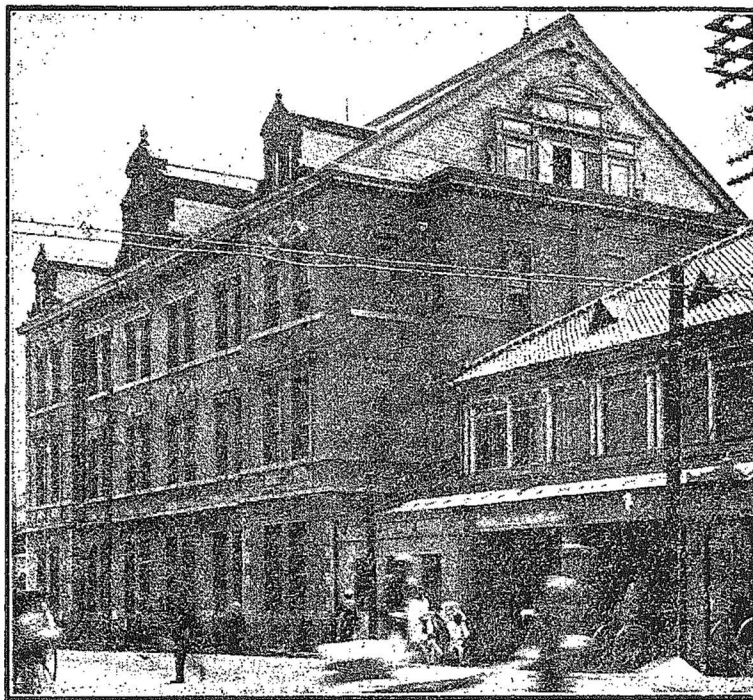


A Tale of Suzuki Shoten (Suzuki & Co.)

In Harbor City of Kobe, Japan, there used to be an extraordinary owner-managed trading company, which won its global fame in late 19th to early 20th century.



Suzuki & Co's. Offices.

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Yone Suzuki



Naokichi Kaneko



Seiichi Takahata

*Footnote by translator

～In this story, The Proprietress Yone is called 『OIE-san』 . In Japanese, putting 『O』 is more polite way to express respect and sympathy. And 『IE』 means sometime House, sometime Family.

In other words, Yone Suzuki was the symbol of Suzuki Shoten, owner of it, and spiritual support for all employees of Suzuki Shoten.

～Also, it was very unique that despite of its global scale of business, this company name had the word of Shoten, which means rather small sized retail shop in Japanese. Why? You may have known the reason after reading this booklet.

【 Prologue 】

Have you ever heard of the name ‘SUZUKI SHOTEN’, which was ranked as 『The largest integrated trading company in Japan』 in the competition with giant family conglomerate like MITSUI, SUMITOMO and so on, while it was just an owner-managed trading firm?

SUZUKI SHOTEN was a huge industrial enterprise group, in very vast business field which was not limited to trading related area, but spread out to sugar manufacturing, steel making, ship building, metallurgy, chemical, textile, milling, oil manufacturing, salt manufacturing, brewery, papermaking and others, in total summing up over 80 enterprises.

However, unfortunately, the glory of SUZUKI SHOTEN did not last for long time. Just 50 years after its establishment, and only 8 years after its golden age, it went bankrupt and the name was fallen into oblivion.

This booklet tells you the story of Japan’s most delightful, dynamic enterprise in business history, which was brought into sudden prominence, then vanished out.

In this history of SUZUKI SHOTEN, there are two major heroine and hero who played a key role throughout the dramatic vicissitudes of fortune.

Yone Suzuki, the proprietress and Naokichi Kaneko, the chief clerk of SUZUKI SHOTEN.

Yone put full confidence and left whole competency of business management to Naokichi, and Naokichi endeavored even harder to prove himself worthy of her trust and confidence by working himself to the bone as UNLIMITED LIABILITY CLERK.

Naokichi displayed his extraordinary, outstanding business talent and ability under Yone’s trust in the fullest measure to have built up the foundation of SUZUKI SHOTEN’s quantum leap forward as well as industrial development of Japan.

Among those enterprises which Naokichi developed with great devotion, there are so many Japan’s major global big businesses, ever extended those operations even after SUZUKI SHOTEN’s bankruptcy.

【The Birth】～Establishment of Suzuki Shoten

--- It was born in Kobe, around 1874.

Suzuki Shoten was established around 1874, at Benten-hama, Hyogo district of Kobe city as a private business of dealing western sugar by Iwajiro Suzuki I, under the name of 『Kobe Tatsumi-ya Suzuki Shoten』. (with Logo shown below. This Kanji means Dragon of Zodiac and was often used as trade mark. Tatsumi (辰巳) means the direction of Dragon-Snake (Southwest) .



【 Logo of Kobe Tatsumi-ya 】



【Iwajiro Suzuki, The Founder 】

Iwajiro Suzuki I was born in 1837, as a son of lower class warrior family in Kawagoe-domain (Today's Saitama prefecture). In his younger days right after Meiji restoration, he wished to become a confectionary. However, his experience and knowledge on discrimination of sugar made him change the direction to get a job in trading company Tatsumi-ya, who's one of the major merchandise was sugar.

His business talent brought him an exceptional promotion to the position of chief clerk, and at the time of retirement of the shop's owner, he succeeded its whole business (Noren= Shop curtain) to become an independent shop owner.

The trade of western sugar was a pretty new business which never used to be in Japan to deal with foreign trade house. Another challenging factor was that the settlement of account was done by floating dollar silver. Those points demanded the dealers not to be feeling diffidence and to be bold, daring, smart and quick enough.

But, on the other hand, those nature of business gave new born Suzuki Shoten the seeds and foundation of great success later on, due to its young, challenging corporate culture.

Iwajiro, the founder worked very energetically and led the company to profitable and stable track in a couple of years after establishment. This small success made him make up his mind to get married with Yone, three years after new born of Suzuki Shoten and followed by hiring a short young guy aged 21, another 6 years later. This young business man grows up to The Chief Clerk, Naokichi Kaneko later on.

At this momemt, Suzuki Shoten got two most important persons who played the leading and dramatic part in its history of glory and tragedy !

--- Early years of Naokichi Kaneko

Naokichi Kaneko was born in 1866, in Tosa-Domain (Today's Kochi prefecture, Shikoku Island). Kaneko family used to be a wealthy, distinguished one in Kochi castle town in several generations, however, one day, several decades prior to his birth, a debauchee master spent all property to put the whole family to extreme poverty.

In a poverty-struck family, Naokichi was unable to attend to the class in his school, and spending his younger days as a rag picker.

To get some money in their household, his family sent him to various shops like sugar distributor, grocery store, pawnshop and so on as a live-in service since he was 12 years old.

He learned writing and reading in those shops by himself, and while he was working in a pawnshop, he read and read huge number of books put in pawn devoting every available moment.

It is supposed that his business style and manner was cultivated in those days.

When he was young, he had a desire to be a politician in the future, but the poverty in his family forced him give up this dream and turned his direction to get into quick way to make money as a businessman.

He learned the essence of business through his physical repetition and confirmed those by reading many books of all ages and countries as the measure of stepping up to talented businessman.

It is rather hard to imagine, but in those days of Japan, the concept of cost calculation was not introduced yet in business field. It is said Naokichi was the first man to have brought this concept into daily business.

--- Iwajiro Suzuki and Naokichi Kaneko

After joining to Suzuki Shoten, Iwajiro trained Naokichi very hard. The severity and rigorousness of his discipline made Naokichi escape out of Kobe to his hometown just after three months from his joining.

In such serious situation of Naokichi, Yone was so magnanimous and gentle to persuade him to change his mind and dissuade from giving up the job.

This was the very first start of Naokichi's absolute and unconditional loyalty to Yone in his life.

At the same time, during his very strict discipline to Naokichi, Iwajiro had another face to Naokichi of being generous in their business, leaving management in various trades to short careered

Naokichi with broad mindness.

Naokichi appreciated Iwajiro's reliance to work ever harder, and got a first big task of dealing with dried bonito, product of his hometown Tosa. This made a smash hit and gave an extreme delight to Iwajiro, then Naokichi's position in Suzuki Shoten was spread widely to be responsible for even broad business range like camphor, fertilizer, menthol and others.

Naokichi's success in those articles contributed to Suzuki Shoten to get superior reputation and trust, starting export business, increase in sales.

With those success and growth, Suzuki Shoten was ranked as one of the eight great trading firms in Kobe shortly.

Iwajiro Suzuki appreciated satisfactory growth of Suzuki Shoten, and adopted two key stone system in management of the shop. He assigned senior clerk Fujimatsu Yanagida as the managing clerk of sugar trade, Naokichi as managing clerk of camphor trade.

Even after this big promotion, Naokichi worked even harder with taking no holidays, even Sundays, from early morning to midnight, paying no attentions to his personal appearance, having frugal meals.



~A funny episode of Naokichi ~

Anyhow, Naokichi's brain was full of ideas, thoughts and deliberation for business at any moment, any occasion, any place.

Following is a funny episode which talks his daily attitude in social manner.

One day, on the way home after working in the office, he was onboard in the train.

By chance, he found a woman smiling at him in same car but did not pay close attention to her due to his brain fully filled with business thoughts.

Once he got home, somehow, he again found that woman following him to same direction-----, then after all, he knew she was his wife!

It was in this manner that he was a kind of a little bit eccentric character in his daily life at home or office, even on the street.

All seasons, even in summer, he had a stomach band with pocket heater inside, not to cool his internal organs.

On the contrary, he had an icepack on his head even in chilly winter time to keep brain working well with wrinkled-up hat to prevent the icepack from falling down.

It is the reason why the picture posted above shows a hat on his head even while having a meal.

--- The first freshman of University Graduate, Bunzo Nishikawa

In those days of Meiji era (1868~1912), most of Japanese merchant mastered their business skill through hard and steady training as live-in style apprentice boy.

In the contrary to such tendency, Iwajiro Suzuki hired Bunzo Suzuki, who quitted The Tokyo Higher Commercial College (today's Hitotsubashi University), due to campus dispute prior to his graduate with his great farseeing intelligence.

While Naokichi was opposed to such employment of higher academic career at first, he gradually acknowledged Nishikawa's excellent ability in accounting, bookkeeping and remarkable economic knowledge, furthermore his talent to manage human relationship with basic philosophy of 『Wa』(和) ~harmony. Then Naokichi came to recognize that Nishikawa should be the right person to be a key roll player in Suzuki Shoten at last.

Nishikawa's outstanding performance removed Naokichi's anxiety on internal general affair management and allowed him to concentrate in primary business. In later days, Nishikawa was assigned as the executive manager of Suzuki Shoten and showed enormously energetic activity.

Naokichi was deeply impressed to his performance and put absolute trust on Nishikawa. Consequently, as a proof of his reliance on Nishikawa, Naokichi gave his first name 『Bunzo』 to his elder son.

【The death of Iwajiro Suzuki】 ~ "NEW BORN" Suzuki Shoten

--- Delegation of power to two young clerks

The passion of shop owner and capable, young talented staffs worked even harder to put Suzuki Shoten on the right truck of growth and prosperity as expected.

However, what an ironic fate, Suzuki Shoten was struck by unexpected tragedy all of sudden, During such starting stage of success. It was the sudden death of owner, Iwajiro Suzuki I, which left a great shake and unrest on all family and employees.

His son, Iwajiro Suzuki II was only too much young, and trade deal with foreign trading house was supposed too heavy burden for Yone with small kid. Many of their relatives and friends suggested

her to close Suzuki Shoten, to live just as a mother of two young sons with her husband's legacy of J.Yen 90,000.

But--- Yone made a great decision. She firmly convinced that her duty with important priority was to keep Suzuki Shoten's business running for her deceased husband.

She took the seat of the OWNER, and declared to leave all management of business entrusted to Naokichi and Yanagida, without any interruption by her.

Young Naokichi and Yanagida were deeply moved from the bottom of heart, and pledged to Iwajiro Suzuki I's household Buddhist altar with tears, " We shall support OIE-san to keep Suzuki Shoten in growth and prosperity . .

Naokichi was 28, Yanagida was 27 years old at that time.

Those two young guy's royalty to Suzuki family and Yone was totally firm, solid and stable all through their whole life since then.

Yanagida entered Suzuki Shoten one year earlier than Naokichi and was senior executive clerk which was higher position than Naokichi.

At the same time, he was a relative of Suzuki family.

However, he was smart and clever enough with his keen eyesight, to appreciate Naokichi's talent and capability on business practice. So, Yanagida offered and yielded the position of chief clerk to Naokichi, with keeping his position in the roll of good helpmate to Naokichi.

At this moment, Suzuki Shoten's new formation, 『 Proprietress Yone and twin key clerks 』 was established, which became the foundation of its great jump up in business later on.

--- A trap in Camphor deal, crisis of bankruptcy

Thus, The New Born Suzuki Shoten sailed out in new system and formation and everything looked going well. But, sometime, happy events are accompanied with difficulties.

Naokichi was caught in the trap of speculative market of camphor trade.

In those days, camphor, one of major commodity of Suzuki Shoten was widely used in the world as raw material of insect repellent , medicine, and aromatic as well as plasticizing for celluloid.

It was a valuable necessities in life because synthetic material like naphthalene was not yet introduced.

In 1895, Taiwan came to be Japanese territory as a result of Japan's victory against China (Chino-Japanese War), and Japanese troops are reported to land as punitive force to rebel army. Taiwan was a major supply source of camphor those days.

This news invited the secret global speculative buying in camphor market by English traders, who predicted the strong camphor demand and shortage in supply.

Unfortunately, Naokichi was not aware of such underground information, and put his eye on camphor market of upward tendency to go to very bullish buying.

He predicted the market with ceiling price to be J.Yen40 per 60kg (100kin), while the present price was J.Yen31. He boldly went to forward transactions.

By repeated futures buying and selling short, he made a great amount of speculative profit at first.

But, such tempting situation did not last long time--- the camphor price sky rocketed far beyond his prediction up to J.Yen95. This caused him with a pitiful result to sell huge volume of camphor in J.Yen40 despite its purchase price was J.Yen95.

The loss accumulated to huge amount. In case Suzuki Shoten executed the transaction, it should have been facing to fatal crisis of bankruptcy.

The foreign trading houses pushed and pushed, one after another to demand Suzuki Shoten to execute the delivery of camphor every minutes, every hour, every day.

Here, The New Born Suzuki Shoten was driven into the corner, pushed to the edge of cliff.

--- Hara Kiri (Disembowelment) ? Hard negotiation

Naokichi was entirely lost, sunk in the depths of despair.

Finally, he came up in front of Yone to disclose whole story and situation, apologized fervently from the bottom of heart repeatedly. Then, they squeezed the brain to find any good solution for settlement all together, but in vain.

『I am ready to take all responsibility』, Naokichi said, and visited one of foreign trading house who was pushing even harder to deliver camphor as quick as possible.

There was no camphor in their warehouse nor on track, what all they could do was just to apologize and offer paying some money as a manner of compromise and settlement.

As expected, the client got red with anger despite of Naokichi's sincere apology, accusing Suzuki Shoten's breach of contract in front of him.

At the moment when the negotiation looked just to be broken, all of sudden Naokichi took a knife out of his inside pocket with very serious appearance and declared:

『Well, I understand that you are not able to accept any compromise and settlement with this trouble. Now I am ready to suicide by myself with disembowelment taking all responsibility ! 』

With his look of desperation, the foreigner client was totally astonished, and frightened. He started to persuade Naokichi not to be reckless mad and finally, as Naokichi wrote a script, they agreed by the way of paying some additional money on top of Naokichi's initial offer after all.

Naokichi payed even more efforts to settle all negotiations in similar manner with other clients who were demanding the delivery of camphor every moment, everyday afterwards, and managed to get Suzuki Shoten out of bankruptcy crisis.

After all negotiations were settled, Naokichi recalled again in his mind Yone's serenity and equanimity throughout those tough time.

『OIE- san never accused , never blamed, never criticized me of such silly fault, even with any small complain. Actually, I was about to suicide in case I really put her in very serious situation.』

Yone's full trust and reliance on Naokichi like a firm rock during that serious event encouraged Naokichi even more since then. He made up his whole mind to devote all of his energy and entire life to Yone and Suzuki Shoten.

--- Change of business management system ~Turn the bitter experience to precious lesson

Naokichi learned a lot through serious crisis that his past business style relying on intuition and experience is just behind the time and does not work in modern trade and business.

Instead, he believed the global network and information should be the indispensable weapon to survive in the battlefield of austere business.

Among them, he put the first priority on information about global harvest, crop market knowledge and precise crop prospects based on climate prediction together with market forecast.

This thought made him start to employ university graduates who are capable of English communication, economic knowledge to reinforce Suzuki Shoten's competitiveness extensively.

--- Big hint. Value of camphor

Steaming a piece of camphor tree produces crude camphor and camphor oil. In most cases, camphor oil was just a by-product and damped as waste those days. Here, Naokichi put his eyes on development of new technology to produce reclaimed camphor, solvent for paint, perfumery, medicine, ore washing oil and so on.

As a result of Japan's victory of the Sino-Japanese War (1894-1895), Taiwan turned into Japanese territory, and it was one of the major producing area of camphor.

Naokichi packed his trunk to go on an expedition to Taiwan.

[Focus on new market TAIWAN, great achievement]

--- Mr. Shinpei Goto, The Director-General of Government-General of Formosa

In those days, Japan's new territory Taiwan was supplying more than 90% of global demand of camphor.

Mr. Gentaro Kodama, the 4th. governor-general of Taiwan and Mr. Shinpei Goto, the first secretary of civil administration of Taiwan, jointly started the organization of administration and infrastructure in 1898. Because their plan demanded huge budgetary source, they had an idea to monopoly the deal of camphor made in Taiwan to get the margin through its distribution.

To realize this idea, the government had to legislate 『The Taiwanese Camphor Monopolization Law』 which could put camphor dealers in critical situation of life and death and huge campaign against this bill was developing nationwide.

『Hmm, hmm —』 Naokichi thought. 『Sometime, the solution can be found in opposite direction—』

『The competition to deal camphor is too tough to make money due to so many competitors. There may be another way to enjoy better business, rather than adhering to dealing Camphor itself.

Fortunately, nobody else is aware of the value of Camphor oil, which is just damped away today

and if we could get the exclusive dealership of camphor oil, it should be the far better source of profit for Suzuki Shoten in the future.』

Then, Naokichi raised his hand to support the nationalization of Camphor dealership and helped Shinpei Goto, who was struggling in the negotiation with camphor dealers. He made a great effort and run about to persuade dealers of opposition group, sometime won over the party of opposing force to put process in legislation of 『The Taiwanese Camphor Monopolization Law』.

Shinpei Goto got in a rapture of delight, and felt indebted to Naokichi for his great support. Goto admitted Suzuki Shoten with 65% dealership of Taiwanese camphor oil as Naokichi expected, and this brought new export business to European market with huge profit for Suzuki Shoten.

This event was not only being a big milestone of Suzuki Shoten's growth afterwards , but also a beginning of ties and connection with Shinpei Goto with his absolute trust to Naokichi.

By being treated with Goto's kindness, Naokichi got acquainted to big names of politicians and government officers like Osachi Hamaguchi, and others. Naokichi's new face as 『a businessman with political affiliations 』 started in those days.

Also, the connection with Goto invited Suzuki Shoten to strong relationship with Bank of Taiwan, which became the main bank of Suzuki Shoten and its financial back up since then.

--- New business of SUGAR

After stepping out to Taiwanese business, Naokichi got interested in Sugar business. At that time, sugar business was under monopoly of Dai- Nippon Sugar Co., Ltd.

Following to careful market research and investigation on transportation cost of Javanese Raw Sugar, fuel efficiency etc., they reached to a conclusion that suitable production spot of lower cost would be Dairi, Kita-Kyushu on Kyushu Island and built a sugar plant there.

However, after launch of sugar production, they had so many difficulties to be accustomed with sugar production because it was not easy to get sugar of fine, dry and smooth.

Naokichi was at his wit's end in front of massive amount of rejected sugar and puzzled with that big trouble. While he was struggling to find any solution, a helping hand was extended by unexpected nameless shop worker who hated arrogant and severe treatment by Dai-Nippon Sugar Co., Ltd.

His idea and suggestion saved their sugar plant from an abyss to get sugar of superior quality, and Dairi sugar plant became a tough competitor of Dai-Nippon Sugar with its very competitive production cost, while capacity was relatively small.

Now, it was a serious headache of Dai-Nippon Sugar as a thorn in its side and finally Dai-Nippon Sugar proposed an acquisition to Suzuki Shoten's Dairi Sugar Plant.

『I got it!』 Naokichi turned into bullish deal to sell Dairi Sugar Plant at J.Yen 6.5million (At that time, the capital of Suzuki Shoten was only J.Yen 2.5million including Dairi) , furthermore Suzuki got the exclusive dealership of Dai-Nippon Sugar's products in Hokkaido, Kyushu island, Sanyo and Sanin district, and Korean peninsula. It was a great triumph of Naokichi and Suzuki Shoten !

At the same time, profit on sale of Dairi Sugar Plant brought the profit of J.Yen 4 million to Suzuki Shoten, and it became financial source of diversification of business field later on. This was a remarkable event on Suzuki Shoten's history, which opened door to be parent body of more than 50 manufacturing enterprises.

--- Launch of Steel Making Business

After the great success in sugar plant deal, Naokichi's passion for new business was growing even greater.

There was a steel maker who failed in the first charge of steel making just after starting its operation, named Kobayashi Steel Works (Today's Kobe Steel Ltd.) and Naokichi acquired this company.

『Why steel company? 』 many people, including Suzuki Shoten's employees looked skeptical but Naokichi's thought was very straight, firm and clear that 『 Suzuki Shoten is doing this business on behalf of Nation, without listening to those doubts and misgivings.

However, despite of Naokichi's firm belief, the steel making operation was ever harder than they expected. Because those days was just the dawn of Japanese Steel Industry, everything in steel making was new, green and unexperienced. For example, National owned Yawata Iron & Steel Co., Ltd. hired a German steel engineers, but they were forced to suspend their operation due to operational troubles succeeded one after another.

A man of the faith though he was, Naokichi gave a groan, came to at his wit's end and accumulation of huge loss put him in the corner with a thought of shutdown the steel plant many times.

Again, the surplus of Dairi Sugar Plant sales saved Naokichi. He invited a navy technical officer who learned at Krupp Company in Germany and invested those money for modernization and development of steel plant.

Their hard effort in days and nights came to fruition in success of steel making, followed by the great accomplishment of contract with Navy. Later days, Kobe Steel Ltd. have grown to be one of the major, moneymaker of Suzuki Shoten group with more than 4,000 employees.

--- Continued expansion of Divisions

In 1910, Suzuki Shoten reorganized its business formation with 6 factories of direct management, 2 branches and 8 sales offices, including foregoing sugar business and steel plant.

At the same time, it focused on export business with establishment of Nissho Co.,Ltd. (it was merged to Suzuki Shoten later) to expedite the development of overseas trade house functions.

Another development was the birth of 『Shipping Department of Suzuki Shoten』.

Because it was considered to have and operate its own vessels was more efficient and profitable rather than hiring outside tramp steamer, this event was quite significant and remarkable in Suzuki Shoten's logistic strategy.

Suzuki Shoten's tramp steamer sailed into Atlantic Ocean first time as Japanese boat.

--- Communication network as new business weapon

Naokichi believed that they had to have modern and latest business communication tools to survive in throat cutting global trade competition. He started to organize and upgrade the communication network of Suzuki Shoten, which had been a homework for their international business.

Starting from London, he dispatched resident sales staff to America, Australia and Russia with telegraphic code (private code) system to catch most updated market information of commodity all around the world.

To keep this network system working smooth and more efficient, he started to employ large number of university graduates in earnest. The symbolic example in this attempt was the debut of Seichi Takahata, young elite of 25 years old, who was top of the class throughout his years from junior high school to Kobe Higher Commercial School (today's Kobe University) , and was assigned as the General Manager of London branch.

【 Big Deal in World War I 】

---Suzuki moved into buying daringly

In July 1914, World War I broke out. The major portion of economists and key players in the industries predicted that the war shall be settled shortly and commodity price should calm down as past history gave lessons.

But, Naokichi had different view angle judging from very fresh information sent by young resident salesman he dispatched to various countries, and analysis of the states of the war that commodity price should be further jumping up.

He made a big decision ever made in his life, to command 『Buy all commodity, vessel all at once.』 which was quite different way of thinking by most of market people and they threw ridicule against Suzuki Shoten.

Especially, Naokichi put his first priority on steel.

There is a kind of legendary phrase of most symbolic and unique telegraph sent to Takahata in London from Naokichi: 『 Buy Any Steel, Any Quantity, At Any Price !』.

Takahata moved into campaign buying all steel in the market in England and America. Naokichi put orders to shipyards to build vessels with those steel Takahata bought.

The most unique point on this deal was that Naokichi put those vessel orders without any concrete background or forecast of order booking, and vessels ordered were all uniform design freighters despite shipbuilding orders were 『built to order』 in common at that time. ~That was a great advantage to keep cost of shipbuilding lower, to make shipbuilding period shorter.

At the same time, Naokichi went campaign for the sales of steel to shipbuilders along with order

placement of vessels, taking his prediction into account that steel demand shall be booming and price to be sky rocketing shortly.

...His prediction has come true.

All commodity prices like Steel, Vessels, Sugar, Wheat and other Crops at all once soared worldwide three months after Suzuki started the campaign.

Suzuki sold the vessels which they ordered at J.Yen50 per ton at the price of J.Yen350 per ton, and market price of vessels even skyrocketed up to J.Yen750 per ton because German U-Boat hit massive numbers of cargo vessels by average 50 thousand ton per day.

--- Seichi Takahata in London Office

Among those unprecedented big deal, Seichi Takahata in Suzuki Shoten London office played a remarkable and outstanding roll as a young hero.

Even he was a young business man of middle twenties; he negotiated fairly and squarely with purchasing agent of the allied forces. His work was enormously energetic in the deal of steel, vessels, foodstuff and others with British Government and allied forces without any diffidence.

Now, the function of the British Empire seemed to be paralyzing without Suzuki's service and support.

Takahata's work style became the talk of the city, sometimes he was well reputed as 『 Emperor Kaiser in business world 』. He left so many famous anecdotes in European business world in unimaginable scale in those days like:

~ He required down payment of £ 500 thousands for vessel order placement.

~ He negotiated with major banking company to get financing of £ 10million as operating fund.

Well, he was a quite new type of Japanese businessman, well accustomed to refined British manner as a gentleman, had a free access to first class salon and was capable for English debate.

In private time, he played golf with handicap of three, and introduced golf rules to Japan by translating golf rules to Japanese and publication of it.

--- Business Style of Takahata ~Splendor and boldness

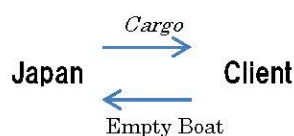
The characteristic of Takahata's business style was not only to be aggressive and bullish.

In those days, the vessels carried cargo from mother country to destination, and sailed home back as empty boat in most cases.

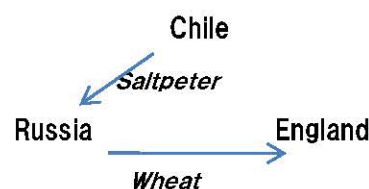
The new, unique, innovative idea of international trade. Grasping most update information of global market with their communication network, trade foreign products to the third country.

The so called triangular trade was innovated by Takahata, and it became distinctive specialty of Suzuki Shoten since then.

《Bilateral Trade》



《 Triangular Trade 》



They bought Chilean saltpeter and shipped it to Russia. Then Russian wheat was loaded onto the vessel with destination to London. This style of vessel operation without any empty voyage generated huge merit and profit to Suzuki Shoten.

As a derivative form of this operation, Takahata often showed daring feat.

『Loading port: Sao Paulo, Discharge port: Any port in Mediterranean Sea』 ... What a bold and rough contract! However, he was not just a reckless fellow.

He was quite confident to find the appropriate buyer and determine discharge port always, and furthermore, their quick delivery with those boat operation enabled them to put profitable price tag on the merchandise.

Huge volume of orders of foodstuff, vessels and others from the Allied Nations rushed to Suzuki every day, which kept all Suzuki's sales agents and vessels very busily occupied. To handle and manage those orders, Takahata sometimes sold a vessel with full loaded foodstuff (So called Whole Boat Sales) and such bighearted business manner astonished many traders around the world as so much daring way out of common sense.

--- Suzuki, as the global brand

Takahata even developed the business with the Allied Nations and the sales volume to Great Britain reached 5 million bags of flour and 500 thousands ton of Manchurian wheat. In the front line of



European battle field, huge number of sandbags with Suzuki's logo mark were seen around trenches. This episode eloquently speaks of the enormous scale of foodstuff trade at that time.

Also, it was the talk of the trade business world that Suzuki Shoten's vessels were sailing around and across the seven major seas, then one out of ten vessels navigating the Suez Canal was owned by Suzuki.

--- The declaration to divide the whole country

In 1917, the annual turnover of Suzuki Shoten amounted up to J.Yen 1.54 billion which exceeded it of Mitsui & Co., Ltd. finally.

Thus, in autumn of this year, Naokichi sent a telegram to Takahata in London which was called 『The declaration to divide the whole country by three way』 stating that 『It was the ultimate ideal of all Suzuki Shoten employees to overwhelm Mitsui and Mitsubishi, or, to share the whole country by three way with them at worst』.

【 Rapid, amazing growing period of Suzuki Shoten 】

--- Completion of management system as integrated trading house

The booming economy pushed by World War I ever rushed the Suzuki Shoten's management expansion and organization as an integrated trading house forward into completion.

Development of international trade amount and expansion of triangular trade brought repletion of Suzuki Shoten's function as international information based enterprise, with development of network of global sales office, which reached up to 15 branches and 42 sales offices in the world.

At the same time, that growth invited the increase of subsidiary companies in Suzuki Shoten group,

with advantage of dealing raw material and products dealership with and between those companies.

That multiplier effect generated diversification of dealing merchandise and further growth of sales amount like a rolling snowball.

--- The Chimney Guy

The huge profit gained through booming economy at the time of World War I ever stimulated Naokichi's 『Strategy of creative management expansion』 to launch widely diversified new businesses which were counted up to 78 in total.

Now, Suzuki Shoten was a huge industrial Konzern (conglomeraete) with employees of 25,000, numbers of branches, sales offices were counted 150 worldwide. That great presence was enough to make people in the city call it 『Suzuki Shoten, the greatest trade house in Japan』.

Naokichi Kaneko, the top leader of that growing Suzuki Shoten sometime was compared a tall chimney, raising straight up the heaven headlong, and was sometime called as 『The Great Chimney Guy』, because he established so many factories and built those chimneys.

Affiliate companies of Suzuki Shoten

Food Industry (10)

Sugar/Milling/Salt manufacture/Brewing/Beer

Chemical industry (24)

Ceramics/Artificial leather/Rubber/Fiber/Papermaking/Explosives/Celluloid/

Match/Dye/Petroleum/Camphor/Rayon

Alkali soda/Fats and Oil/Ammonium sulfate

Texile & Silk relling (4), Tabacco (2), Mining (5), Steel & Metallurgy (5),

Electric Power (3), Railway (3), Maritime transport (2), Fisheries (2),

Real estate & Warehouse (2), Promotion of Industry & Developer (3),

Insurance (4), Banking & Trust (2), Commerce (4),

and others---

--- The origin of Naokichi' s business philosophy

What has driven Naokichi Kaneko to establishment of such various businesses?

It was his tough and hard experience in his young days as an apprentice when he was struggling with western trading house every day.

One day, he was kicked out of arrogant trading house like a stray dog. Sometime, in front of him, a foreigner trader put his foot on the scale to deceive the weight of the merchandise overtly and sneered.

At those times, he got deeply resent that these foreigners were treating Japanese people with contempt and like a fool. He firmly resolved in his mind that Japanese should develop their country as the first class nation by industrial growth and development, otherwise Japan should be remaining in a position behind of western countries, being disparaged.

The other factor was his thought that Japan should get margin from clients, counterpart outside of Japan. He often spoke figuratively that Japanese domestic business was something like mahjong game with family members, because the bet just moves around inside the single household.

He believed it was quite shame for Japan, to rely on the import from western countries due to lack of technology or production facility and has posted it as the ultimate target in business to make profit against foreign countries.

--- Nationalism in Corporate management

Naokichi has strong pride that Suzuki Shoten is operating wide range of business on behalf of the state of Japan.

Because of very limited natural resource in Japan, so many Japanese industries were depending on the imports of raw materials which were huge loss from the view of total national trade balance.

Suzuki' s rayon business made up deficit of trade balance for import of cotton and wool from foreign countries to certain extent. Its operation of nitrogen fixation served the coverage of material for nitrogen fertilizer which equals to J.Yen200 million out of total import value of J.Yen240million.

Among those, one of the most well-known example of anecdote which describes Naokichi's nature as an Nationalist is the establishment of Nippon Yakin Kogyo Co., Ltd.

In those days, Japan managed to be able to manufacture the electric bulb, however the filament, the most indispensable part inside were supplied only by General Electric (GE)'s group company.

Naokichi deeply grieved that Japan had to pay royalty for patent license to GE every day for almost half day long every day.

This persistence to domestic supply of electric bulb filament led him to launch of new business of filament manufacturing without using GE's patent, which open the door of breaking GE's monopoly in that business.

Naokichi was quite unique and different from ordinary businessmen's nature and thought process in those days to avoid stepping into the fields where they were not familiar with.

For him, the most important matter was 『Whether it is required to Japan, or not』 and was not 『Whether they can do it or not 』.

This philosophy always demanded him to be a pioneer and challenger, so that he was forced to pay great effort to solve huge amount of difficulties to launch business and put it on the right track.

The foregoing Kobe Steel Ltd. was just a right example of this case , furthermore, in case of artificial silk (rayon), it took 6 years from plant construction to operation start with investing huge amount of money.

Like that, every start-up of various businesses was the story of sweat blood and hard pains but it never could make Naokichi give up the accomplishment.

The background of his thought process throughout those business management can be said as the desire of 『The establishment of independent Japanese economy and development 』 but it was not the all. We can see his other phase of the root of thinking in his spirits of 『Never give up』 which was fermented since his younger days, and also in his very optimistic personality.

Naokichi's habit of saying was 『 Go forward impetuously, without looking asides! 』.

--- Suzuki produced a large numbers of talented businessmen

As the scale of business and organization of Suzuki Shoten grows, even freshmen were given

big chances of business opportunity to show their ability.

Sometime, even a new face guy was entitled to deal amount of J.Yen1million (Today's J.Yen3billion) per day by his own judgement.

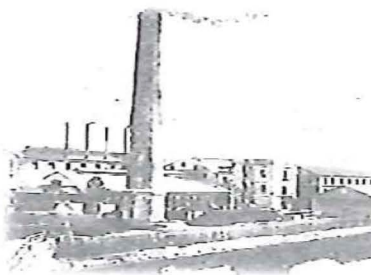
While it was true that Japanese economy was enjoying brisk market activity in those days, Suzuki's transfer of authority to young sales staffs was extraordinary and out of common sense for existing large scale corporation in Japan.

Like Seiichi Takahata in London office, young sales persons of Suzuki were liberal and aggressive, being blessed with sphere of activities to show their skill, give full play to their talent.

~Suzuki's major subsidiaries , still leading the industries today~

•Kobe Steel Ltd. •Mitsui Chemicals, Inc. •Teijin Limited •DAICEL Corporation •Sapporo Breweries Limited
•Nippon Kayaku Co., Ltd. •J-OIL MILLS INC. •Sojitz Corporation •TAIHEIYO CEMENT CORPORATION
•Nichirin Co., Ltd. •IHI CORPORATION • Nippon Flour Mills Co., Ltd. •Taiyo Koko Co., Ltd. •Mitsui Sugar Co., Ltd.
•TOHO KINZOKU Co., Ltd. •Mitsui O.S.K Lines, Ltd. • NIPPON FINE CHEMICALS CO., LTD. • Nichien Co., Ltd.
•Mitsui Sumitomo Insurance Co., Ltd. • Nabtesco Corporation •Sumitomo Mitsui Banking Corporation
•Nippon Terpene Chemicals, Inc. • Showa Shell Sekiyu K.K. • Nippon Terpene Chemicals, Inc. •NOF CORPORATION
•HOKUETSU TOYO FIBRE CO., LTD. • THE NIPPON KORYO YAKUJIN KAISHA, LTD. •TAIYO FORESTRY CO., LTD.

↓ Cheerful young staffs in Suzuki Osaka Branch Store



↑ Sugar plant



← Booming Shipyards

【 Rice Riot and Burning Down Suzuki 's Head Office 】

--- Big drop of rice harvest, huge misunderstanding to Suzuki

In 1916 and 1917, Japan enjoyed rich harvest of rice, and rice market was over-supplied.

Suzuki Shoten supported the government for their rice market price control, with timely shipping large volume of surplus rice purchased by government to European market while vessel availability was quite tight due to booming economy for World War I .

The next year 1918, estimated crop of rice showed a big down turn for crop failure and increased consumption, and the market balance appeared to be in short. Suzuki, this time, purchased to import large volume of rice from Saigon/ Rangoon starting in July, furthermore added rice from Korea after June.

All of those operations were done according to direction by the government, which left tiny handling commission of only J.Yen0.37 per one Koku (189liters) in Suzuki' s hand. But, because the volume handled by Suzuki was far larger than other trading firms, it generated big envy and suspicion.

As the shortage of rice getting serious, the bad rumor of 『Suzuki buy, monopoly and speculate in rice』 scattered in town from distributors to the masses.

--- Soaring rice price

In first half of 1918, rice market was showing record high price every month due to booming economy stimulated by World War I .

In July, Japanese government announced to dispatch troops to Siberia to suppress the confusion caused by Russian revolution.

Taking this opportunity, rice market rose even higher because of strong demand forecast by trading firms, distributors and retailers who all bought, stocked in their warehouse, held off selling and it resulted in sudden jump of rice price. It soared from J.Yen0.11 to abnormal level of J.Yen0.50 per one-shou (1.8litter) finally, this crazy phenomenon heated up the nation' s rage to critical stage.

--- Campaign by Osaka Asahi Newspaper

Osaka Asahi Newspaper reported affirmative article that Suzuki is the root of all evils for this catastrophe with massive campaign.

Every day on every issue, it accused and blamed Suzuki with eye-catching headline of 『Immoral Suzuki 』, 『The Said Suzuki』 and so on, putting black impression of Suzuki onto the people's mind and brain.

One day their article said 『Suzuki is exporting Japanese rice at this time of shortage 』, the other day they wrote 『Suzuki get handling commission of as high as J.Yen1 per every one Koku (180litters) from the government 』.

Those articles were all false and not correct because Suzuki was not engaged in the daily market of rice in these days, but Suzuki was just cooperating to the governmental adjustment of rice market in accordance with on their instructions.

Inside Suzuki's management, the opinion that they should insist on the correctness of Suzuki's standpoint, business morals, compliances came out by Executive Manager Nishikawa and others due to so much relentless roasting by Osaka Asahi.

However, despite of those opinions, Naokichi was quite calm and cool.

『Just leave it, Suzuki is doing nothing wrong』. 『They should know who was right, who was correct later on』

Naokichi was very proud that Suzuki bought commodities for speculation in former European War from time to time, here and there, however it was in foreign countries, far away from Japan.

Suzuki had never done such speculation in Japanese domestic market, which could put their fellow countrymen in tough situation. Suzuki just is doing the same in rice market.

Naokichi made it his motto 『Anyone should not exploit poor people even after he got wealthy』 which was taught by his mother in his childhood of poverty.

To tell the truth, it was not the time for Naokichi being troubled by such silly matter because American government announced the embargo on the export of steel due to worldwide shortage of steel.

The shipyards in Japan were growing rapidly due to strong demand of vessels, but the limited capacity of steel mills in Japan was giving headache of insufficient supply of domestic steel to those shipyards.

Therefore, the import of steel from US was very much critical concern for Japanese shipbuilding companies in those days.

After the failure of negotiation between both governments, Naokichi was talking with Mr. Roland S. Morris , American ambassador in Japan directly with proposal of Suzuki to sell the vessels to America, then, America pays for it with supply of steel in return. This negotiation was running without any outlook of settlement---

--- Breakout of Rice Riot

In midnight on July 22, the housewives of Uozu city, Toyama prefecture started the demonstration opposing the shipping rice out of the prefecture. It was called 『Female riot in Ecchu district』 and it put the fire onto oil of riot which spread out to whole prefecture next day.

The mob attacked rice retailers, warehouse and distributors one after another, sparked to other prefectures next to Toyama, then to other regions, finally all nationwide as the worst, largest riot in Japanese modern history which was called 『Rice Riot』.

--- Gap between Rich and Poor, Rage of the masses

The booming economy by World War I seriously increased the unfairness in distribution of income. While the War invited emergence of many war-made millionaires, on the other hand it depressed the actual income level of lower class workers. In those four years, their average income got down more than 30% and large number of strikes broke out here and there, counted up to 417 in 1918 across the nation.

Among them, Kobe was one of the worst area due to sharp increase of population, as the result of rapid growth of the city.

The most symbolic price hike was shown in rice price tag and house rent market. The rice price peaked up to J.Yen 0.628 per one-shou (1.8litter) in August and house rent soared double from previous year.

The depressed discontent of the mass at last reached to level of limitation to break out, and the agitated rage was directed toward Suzuki Shoten, who earned the huge profit through World War I .

--- Attack and arson on August 12, 1918, followed by Death of Nishikawa

Naokichi was on board of night train heading to Tokyo, for negotiation of 『Vessel-Steel Trade』 with the American Embassy when he had an urgent telegram telling Suzuki head office had been attacked and burnt down.

On that day, the rage of the mob exploded and rushed to Suzuki's head office to vent their anger onto it as the outlet of stewing rage and discontent. Suzuki was set up as speculator of rice, great winner of unevenly distributed wealth by certain misleading mass media.

The city of Kobe was in the middle of catastrophe for rebellion by the huge number of people. On the wall of streets, there were so many patch of papers telling 『WANTED-Naokichi Kaneko for J¥100,000 』 - it is equivalent to today's J¥300million !

It was the first and last of its kind , far out of imagination. It was not in a story of cowboy picture, but huge amount of rewards for a head of citizen!

However, such riot , attack, and burnt down of Suzuki's head office never could give it a fatal damage because its business foundation and management base was built as firm as a rock.

But- this incident caused an unexpected tragedy in Suzuki. Bunzo Nishikawa, the executive manager was working too hard all day and night , totally exhausted to unsnarl the chaos.

The excessive work and huge burden on his shoulders gave him serious stress and decline of health this took him to bed of incurable condition.

The first university graduate in Suzuki, the keystone of Suzuki's internal administration Bunzo Nishikawa passed away two years later, in 1920 at age of 47.

The death of Nishikawa gave huge serious damage to Suzuki than any other physical loss to buildings or properties because he was 『The Pillar』 of Suzuki's internal governance.

This tragedy triggered the sharp decline of Suzuki after that -----.

【 The Glory and Decline of Suzuki Shoten 】

--- Record high great deal in Post War Demand

In November 1918, three months after burnt down of Suzuki's head office, the World War I reached to cease-fire agreement. After that cease-fire, all European countries including the defeated nation

Germany fell into so serious shortage of foodstuffs.

Suzuki's business was still running well, like one million tons of foodstuff shipped to United States as same as wartime, corresponding to its strong demand and order.

Also, in London, Seiichi Takahata got a big order of half million tons of foodstuff from British government. To execute this contract, he hired ten thousands rail cars from Manchuria Railway Company and 45 large cargo vessels to deliver those stuffs.

Naokichi conducted forward buying of Javanese sugar with a prediction of sharp price hike after war, which resulted in a great success of ten times price increase and brought huge profit to Suzuki, with sales of Javanese sugar as much as 50 full load of cargo vessels.

Thus, in 1919, turnover of Suzuki Shoten peaked up to J.Yen1,600 million (equivalent to today's J.Yen 4,500 billion), which was 10% of whole Japanese GNP at that time and in first place by decisive lead, far larger than those of Mitsui & Co, and Mitsubishi Corporation.

In 1920, a general partnership 『Suzuki & Co.』 increased its capital to 100times (J.Yen50million) which means the capital of former Suzuki Shoten that sold J.Yen1,600 million was just as small as J.Yen0.5million ---.

--- The trigger of Collapse, Financial Panic

On March 15, 1923, the Tokyo stock exchange recorded great crash, and this initiated the global financial panic which was an eventual backlash from the prosperity during the World War I .

Even inside of Suzuki, its great fleet consist of 60 large vessels (500,000 tonnage in total) ,called K-Line was suffering great loss with drastic decline of vessel space demand and slumped charterage down to one-third of booming period.

Furthermore, in steel business, Kobe steel and its affiliated shipyards were disappointed in their expectations to get large volume of steel orders from Japanese navy who had a plan of so called 『8-8 great war ships building plan』 (In competition with United States and Great Britain, Japanese navy had a plan to expand its fleet with increase of numbers of cruisers and destroyers, to protect around 8 battle ships and 8 battle cruisers which were the core of the navy fleet) which was

canceled as a part of international disarmament agreement.

Among Suzuki's management members, some people had strong opinion to scale down its business area for a while to survive in such tough period.

But Naokichi never listened to such opinion, just to continue his idea and philosophy of further and consistent business expansion.

Such Naokichi's bullish posture even put Suzuki in a difficult situation, and performance of Suzuki got worse and worse dramatically like a rolling stone on the slope in quite short period.

Because Suzuki had no banking company in its group, it depended on outside bank to borrow all operating capital. That was quite a unique and different point from other large conglomerate like Mitsubishi, or Mitsui. Also, Suzuki never issued its stocks to gain working capital.

It was because Naokichi believed that money lending business, which produces nothing but just gain interest was just a Shady Business and he hated it.

Also, Naokichi did not like to have shareholders of Suzuki by issuing stocks, who may claim about the management or governance of Suzuki.

Rather than having such noise, Naokichi preferred to borrow money from banking company, even with payment of interest.

On the bottom of his thought and philosophy, Naokichi had strong desire to keep Suzuki Shoten as Suzuki family's corporation, which has Yone on top as the absolute being and never could have foreign elements inside.

--- Progress of dependence on Bank of Taiwan

Because of Naokichi's close relationship with Mr. Shinpei Goto, Bank of Taiwan was one of major bank of Suzuki Shoten due to its sufficient capital strength for long time.

At the same time, for Bank of Taiwan, Suzuki was worth to be one of major loan customers because it had handicap of less potential borrowers due to its late start of business against Mitsui, Mitsubishi and such major banking companies in big conglomerate.

In that sense, Suzuki and Bank of Taiwan were strongly attached to each other and their mutual reliance deepened year by year. After 1921, its balance of loans outstanding to Suzuki further increased dramatically to get the performance of Bank of Taiwan damaged. Here, Naokichi's

financial demand finally far exceeded the capacity of the national policy banking company, Bank of Taiwan.

As a succession of misfortunes, in September 1921, the Great Kanto Earthquake broke out and this natural calamity gave Suzuki Shoten loss of J.Yen 5 million.

To ease the impact to national economy by this disaster, Japanese government proclaimed the 『The law of compensation for discount bill related to Earthquake』. This worked as a rescue to Suzuki and Bank of Taiwan for a while, with conversion of their huge debt into Earthquake bill which was favored with two years of deferred due date.

--- The last gamble 『 Government purchase of Earthquake Bill 』

In 1927, the Earthquake Bill came to due after postpone. Neither Suzuki nor Bank of Taiwan had no cash to settle outstanding accounts, just had no way other than waiting bankruptcy together if remaining with no actions.

Naokichi then tried to move the congress with his connections to politicians, by lobbying to members of Diet to introduce a bill of 『Bill of settlement of Earthquake Bill』 .

As expected, the Diet deliberation was thrown into great confusion that 『The government is trying to save Suzuki with national tax !』 which made Naokichi upset.

In his opinion, 『Suzuki was conducting and promoting business on behalf of Japan for long time.』

『It was Suzuki who earned J.Yen1.5 billion from foreign countries, to turn Japan from a debtor nation into a creditor nation.』

『Suzuki served to Japan so hard for such long time, then now, Japan can't save Suzuki in return? 』

During such a period of mess and confusion, Showa financial panic broke out initiated by a slip of the tongue by the Minister of Finance Kataoka, then followed by a run on a bank.

Still at this moment, the grace of Heaven never abandoned Suzuki. On March 23, 『Bill of settlement of Earthquake Bill 』 was passed at the Upper House and Suzuki was supposed to get out of serious situation which made everybody in Suzuki Shoten feel relieved---.

--- Discontinue of new loan , then bankruptcy

In those though time, Bank of Taiwan was trying to manage and survive via 『short term call loan』 until the bill passed.

However, just at the same time when the bill was passed, all major banks of conglomerate (like Mitsubishi, Mitsu---) have withdrawn from 『call loan market』 at once , which caused the freeze of function of Bank of Taiwan in financial accommodation.

Then, the government announced the suspension order of new loan, followed by declaration of discontinue of finance finally.

Now, on April 2, 1927, having exhausted all possible means, Suzuki Shoten has fallen down.

It was just 8 years after its record high performance nationwide, at the peak of glory---.

【 Dissolution of Suzuki Shoten, then after--- 】

--- Why the name of Suzuki Shoten disappeared ?

In conclusion, it can be said that Suzuki Shoten was grown gigantically by Naokichi Kaneko, and then put out of business by Naokichi, too.

While it earned huge money , provably that amount was the first and the last in the history, during the war and post war, he invested all of those money into establishment, construction, and expansion of so many factories.

Once hard time came afterwards, the products of most of those factories went to slow sales and values of inventories, raw materials have fallen down.

These companies have turned to red figure, then those vicious circle forced Suzuki to borrow and borrow huge amount of loan with payment of interest as heavy burden on its shoulders which became the fatal wound.

In later days, Selichi Takahata looked back and said 『Mr. Kaneko was too much bullish every day all around, lost the opportunity to cut back the front line of business after the War was over. Even talking about vessels, we could have secured some chance to sell and get away some times but we have just missed it.』

There might be some regrets that Suzuki could have evaluated the value of each business properly to select profitable business and not profitable ones in early stage to survive even in those tough hard times.

However---- Naokichi never agreed, nor allowed that.

Bank of Taiwan proposed a revival plan of Suzuki, prior to final announce of suspension of finance. The major point was to rebuild the management organization with positioning of Seiichi Takahata and other young, capable leaders to downsize the whole Suzuki group affiliated companies.

To realize this plan , the Bank forced Suzuki to banish Naokichi as the condition of Suzuki' s survival.

But, Yone and her son Iwajiro Suzuki II , rejected to do that. 『Naokichi was, and still now, the greatest person who has done distinguished service to Suzuki. We never are able to banish him』

Now, Suzuki Shoten selected the way to share the fate with Naokichi Kaneko.

--- Naokichi, an unselfish person with no assets

After Suzuki' s bankruptcy, the creditors who were investigating Naokichi' s assets were amazed and astonished. He had no house, no land at all.

He was living in a small rented house, never played around amusement area at night, had no savings while he was a representative director of Japanese top ranked big business.

He never brought dividend of affiliated corporation home, sometimes left his salary in his desk drawer for several months which caused serious problem to his wife. As such, all the times his brain was fully occupied with business and benefit of Japan.

Sometimes, such type of guys are called , 『Typical guy of Meiji Period』..

Even after Suzuki' s bankruptcy, Naokichi was staying in Suzuki' s office to take care of thousands of his former subordinates seeking for new jobs in promising affiliate corporations even he was having no fee, no salary during those days until last time when he had no money at all, and then he stepped out in calmness. After he left Suzuki, Seiichi Takahata and his colleagues took care of Naokichi who had no place to live.

--- Suzuki Shoten at the time of bankruptcy

Even Suzuki Shoten went bankruptcy like this, it still owned excellent corporations like Teijin

Limited, Honen Oil Co., Ltd., Kobe Steel Ltd. , Harima Shipbuilding & Engineering Co., Ltd. and Nippon Flour Mills Co.,Ltd. and others at that time.

Moreover, there were some unique characteristics among those Suzuki' s affiliated corporations.

First, 14 corporations had no outside shareholders. Secondly, there were 16 corporations in which Suzuki owned share of 51% and higher, and 6 corporations in which Suzuki had majority share.

And adding 7 other corporations, Suzuki owned 43 in total, which were evaluated as quite excellent valued ones as assets. In that sense, despite of no cash was remained in Suzuki, Suzuki still had significant assets and properties to distribute to creditors without causing any troubles or inconvenience to concerned or related parties. Thus, Suzuki has been liquidated in such manner, even with no holding of creditors meeting, no bankruptcy declaration.

--- Restore of Suzuki Shoten, Naokichi' s eternal desire

In 1938, 『OIE-san, Yone』 departed from life at age of 87.

Naokichi lamented and grieved with his deep regret, 『It was the ultimate remorse in my entire life that I could not restore my load' s house and the enterprise of Suzuki while OIE-san was alive.』

Naokichi still had very aggressive entrepreneur spilt even after 70 years old and attempted various new business like:

- Explore of Australian Iron ore mine (at age of 71)
- Planning new business in Siberian tundra area (at age of 74)
- Feasibility study of Javanese magnetic sand (at age of 75) .

And he was seeking for any opportunity of rebuilding Suzuki Shoten with placing Taiyo Soda Co., Ltd. ,which was one of Suzuki' s subsidiaries, in the middle of new deploy of diversified new business.

At this Taiyo Soda Co., Ltd, Naokichi was operating several new business like rare metal /rare earth manufacturing, coal mine exploring in Sakhalin, Bornean rubber production and so on. This Taiyo Soda Co., Ltd. was transformed as Taiyo Koko Co., Ltd. in 1949, having its head quarter in Kobe city.

Today , It is also the head office of Tatsumi - Kai, which is an association for mutual friendship between ex-employees of Suzuki and Suzuki family with display of a bust of Naokichi and Yone' s photograph.

Selichi Takahata launched the international trade department of former Suzuki Shoten with new name of Nissho Company (Today's Sojitz Corporation) with 40 or so young, talented colleagues in 1928, that was 10 months after Suzuki's bankruptcy.

The economic condition was still sluggish due to global depression, and the departure of that new company was not optimistic at all in public consensus because it took large amount of debt of Suzuki Shoten on its shoulder. People in town whispered that 『It could run around three years at best-』

Let's see. They did it. All debt was completely reimbursed. Today, Sojitz corporation is well in reputation as one of Japanese leading trading company.

In the year of 1944, one year earlier than the end of the Pacific War, Naokichi Kaneko, the unprecedented business man passed away at the age of 79. His last business title was Advisor to the Board of Taiyo Industrial Co., Ltd.

【What was the reality of Suzuki Shoten?】 ~Reminiscence of Mr. Shinzo Ohya

Mr. Shinzo Ohya (1894 - 1980), ex Suzuki Shoten employee and president of Teijin Limited contributed to 『Tatsumi Vol.7』 magazine, which is a newsletter of 『Tatsumi-kai』, reunion association of former Suzuki Shoten's employees and Suzuki Family as follows---

I joined Suzuki Shoten right after graduate from Hitotsubashi University when I was 25, and served for seven and a half years prior to my transfer to Teijin Limited.

This period of seven years and so gave me a fateful and definitive influence in all aspect of my life.

Both of the corporate policy of Suzuki which was young, free, and daring with background of firm management philosophy and Mr. Kaneko's distinguished instruction have been forming up my way of thought and personality.

I have been completely confident, comfortable and satisfied with those experiences and if I had worked in any other corporation, I believe I am not what I am today. In brief, 『No Regret With Service To Suzuki』.

Because Suzuki was young and late comer, even young sales men were authorized to do big deal. Sometime they made a great success, sometime they lost due to insufficient experience. But, even in those cases, they never were penalized nor punished to make it a good lesson for next challenge.

Such corporate policy of Suzuki in personal management and disciplining greatly encouraged me stirring myself to devote whole energy to the job.

--- What I learned from Mr. Kaneko

Mr. Kaneko was such bold, daring, smart and clever person.

Great businessman who accomplishes big enterprise should be able to make decisions one by one, case by case , quickly and precisely not bothering, sticking nor worrying about one particular small matter.

Even in case the company suffered a great loss which can shake the framework of corporation, Mr. Kaneko told me that a man must keep emotional stability to accept his friend's small request politely with pleasure. He never lost his quiet, calm attitude to the last minutes even at the time of Suzuki's dissolution after bankruptcy.

He always said 『The most dishonorable appearance of man is to be in rapture while everything goes well and being depressed in adverse situation.』 This phrase was also a great maxim he gave me.

Somebody blames him as the responsible person of Suzuki's decline, however in other aspect, there are significant numbers of leading companies, maybe more than ten, which Mr. Kaneko launched and developed. Is there any other businessman who achieved such great accomplishment?

The American Ambassador to Japan, Mr. Roland S. Morris who was the other part in the negotiation of Vessel-Steel Trade thought back that Mr. Kaneko was the most desired, ideal person as the Japanese ambassador to United States of America the other day.

The great leader of Suzuki Shoten , Mr. Kaneko. The corporate culture of dynamism and freedom in Suzuki, nourished by him.

For everyone who once worked for Suzuki, those memories shall be remaining in their mind never fading out with nostalgia.

【 Mr. Naokichi Kaneko 】



【 Yone Suzuki, OIE-san 】

---A person of prudent

As stated in this tale of Suzuki Shoten, Yone Suzuki left actual daily management of Suzuki Shoten to Naokichi Kaneko, as young as 28 years old after her husband passed away and never interfered thereafter.

Although sometime she is said that 『She did nothing as The Owner or sole Proprietress』, that is not correct.

As the true nature of human being, someone always has a desire to say something for what other people are doing. Because she was the sole proprietress, everything she claims should have been accepted by everybody, but she did not. This fact shows she was not an ordinary woman.

Every day, at any time, she was simple, plain and frugal. She disliked to be magnificent.

Even after Suzuki grew as the major Japanese trading company with annual turnover of one billion yen, she never changed her attitude and appearance of being a housewife of sugar wholesale dealer of several million yen in annual sales.

--- Yone in president's office

Every morning, Yone was commuting to Suzuki's office in black painted corporate car. The driver drove that car in low speed, because Yone prohibited him to pass the other cars.

Sometime, she brought flowers and vegetables she grew in her home garden with great care to distribute them for Suzuki's employees. On the day of Boys' Festival (May 5th), she brought rice cakes wrapped in oak leaves. From each section, staffs went to President's office to get those rice cakes as much as employees' number in each sections. That was the day-to-day scene in President's office of Suzuki Shoten.

Because she was the president and sole proprietress, all events, facts, business status were reported to her to get her opinion and approval. But, all she said was only 『That's fine.』 without any exception.

As Naokichi made mistakes in some case, so as Takahata, Yanagida and other managers failed sometimes. But, Yone never accused, blamed nor complained with it.

『Do it in your way, with your faith. I take all responsibilities.』 That was Yone's spirit and conviction as the President which penetrated to all employees of Suzuki in all level of management in each organization. Bosses appreciate their stuff's work and take responsibilities, not complaining about their results. That nature of spiritual connection can be compared with those among family members.

Quite often, sitting at the large desk of the President, Yone was sewing cleaning rags used for cleaning of Suzuki's office. She sewed thousands of rags in her life which were white cotton cloth with methodical geometrical pattern of black stitch.

--- Steadfast faith of Yone

Yone's personality can be described as being free from all worry grumbling, or malicious backbiting.

Once and for all, she expressed her strong fury while evacuating from the danger of fire and rioters, across the roof when Suzuki's head office was burnt down.

She shouted 『what you can get by burning around !! 』. That was exactly on behalf of all Suzuki's employees.

Right after Suzuki's bankruptcy, she just muttered in a calm and collected manner 『It feels sick on the descending elevator, while it is going down---. 』

She maintained her dignity as 『OIE-san 』 and played the role of proprietress for her whole life.

As the manifestation of esteem, French government awarded her 『The Legion of Honor』, which was very uncommon event that Japanese female private citizen was awarded.

She wears that decoration on her left breast in the portrait photograph below.



【Yone Suzuki, OIE-san with The Legion of Honor】

【 Epilogue 】

--- Foundation of Tatsumi-Kai (Reunion association of Suzuki Shoten)

After the dissolution of Suzuki Shoten, its former employees scattered throughout the country. Thereafter, their reunion party was held spontaneously and frequently here and there.

Those motivation and desire to expand such organization as the association for retrospective affection and nostalgic memories with like-minded fellows all around the country elevated gradually.

In October 1960, it was 33 years after Suzuki's dissolution, 『Tatsumi-Kai』, the reunion association of former Suzuki Shoten's employees were founded with head quarter in Kobe, and four branch offices in Tokyo, Chubu, Shikoku Island, and Kyushu Island.

It was consist of so many individual members, and corporate members who were former Suzuki's group companies.

It had annual national convention, new year party, moon-viewing party, year ending party and others periodically, then four years later the association magazine 『Tatsumi』 was released under the first chairman, Seichi Takahata.

On April 2, 1968, a stone monument was erected for the repose of thousands of people's soul, who dedicated their all energy, passion and whole life for Suzuki Shoten since Suzuki's foundation to that date.

In every equinoctial week of spring and autumn, great scaled soul-consoling services were held by all members of Tatsumi-Kai.

--- Where the origin of such attachment comes from?

Have you ever heard of any modern enterprise which holds its reunion of ex-employees for more than a half century? What is more, that enterprise vanished more than 80 years ago.

It is not easy to guess what is the source of their affection to that enterprise---.

Let's take an example of super mega battleship 『Yamato』 of former Japanese navy. The former crews of Yamato still hold 『Yamato Kai』 to which those members maintain strong and never fading

out nostalgia, attachment.

All former crews are very much proud of their career as 『Crew of Battleship Yamato』 for their whole life.

Yes, Yamato was not an ordinary warship among Japan's navy fleet, not just one of large scale battle Ships. And, in similar way, Suzuki Shoten was not an ordinary Japanese corporation.

While it was the largest corporation in Japan, The President was sewing cleaning rugs.

The CEO had no personal property and was living in a tiny rented house. He was dedicating his whole soul, energy, and life for the mother country's development and The Proprietress, OIE san.

We may never see such a unique, extraordinary and outstanding corporation nor businessperson through all eternity.

Suzuki Shoten remained to be a rather small, family managed sugar wholesale dealer in spiritual aspect, and never broke open its shell to be a modern corporation until its last time.

However, fireworks we saw in distant past remain in our memory as fugitive, ephemeral picture which never fade out as time goes by.

Suzuki Shoten may remain to be THE EVERLASTING FANTASY for all its former employees, and people who were concerned with it----- .



Mr. Seiichi Takahata



Tatsumi-Kai's Annual Convention, 1967 in Kobe
(40th anniversary since Suzuki's dissolution)

(Postscript)

How was your impression of this A Tale of Suzuki Shoten ?

In the middle of the turbulent age of Meiji, Taisho , and Showa, Suzuki Shoten and its chief clerk Naokichi Kaneko made a very spectacular showing, thereafter it vanished like a shooting star.

Today, while numbers of people who remember its name are diminishing, it would be my fortunate if the readership of this tale would engrave the fact that there used be such exhilarating corporation and its guys who dedicated their life for it.



This is the corporate emblem of Taiyo Koko Co., Ltd. which represents the history of Suzuki Shoten.

The letter of 『S』 in the middle is the first letter of Sun (in Japanese, Taiyo) and initial of Suzuki as well.

Also, the whole shape shows the figure of Japanese letter (Kanji) 米 , which means 『Rice』 .This was the origin of the name of Proprietress Yone.

The Kanji letter 『米』 can be read Yone, as well as Kome.

Thus, this star shape has been called 『Yone star』 for long time.