact we humbly request GHQ's generosity to reexamine the condition and records of Daiwa Shoken Co., Ltd.

Employees of Daiwa Shoken Co.,Ltd.

Head Office

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M. Sakakibara

T. Hoshijima

S. Matsuhashi

I. Kikuichi

Y. Yamazaki

T. Namihana

T. Ito

K. Yajima

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S. Hotta

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H. Miyata

T. Niibe

M. Yugawa

F. Suda

M. Washizu

K. Hashimoto

RELEASED UNDER PROVISIONS OF SEC. 3(E) AND 3(B) OR (E) SWNCC # 173072

January 22, 1947

From: Daiwa Shoken Co., Ltd.
8, Nichome, Otemachi, Kojimachiku, Tokyo.

To: General Headquarters For The Allied Powers.

Subject: Petition for the exemption of Mr. Yasutaro Watanabe, the President of Daiwa Shoken Co., Ltd. from the Economic Purge List.

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His strenous efforts to steer its ship through the high seas of stock market should be the respectable and beautiful records of life. Now the peace again regained and the securities business going to be revived and when his ability and experience is most earnestly desired, he is doomed to resign from his post. This is a tragedy and sorrow for himself who has only clear records in the past but also it is a great loss for us all who will lose a guiding star and a real leader.

In view of the above stated fact we humbly request GHQ's generosity to reexamine the condition and records of Daiwa Shoken Co., Ltd.

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Head Office

Beads Department

M. Sakakibara

T. Hoshijima

S. Matsuhashi

I. Kikuichi

Y. Yamazaki

T. Namihana

T. Ito

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Business Department

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Y. Kogao

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T. Yoshimoto
T. Maeda
Y. Takizo
S. Hayama
S. Aoi
K. Iwahara
S. Ozaki
Y. Kurahashi
K. Yamafuchi
J. Higami
Y. Asai
Y. Kusakabe

Kitahama Branch

S. Masaki
K. Nakamura
S. Ando
A. Hazama
Y. Masaoka
K. Nagao
J. Fukuoka
Y. Isobe
K. Ikeda
T. Tobiyama
F. Akiyama
T. Sugimoto
E. Miyai
K. Mejima
M. Marutomi
T. Eguchi
Y. Tamura
T. Hayashi
K. Hinata
E. Kamisasai
K. Uezaka
S. Omura

Kyoto Branch

N. Yashima
S. Ikeda
M. Omichi
E. Okada
M. Kinoshita
K. Iida
M. Kashihara
S. Kimura
R. Teramoto
S. Yabushita
Y. Ishikawa
R. Okamura
Y. Kinoshita
A. Itami
T. Ueda
S. Yamaguchi
K. Sugimura

Kyoto Branch (cont'd)

E. Imura
E. Kimura
K. Okuda
H. Arakawa

Kobe Branch

T. Onoka
S. Hashimoto
K. Yamada
H. Fujimoto
M. Kagawa
F. Asakura
E. Etsuda
K. Asakura
K. Izaki
I. Fujita

Moji Branch

Y. Kaga
T. Mizuteri
T. Takebayashi
T. Nitta
A. Doi
S. Fujita
Y. Marai
T. Ito
Y. Daiku

Okayama Branch

K. Iwasa
T. Moroeka
T. Nakada
H. Yabuki
H. Akiyama
Y. Matsumoto
S. Omori
H. Ike
S. Nakamura
S. Takajima
Y. Hasu
A. Akaeda
T. Naniwa
T. Oaishi

Okayama Branch (cont'ed)

M. Oki

Kanazawa Branch

Z. Shimazaki
S. Nakase
T. Mizutani
S. Fukuya
T. Mizuuchi
S. Yonejima
M. Maeda
M. Sakai
F. Higuchi
M. Oshima
K. Yoshimura
S. Kematsu

Fukuoka Branchi

J. Kitagawa
K. Miyahara
Y. Okabayashi
Y. Motooka
M. Maeda
S. Kunimoto
S. Ogawa
T. Imaeda
K. Semeda
A. Ito
R. Kawano
N. Katsura
S. Miyahara

Fukushima Branch

H. Moteyoshi
S. Takahashi
K. Hayashi
I. Takeda
S. Yatsumachi
M. Sugeno
C. Kameyama
T. Suzuki
M. Tada
S. Kikuchi
R. Endo
Y. Kuwano

Shizuoka Branch

T. Iraka
S. Masuda
K. Iwamoto
R. Maejima
I. Mishima
S. Yakata
Y. Machizuki
S. Yamada
S. Okajima

Nagoya Branch

S. Abe
A. Kataoka
D. Yamamoto
K. Hibino
S. Matsuura
K. Adachi
S. Kureshima
B. Hasegawa
K. Date
K. Hisada
J. Chiga
H. Ito
A. Takai
M. Asai
N. Murakami
Y. Miyagi
H. Ishigure
F. Kishida
K. Naito
C. Kato
F. Kamiya
U. Iwata
Z. Ushida
M. Okajji

Akita Branch

N. Kurihara
H. Ito
S. Yoshida
H. Nakagawa
F. Miura
T. Yarimasa
Y. Uno
I. Onoda
T. Nakano
S. Ota

S. Hotta
S. Kanaya
H. Miyata
T. Niibe
M. Yugawa
F. Suda
M. Washizu
K. Hashimoto

Business Activities of the four Securities Underwriting Companies and the Tokyo Securities Company which were designated as coming under Category "A" of the Purge.

A. Securities Underwriting Companies.

1. Underwriting of public bonds and debentures.

Securities underwriting companies can be considered to have three functions. The first is the business of underwriting and floating, as a securities underwriter, national bonds, local bonds and debentures; the second is to undertake transactions on the securities market, as a broker of the securities exchange; and the third is to buy and sell securities as a securities dealer (a so-called dealer in spot shares) at their premises.

As the largest amount of capitalization of underwriting companies is not more than ¥20,000,000.-, it is generally recognized that the position and power of securities underwriting companies in the economic world is much weaker and smaller in comparison with other financiaa institutions such as banks or trust companies. In this respect it can be said that the power and position of Japanese securities underwriting companies, being so weak and small as it is, it can hardly be compared with that of those in the United States.

The fact that big securities companies in the United States before 1934 held funds of the general public as well as their own capital gives a distinct difference in nature to the securities underwriting companies in this country which are extremely limited in their activities by the small amount of their capitalization.

1). Underwriting of public bonds and corporate debentures:

The special position given to securities underwriting companies under "The Securities Underwriting Business Act"

is confined only to underwriting of public bonds and corporate debentures, and no difference is made between other general securities dealers and the said underwriters with regard to underwriting of stocks.

The objective of "The Securities Underwriting Business Act" is to impose a stricter supervision over underwriters than other general securities dealers and has specifically given a condition that companies capitalized at ¥2,000,000 or more may become an underwriting company. It is not the intent of the law, to give special rights or powers to specific companies.

2). The fact that there is only one securities underwriting company, the Japan Hypothec Securities Company (Nihon Kangyo Shoken), besides the four companies in question which were designated this time is due to the fact that there were no other among the many hundreds of exchange brokers or securities dealers who were legally qualified and had the experience, capacity, and trustworthiness as an underwriter. As a matter of fact, there has not been submitted even one formal application for license as an securities underwriter. (Incidentally, only one informal proposal was made some years ago).

The licensing system for underwriting companies is based upon the same idea as that of other financial institutions such as banks, trust or insurance companies, and the objective of the system is to establish certain restrictive condi-

tions for the interest of the general public; it is not the intention of the system to bring about a monopoly in the securities business.

3). The underwriting business of securities underwriting companies is merely to sub- underwrite a part of debentures or others underwritten by a syndicate organized by powerful banks or trust companies. In other words, although the term "underwriting" is used, the actual business is merely to engage in the disposal of securities. The actual result of the business was, as shown in the attached sheets (1) and (2), that regarding national bonds, 13% to 16% of the total amount of issue, and regarding local bonds and debentures, 15% to 27% only of the tatal amount of issue were handled by these each year.

2. Underwriting of stocks:

With regard to underwriting of stocks, underwriting companies and other securities brokers have, as previously mentioned, carried out business on quite an EQUAL basis, and underwriting companies did not boycott other brokers. This is clearly seen from the fact that the underwriting companies and all other securities dealers as one body in January 1940 formed a Committee for stocks on the Market introduced by the underwriting companies, and all the brokers were placed or an equal standing with equal opportunity with respect to stocks on the market as provided for by the constitution of the said Committee.

Art 2 of the Amended Constitution of July 1946 clearly provides for that "members of the Brokers Association shall, as a rule, handle, the business of flotation or sales jointly with respect to stocks offered to the pplic in a spirit of co-prosperity."

3. Transactions of issued securities.

1). With regard to securities transactions on the exchange, securities underwriting companies stand in the same position as of other brokers, and the volume of business handled by them does not indicate a monopoly as shown in attached sheets (3) to (6). Upon examination of long-term set-off transactions on the Tokyo Stock Exchange, it can be readily seen that transactions carried out by the four underwriting companies comes to merely 5% to 9% of the total volume of transactions on the same Exchange, and with regard to spot transactions on the same Exchange it is 20% to 32%.

2). As was mentioned in foregoing paragraph, transactions carried out by the securities underwriting companies were not monopolistic at all. Securities underwriters laid emphasis on spot transactions and not on set-off transactions while other brokers laid emphasis on set-off transactions.

Set-off transactions were suspended after the termination of the war and securities transactions were limited to spot transactions. As a result of this, the business of underwriting companies became more active in comparison with other brokers. This phenomenon, however, came about after the termination of war and, furthermore, it may be said that this is due to the fact that securities underwriting companies laid emphasis on spot transactions in the part, and thus held a great number of customers in this line. An off-hand statement that underwriting companies have been carrying on a monopoliatic control of the transactions of securities is therefore not proper or fitting. Furthermore, in future, the distinction between underwriting companies and ordinary securities brokers will be abolished under the new Securities Exchange Law and consequently, there is no fear that a monopolistic

tendency is to arise.

3). On offering to the public the stocks in the possession of the Committee for Conservators of Closed Institutions, certain mistakes and miscarriages were made at first due to the fact that those concerned were unaccustomed to such work. However since September, a method of general bidding was taken and not only securities dealers but also banks, trust companies, insurance companies and other juridical persons, and individuals have been given the opportunity to purchase such stocks on an equal basis.

B. Tokyo Securities Company

1. The Tokyo Securities Company was established in July 1927, with the Brokers Association of the Tokyo Stock Exchange as its nucleus. Of its authorized capital of ¥10,000,000.- the paid-up amount, was ¥2,500,000. It was called the Tokyo Stock Exchange and Agent Co. (Tokabu Daiko Kaisha).

The purpose of the establishment of the company was, at that time, to coordinate deliveries of short-term set-off transactions (similar to transactions "by the regular-way" on the New York Stock Exchange), to furnish necessary funds for buying, and to offer for loan such stocks to be sold.

2. The Tokyo Stock Exchange was abolished in 1943 and the Securities Exchange of Japan was established in its place. At the same time, short-term set-off transactions were abolished and, accordingly, the main business of this company became to carry out transactions of small number of stocks less than blocks of 50 shares, (Similar to an "odd-lot dealer") as well as to act as go-between for transactions entrusted by out-of-town brokers and to act as an transfer agent for transfer of title of stocks.

3. In short, the said company may said to be a facility established for the convenience of the members of Association with regard to transactions.

It has no direct dealings with general customers and so it may be looked upon as one carrying out a part of the functions of a clearing house in the United States.

Consequently, its actual operation is left to self-rule of the members.

There exists no fact that the Securities Exchange of Japan participated in the actual operation of the company.

4. After the end of the war, the exchange was closed and, consequently, the company is now only carrying on business of buying and selling of fractions of blocks of stocks.

5. The present capital stock is ¥10,000,000.-, fully paid-up and the main stockholders are the Securities Exchange of Japan (due to the fact that the same company is an agent of the Exchange), the Brokers Association, and the Tokyo short-term Securities (Totan Shoken) which is a subsidiary of the Association.

(Although the Securities Exchange of Japan is one of the large stockholders of the said company, no director or officer of the company has been selected by the Exchange, and the Exchange has no controling power over the company). The fact that the Securities Exchange of Japan is a stockholder of the same company is due to the fact that the Tokyo Stock Exchange was a stockholder in the begining and, with the establishment of the Securities Exchange of Japan, it succeeded to the assets and liabilities of the Tokyo Stock Exchange. Consequently, the Securities Exchange of Japan automatically became a stockholder and no other special reason exists at all.