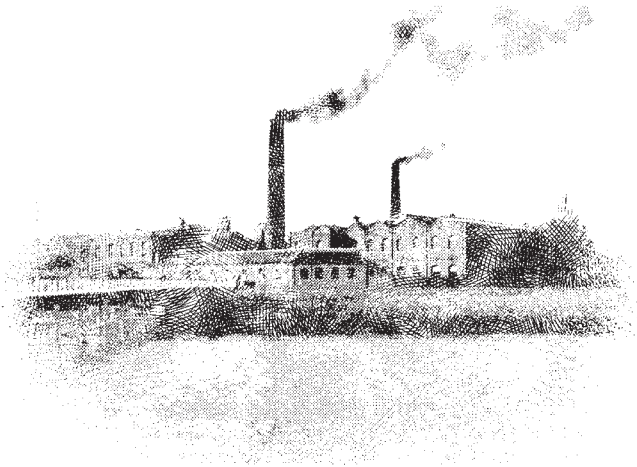


The rise of Japan's spinning industry and  
establishment of Japan Cotton Trading Co., Ltd.



## ***Hassojitz***

*Sojitz - A General Trading Company  
The Pioneers who Paved the Future  
of Japan*



Tsuneki Sano, Shingoro and Asako Hirooka, Tomoatsu Godai, and Eiichi Shibusawa  
—The founders of Japan Cotton Trading and related business leaders

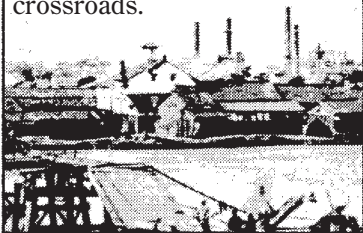
The Meiji business leader Tomoatsu Godai made an entrance at this critical moment.

Osaka's merchants must band together!

Osaka

Following the Meiji Restoration, the political and economic center moved to Tokyo.

While Osaka's merchants had built the economy in the Edo period, they now faced a crossroads.



Let's create a business that calls for large investments of capital like the West.

Banks, railroads, gas...and most importantly cotton spinning.

I went to Europe to procure a cotton spinning machine for Kagoshima Spinning.

The cotton spinning industry will surely help to industrialize Japan.

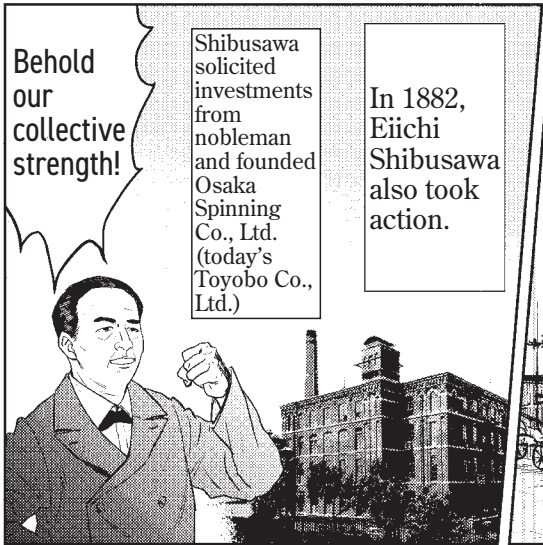


Mr. Godai. Your words moved me. I'm impressed how far you're willing to go for Osaka...

Godai's message resonated with Ichibei Tanaka.

Osaka's merchants will once again lead Japan.

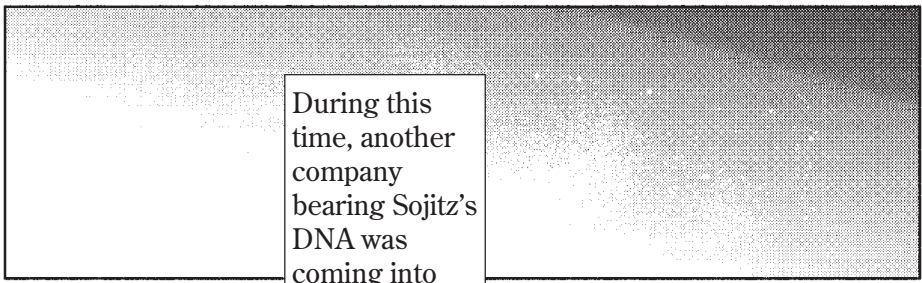
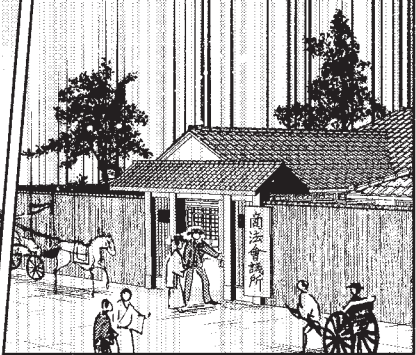
In 1878, Godai established the Osaka Chamber of Commercial Law to unite Osaka's merchants.



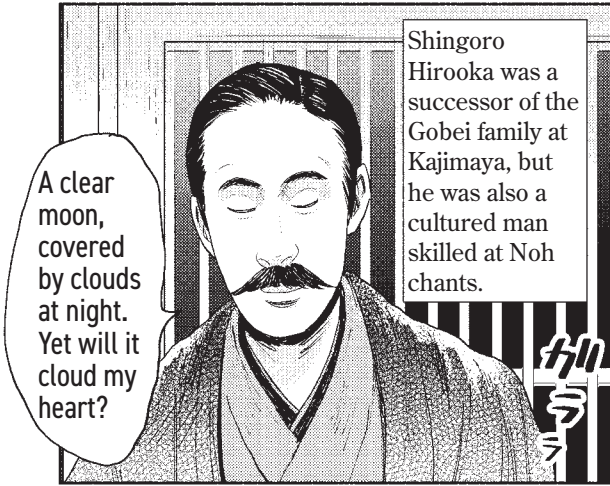
Behold our collective strength!

Shibusawa solicited investments from nobleman and founded Osaka Spinning Co., Ltd. (today's Toyobo Co., Ltd.)

In 1882, Eiichi Shibusawa also took action.

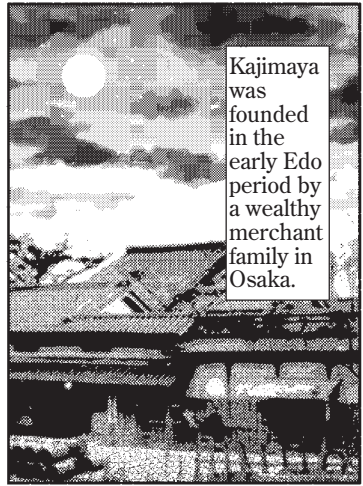


During this time, another company bearing Sojitz's DNA was coming into being.

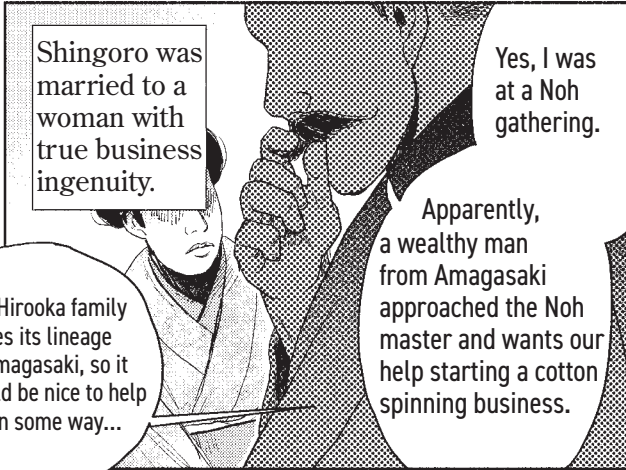


A clear moon, covered by clouds at night. Yet will it cloud my heart?

Shingoro Hirooka was a successor of the Gobei family at Kajimaya, but he was also a cultured man skilled at Noh chants.



Kajimaya was founded in the early Edo period by a wealthy merchant family in Osaka.



Shingoro was married to a woman with true business ingenuity.

Yes, I was at a Noh gathering.

Apparently, a wealthy man from Amagasaki approached the Noh master and wants our help starting a cotton spinning business.

The Hirooka family traces its lineage to Amagasaki, so it would be nice to help out in some way...



You're home. Reciting Noh again?



Cotton spinning! What an excellent idea. Let's get everyone involved.

Asako Hirooka would become known as one of the greatest business minds of the Meiji period.



I suppose the Noh club can occasionally come in handy.

At the time, Asako was already deeply involved in the establishment of Kajima Bank and the development of a coal mine business.



My dear husband, your Noh circle includes Senba merchants. I'm sure those connections will be helpful.

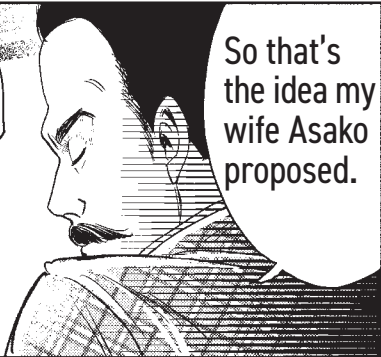
Everyone? You mean invite my Noh club?



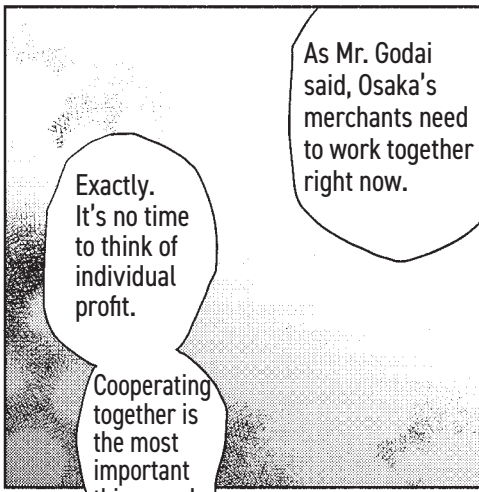
Asako has true business genius. Let's do it.

That's quite an interesting business idea.

Motonosuke Fukumoto Chubei Kihara



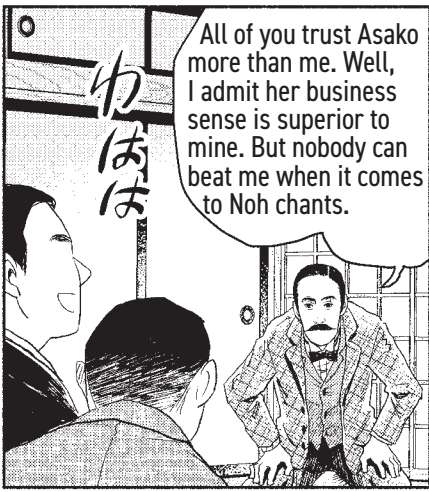
So that's the idea my wife Asako proposed.



Exactly. It's no time to think of individual profit.

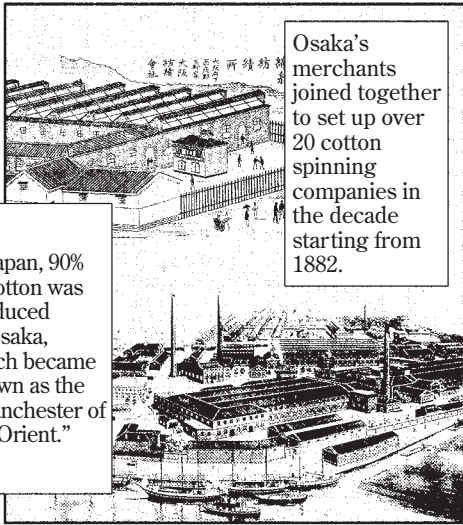
Cooperating together is the most important thing now!

As Mr. Godai said, Osaka's merchants need to work together right now.



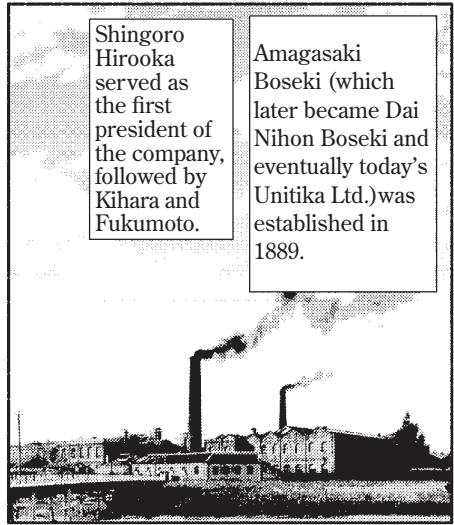
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All of you trust Asako more than me. Well, I admit her business sense is superior to mine. But nobody can beat me when it comes to Noh chants.



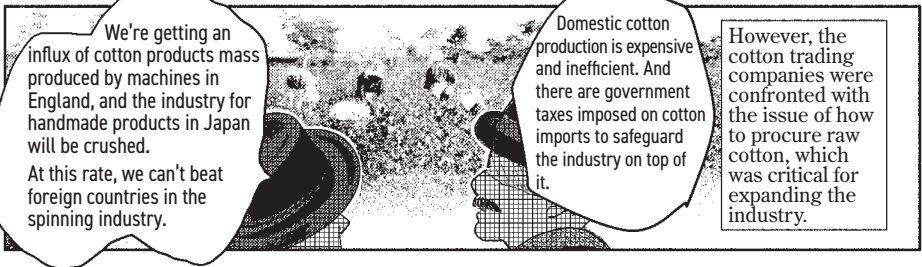
Osaka's merchants joined together to set up over 20 cotton spinning companies in the decade starting from 1882.

In Japan, 90% of cotton was produced in Osaka, which became known as the "Manchester of the Orient."



Shingoro Hirooka served as the first president of the company, followed by Kihara and Fukumoto.

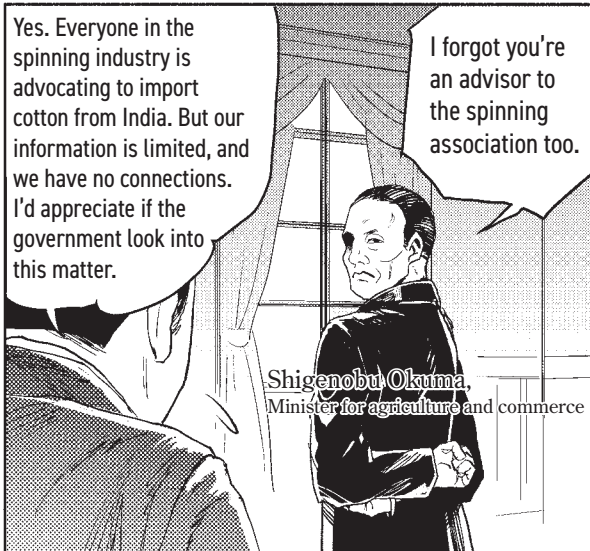
Amagasaki Boseki (which later became Dai Nihon Boseki and eventually today's Unitika Ltd.) was established in 1889.



We're getting an influx of cotton products mass produced by machines in England, and the industry for handmade products in Japan will be crushed. At this rate, we can't beat foreign countries in the spinning industry.

Domestic cotton production is expensive and inefficient. And there are government taxes imposed on cotton imports to safeguard the industry on top of it.

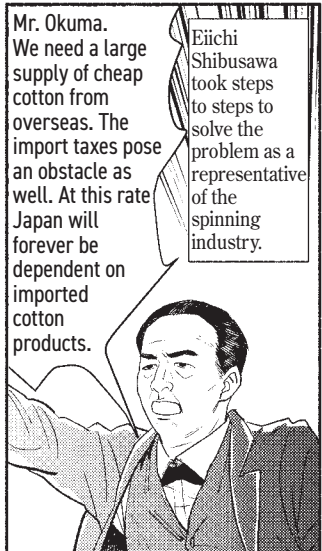
However, the cotton trading companies were confronted with the issue of how to procure raw cotton, which was critical for expanding the industry.



Yes. Everyone in the spinning industry is advocating to import cotton from India. But our information is limited, and we have no connections. I'd appreciate if the government look into this matter.

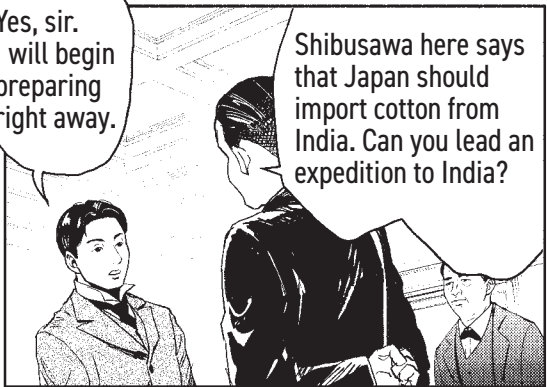
I forgot you're an advisor to the spinning association too.

**Shigenobu Okuma**  
Minister for agriculture and commerce



Mr. Okuma. We need a large supply of cheap cotton from overseas. The import taxes pose an obstacle as well. At this rate Japan will forever be dependent on imported cotton products.

Eiichi Shibusawa took steps to solve the problem as a representative of the spinning industry.



Yes, sir.  
I will begin  
preparing  
right away.


Shibusawa here says  
that Japan should  
import cotton from  
India. Can you lead an  
expedition to India?



Yes.

In that  
case, I have  
the perfect  
person.

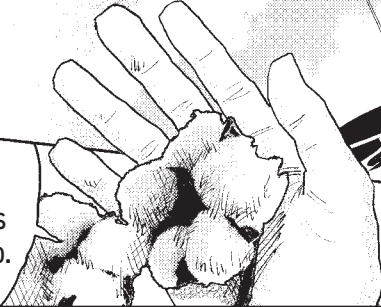
Sano?



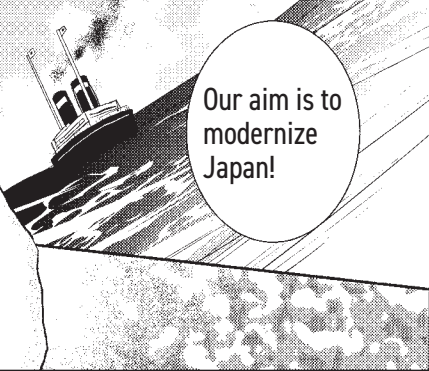
No, this is  
not just a  
personal  
matter.

I'm very  
grateful.

Tsuneki Sano,  
Secretary of agriculture and commerce



Hmm. The  
quality of this  
cotton will do.



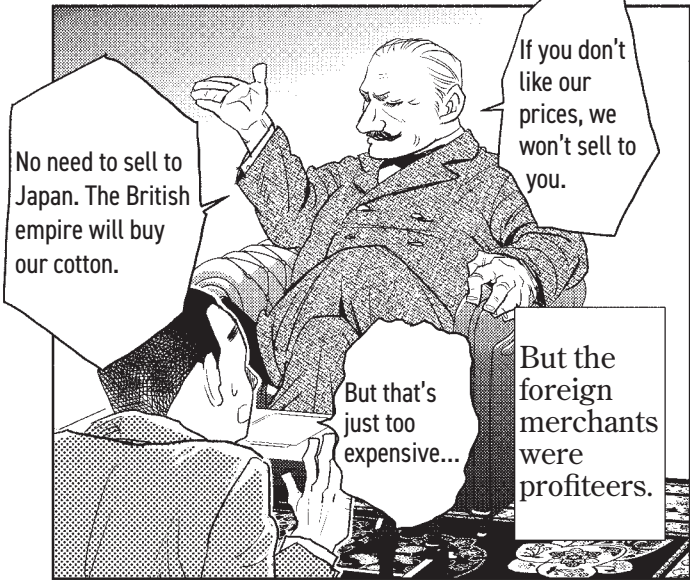
Our aim is to  
modernize  
Japan!



The  
expedition  
headed by  
Secretary  
Tsuneki Sano  
submitted the  
results of  
their findings  
to Okuma.

I'm glad  
I'll be able  
to give  
a good  
report.





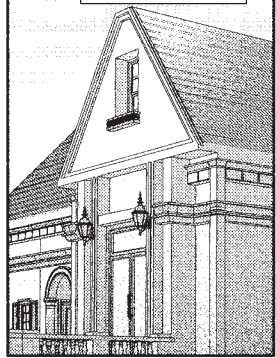
No need to sell to Japan. The British empire will buy our cotton.

If you don't like our prices, we won't sell to you.

But that's just too expensive...

But the foreign merchants were profiteers.

However, Japanese companies in the spinning industry had no choice but to rely on the foreign settlement in Kobe to procure cotton.



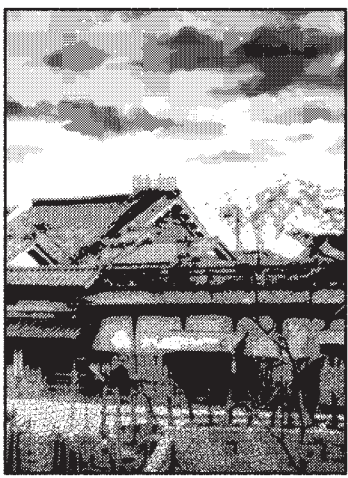
For Osaka's merchants, it was a problem that needed to be resolved.

Better to do it ourselves, right?

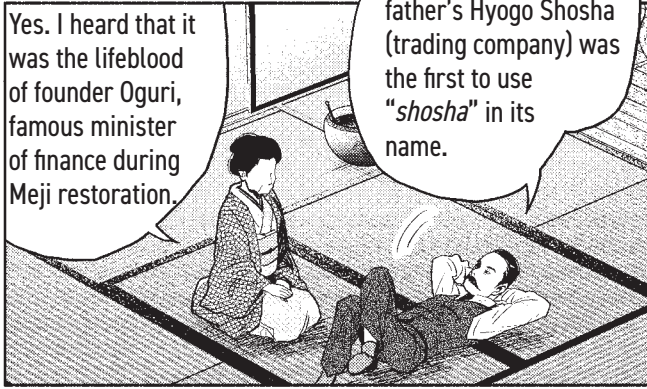
Cotton spinning is turning into a core industry for Japan. Is it OK to remain dependent on foreign countries to procure raw materials...?



We know the quality of Indian cotton and the import tax issue can be worked on, but we must act now...



Yes. I heard that it was the lifeblood of founder Oguri, famous minister of finance during Meiji restoration.

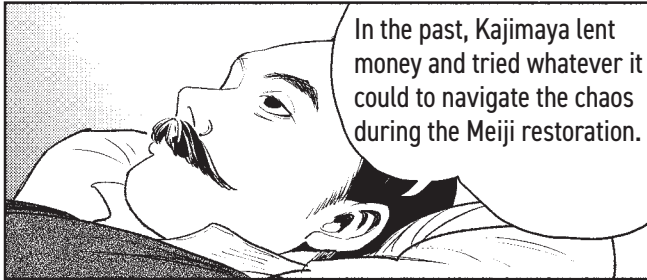


A trading company... father's Hyogo Shosha (trading company) was the first to use "shosha" in its name.

What if you all formed your own trading company?



In the past, Kajimaya lent money and tried whatever it could to navigate the chaos during the Meiji restoration.



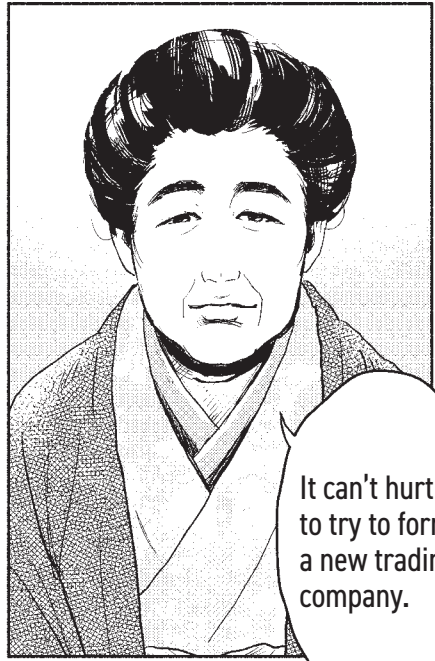
...OK, I'll make some calls.



Osaka's merchants need to stick together like Mr. Godai advocated.



It can't hurt to try to form a new trading company.



Here in Japan there is a growing movement for us to run a trade business for Indian and American cotton on our own.

But domestic demand is not being met. If we stand by, foreign merchants will jump in to dominate the Japanese market.

The first president would be Tsuneki Sano who led the cotton expedition to India.

In 1892, the heads of Settsu Spinning, Hirano Spinning, Tenman Spinning, Amagasaki Spinning and 25 influential figures in Osaka came together to found Japan Cotton Trading Co., Ltd.

This is not a squabble over fees or overhead costs. That fate of one of Japan's emerging industries is at stake.

We are establishing our own trading company to further this mission.



We can do it !!



next to the residence of the late Godai.

Japan Cotton's headquarters were established in Nakanoshima

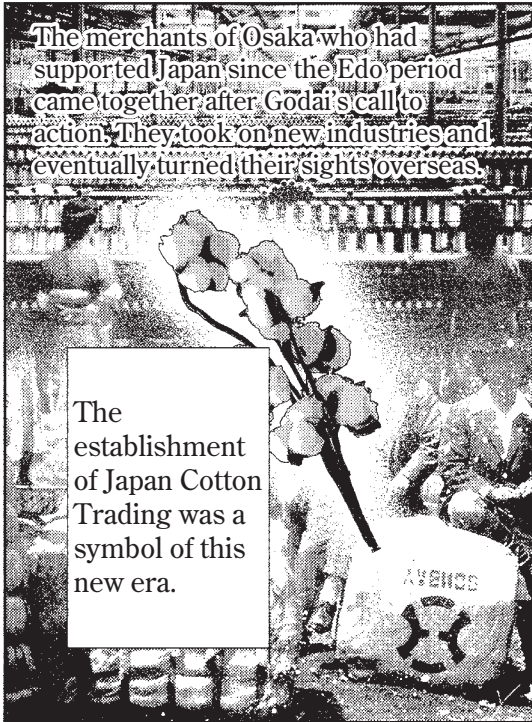


Of course.

Mr. Godai's looking out for us. We must succeed.

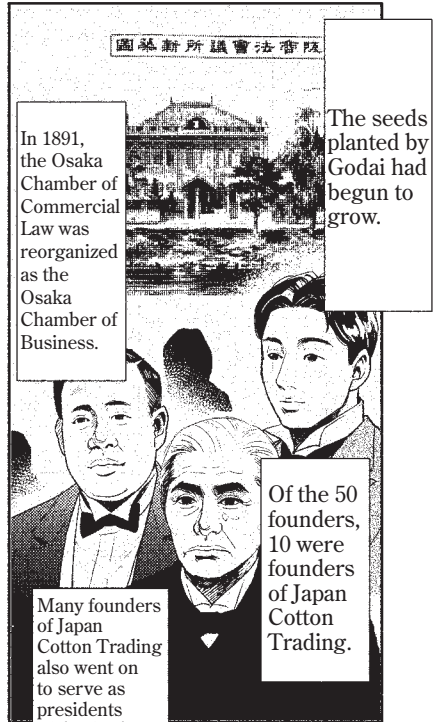
Hmm. You're right.

My husband. The real test is to come.



The merchants of Osaka who had supported Japan since the Edo period came together after Godai's call to action. They took on new industries and eventually turned their sights overseas.

The establishment of Japan Cotton Trading was a symbol of this new era.



大阪商會新築圖

In 1891, the Osaka Chamber of Commercial Law was reorganized as the Osaka Chamber of Business.

The seeds planted by Godai had begun to grow.

Many founders of Japan Cotton Trading also went on to serve as presidents of the Osaka Chamber of Business.

Of the 50 founders, 10 were founders of Japan Cotton Trading.