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and Large Shareholders Really Do?
Corporate Governance of Tokyo Marine Insurance
and Taisho Marine and Fire Insurance**

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What Did Corporate Executives, Outside Directors, and Large Shareholders Really Do? Corporate Governance of Tokyo Marine Insurance and Taisho Marine and Fire Insurance

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Abstract

This paper addresses a fundamental question of corporate governance, “What do corporate executives, outside directors, and large shareholders really do?” from a historical perspective. Although this question is essential, it has not been fully addressed in the literature because of the constraints of relevant information and materials. This paper overcomes this problem by using a detailed diary written by Hachisaburo Hirao, who worked for many large companies in prewar Japan, including Tokyo Marine Insurance and Taisho Marine and Fire Insurance. In this diary, he described in detail how corporate executives, outside directors, and large shareholders thought and acted. This diary and other related materials reveal that the planning and implementation of managerial policies at Tokyo Marine Insurance and Taisho Marine and Fire Insurance was entrusted to corporate executives. This means that management was separate from control, but there were agency relationships between shareholders and corporate executives. The agency problem was resolved by a “voice” mechanism of outside directors representing large shareholders and corporate executives. Outside directors indeed gave advice, applied pressure, and ratified managerial policies at the directors’ meetings and on other occasions. These findings imply that these companies were governed by the typical Anglo-Saxon type or the “market-oriented” type of corporate governance.

Key words: Corporate governance, Firm management, Economic History, Business History, Japan

JEL classifications: G37, L21, N85

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1. Introduction

This paper addresses a fundamental question of corporate governance, “What do corporate executives, outside directors, and large shareholders really do?” from a historical perspective. Although this question is essential, it has not been fully addressed in the literature. While the essential part of those key players’ activities is inside a black box that researchers cannot access concerning contemporary companies, historical studies are difficult because of the lack of relevant materials.

This paper overcomes this problem by using a detailed diary written by Hachisaburo Hirao, who worked as an executive for many large companies in prewar Japan, including Tokyo Marine Insurance (TMI), Taisho Marine and Fire Insurance (TMFI), Kawasaki Dockyard, and Nippon Steel¹. In this diary, he described in detail how corporate executives, outside directors, and large shareholders of these companies thought, talked, and acted on the board of directors and in other situations. Specifically, this paper focuses on the management and governance of two insurance companies, TMI and TMFI, in the 1910s and 1920s, when Hirao worked for TMI as the manager of Hanshin (Osaka and Kobe) Branch, and for TMFI as an executive director.

In this period, two important events took place in these companies—the acquisition of the Meiji Fire Insurance (MFI) by TMI and the foundation of TMFI by Mitsui & Co. Hirao’s diary has detailed descriptions of both of these events. This allows us to see what corporate executives, outside directors, and large shareholders really did during these events, which had strategic importance for the companies. In addition, these cases are useful to understand the role of zaibatsu in corporate governance because TMI and MFI were partly owned by the Mitsubishi zaibatsu, while TMFI was partly owned by the Mitsui zaibatsu².

This paper is organized as follows. Section 2 addresses the acquisition of Meiji Fire, and section 3 examines the cooperation and competition between TMI and TMFI. Section 4 concludes.

¹ The original diary is held at Konan School, which Hirao founded. In this paper, we use the selectively reprinted version of the diary, edited by Konan School and Yasuo Mishima. *Hirao Hachisaburo Nikki Sho: Taisho-ki Songai Hoken Keieisha no Sokuseki (Selected Reprint of Hirao Hachisaburo’s Diary: The Record of the Executive of Nonlife Insurance Companies in Taisho Era)*, vols 1 and 2, Kyoto: Shibunkaku Shuppan, 1990. The fully reprinted version is being published. At present, vols 1–11 of the total 17 volumes have been published, which cover the period from 1911 to 1930.

² It is notable that these companies were not core-affiliated companies of the Mitsubishi and Mitsui zaibatsu, which were almost exclusively held by the holding companies (headquarters) of the respective zaibatsu.

2. Acquisition of Meiji Fire Insurance by Tokyo Marine Insurance Foundation and Early development of Tokyo Marine Insurance

Tokyo Marine Insurance was founded in 1879 as the first private nonlife insurance company in Japan. It fell into financial distress in the late 19th century because of losses at its London branch, but was reconstructed and brought onto the right track by two executive directors, Kenkichi Kagami and Hachisaburo Hirao, who were invited from outside of the company. At the turn of the century, there were many new entries into the marine insurance business in Japan, but the market share of TMI in terms of net insurance premium (premium revenue – premium for reinsurance) was as high as 57.3% in 1914. Meanwhile, the rate of return on assets (ROA), which had fluctuated wildly in the 1890s, stabilized at around 5% in the 1900s (Table 1, Figure 1)³.

Table 1, Figure 1

Given this performance, TMI planned to enter into other nonlife insurance businesses. At a shareholders' meeting in April 1913, transportation, fire, injury, credit, theft, and automobile insurance were added to the articles of the company as its business purposes, and the fire, transportation, and automobile insurance businesses were approved by the Ministry of Agriculture and Commerce, which was responsible for the insurance industry at the time. Of these three businesses, the one that became important for TMI was fire insurance. After entering the fire insurance business, TMI acquired MFI, one of the major companies in this industry. We explore the related players' actions in devising and implementing the acquisition strategy for MFI.

TMI had an intimate relationship with the Mitsubishi zaibatsu, which is reflected in the fact that Yatarō Iwasaki, founder of Mitsubishi zaibatsu, was one of its promoters⁴. In 1907, Hisaya Iwasaki, the eldest son of Yatarō Iwasaki and the president of Mitsubishi Holdings (Mitsubishi Goshi Gaisha), was the largest shareholder of TMI, Michinari Suenobu, the former manager of Mitsubishi Postal Shipping and Heigoro Shoda, the manager of Mitsubishi Holdings, were the chairman and a director, respectively (Tables 2 and 3). The ownership and management structure of MFI shared a common feature with TMI. That is, Hisaya Iwasaki was the second largest shareholder, while Suenobu and Shoda were board members (Tables 4 and 5). In this

³ The reason why ROA was high in the 1890s is that TMI did not reserve funds for its insurance liabilities, which caused its financial distress in the late 1890s.

⁴ Tokyo Marine and Fire, *Tokyo Kaijo Kasai Hoken Kabushiki Gaisha 100nen Shi (100 Years History of Tokyo Marine and Fire Insurance Co.)*, Tokyo: Tokyo Marine and Fire Insurance, 1979, pp. 54–56.

sense, the acquisition of MFI by TMI was a deal between the companies affiliated with Mitsubishi zaibatsu.

Tables 2–5

Competition between Tokyo Marine Insurance and Meiji Fire Insurance

While TMI and MFI were both affiliated to Mitsubishi zaibatsu, they were intense rivals in the fire insurance market. In March 23, 1914, three TMI executives, namely Kenkichi Kagami (General Manager), Hachisaburo Hirao (Manager of the Hanshin Branch), and Keinosuke Nishino (Chief of the Sales Department) discussed the marketing strategy of TMI. One of the major concerns was its competition with MFI. According to Hirao's diary, "Meiji Fire seems to have been cautious about Tokyo Marine from the start of its fire insurance business, and is trying to exclude it as a hostile competitor"⁵. Hirao observed that Kingo Hara, the manager of MFI, hated the entry of TMI as a threat to MFI's position in the fire insurance industry. Hara also became a director of MFI in April 1914⁶, and he was the top executive of the company. Yoshiya Osawa, who was an employee of MFI from 1896, wrote in his memoir, "Until 1915, Meiji Fire was completely under the control of the president, Taizo Abe, but he entrusted all of the businesses to the manager, Kingo Hara, whom he trusted, and Abe just supervised the general issues"⁷.

Indeed, from immediately after its entry into the fire insurance business, TMI made aggressive inroads into the customer base of MFI, especially customers of Mitsubishi zaibatsu. One example was the case of Tokyo Warehouse. Tokyo Warehouse held fire insurance for stored freight worth tens of millions of yen, and it was an important customer for MFI. TMI tried to obtain at least half of the insurance contracts of Tokyo Warehouse⁸. Another example is the case of the Tokyo Club, which was managed by Manzo Kushida, the director of the Bank Department of Mitsubishi Holdings. Tokyo Club had insured all of its buildings with MFI in 1915, when TMI and

⁵ *Hirao Diary*, March 23, 1913 (Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 16)

⁶ Meiji Fire Insurance Co., *Meiji Kasai Hoken Kabushiki Gaisha 50nen Shi (50 Years History of Meiji Fire Insurance Co.)*, reprinted version, Tokyo: Yumani Shobo, 2009, appendix, p. 49.

⁷ Yoshiya Osawa, *Seiun no Jidai Shi: Kaishu Roku, Ichi Meiji Jin no Shiki (History of the Period of High Ambition: A Private Record of a Person in Meiji Era)*, Tokyo: Bunichi Sogo Shuppan, 1978), p. 586.

⁸ *Hirao Diary*, October 18, 1914 (Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 42–3.

other two companies offered fire insurance contracts. Kushida proposed a compromise of leaving half of the insurance to MFI and letting TMI and the other two companies share the other half. However, Hara insisted on competitive bidding, and bid less than half the price of the existing contract to take the whole contract⁹.

Planning the acquisition and the role of Mitsubishi zaibatsu

In this intense and hostile competition between TMI and MFI, TMI had the idea of resolving the fundamental problem by acquiring MFI. It is unclear who initially proposed this idea, but from the early stage, Heigoro Shoda, an outside director of TMI from Mitsubishi Holdings, knew about it. From March to April 1915, Shoda proposed to quit as the director of TMI. This proposal reflected his thoughts as follows. There was no way to resolve the conflict between TMI and MFI other than by placing MFI under the control of TMI, and to do that it was necessary for Shoda to make the MFI executives understand what TMI really intended. For this purpose, Shoda sought to earn the trust of MFI by quitting as the director of TMI¹⁰. Shoda also told his idea of quitting to Hisaya Iwasaki. Iwasaki responded that it was inappropriate for Shoda to quit without resolving the conflict between the two companies¹¹. This anecdote indicates that the conflict was known and of concern to the senior management of the Mitsubishi zaibatsu. Shoda abandoned the idea of quitting following Iwasaki's response and persuasion by TMI executives.

The plan for TMI to acquire MFI proceeded, taking advantage of a proposal for the joint management of a fire insurance company by an insurance company in Hong Kong, Union Kwanton Insurance. On August 11, 1915, the senior executives of TMI, Suenobu, Kagami, Hirao, and Nishino, formulated a plan to acquire Tomei Fire Insurance, a reinsurance company in which both TMI and MFI invested, to manage jointly with Union Kwanton, because founding a new insurance company was unlikely to be approved by the government. In acquiring Tomei, they planned to increase the capital of TMI to exchange the new shares for Tomei shares. This plan was reported to Shoda, a director of TMI from Mitsubishi Holdings. In response, Shoda stated, "This is an opportunity to resolve the issue of acquiring MFI at the same time." They decided that Shoda and Suenobu would talk to Taizo Abe, the chairman of Meiji Fire, to persuade him to agree to the acquisition¹².

⁹ Ibid, April 2, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), vol. 1, pp. 56–7.

¹⁰ Ibid.

¹¹ Ibid, April 8, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), pp. 58–9.

¹² *Hirao Diary*, August 11, 1915 (Konan School and Yasuo Mishima eds., *Selected*

The plan proceeded rapidly from late September, 1915. The directors' meeting and the TMI shareholders meeting decided on the following plan on the 25th and 30th of September, respectively¹³.

- (1) TMI will increase its capital to 15 million yen (of which 3.75 million yen will be paid in).
- (2) Two shares of Tomei Fire will be exchanged for one new share of TMI.
- (3) One share of MFI will be exchanged for nine new shares of TMI.
- (4) Incumbent shareholders of TMI will be given two new shares in exchange for each share. The money to be paid in for these new shares will be covered by special dividends from the retained profit of TMI.
- (5) The remaining new shares (6,000 shares) will be given to the meritorious employees of TMI.

The exchange rate between the shares of TMI and MFI was based on the net present value of the two companies' profits. That is, for TMI, the value represented by one share was calculated to be 125 yen, given the annual profit of 3 million yen, the discount rate of 10%, and the number of the shares, which was 240,000. On the other hand, for MFI, the present value represented by one share was calculated to be 1,000 yen, given the same discount rate and the number of shares, which was 5,000. From these calculated values of the shares of the two companies, they derived the exchange rate of 1:9¹⁴, a rate that was slightly advantageous to the MFI shareholders.

MFI announced to its shareholders that their shares could be exchanged for TMI shares at this rate¹⁵. This implies that MFI, or more specifically its chairman, Taizo Abe, agreed to the acquisition. In this sense, this acquisition was not hostile. However, as TMI intended to exclude the executive director, Kingo Hara, through this acquisition, in a sense, this deal was a hostile takeover¹⁶.

Persuading major shareholders of Meiji Fire

For the acquisition to succeed, it was essential that the major MFI shareholders accepted the share exchange according to the conditions above. Hence, the TMI

Reprint), vol. 1, p. 78.

¹³ *Hirao Diary*, September 25, 28, and 30, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), vol. 1, pp. 83–6. Tokyo Marine and Fire Insurance Co., *Tokyo Kaijo Kasai*, vol. 1, p. 346, Meiji Fire Insurance Co., *Meiji Kasai*, p. 352.

¹⁴ Tokyo Marine and Fire Insurance Co., *Tokyo Kaijo Kasai*, vol. 1, pp. 346–7.

¹⁵ Meiji Fire Insurance Co., *Meiji Kasai*, p. 352.

¹⁶ The announcement on the share exchange to the Meiji's shareholders was supposed to be led by TMI. Hirao wrote in his diary, "The invitation letters to the shareholders of Tokyo Marine and Meiji Fire have been already printed, and we decided to send out them at 10:00 on October 1." *Hirao Diary*, September 30, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), vol. 1, p. 86.

executives made great efforts to persuade the major MFI shareholders. Hirao talked to major shareholders such as Ichibei Hirano, the Sumitomo family, and Ichizo Tanaka (Table 3). In March 1914, Hirano was the fourth largest shareholder, owning 4.8% of the shares. On October 11, 1915, Hirano dispatched an agent to Hirao to argue: “Given the asset value of Meiji Fire, the value of one share was 1,400 yen, and therefore it is apparent that exchanging it for nine shares of Tokyo Marine will entail a loss of 400–500 yen.”

As stated above, in terms of the net present values, the proposed exchange rate was advantageous to the MFI shareholders, and in terms of the actual stock prices, the situation was similar, because the price of one new TMI share was estimated to be 90 yen¹⁷, while the actual price of an MFI share was 470 yen. However, in terms of book value, the net assets of TMI per share was 1,200 yen¹⁸, which was more than thirteen times the estimated price of a new TMI share. Hirano’s argument was based on this calculation. Hirao persuaded Hirano’s agent using the following points. First, because this exchange of shares was based on the assumption that the two companies would continue to do business, it was not appropriate to refer to the liquidation value. Second, because the risk for fire insurance is higher than that for marine insurance, the reserve price of MFI should be discounted more than that of TMI, and eventually the profitability of TMI was higher than that of MFI. Hirano’s agent accepted Hirao’s explanation¹⁹. Ichizo Tanaka, the sixth largest MFI shareholder and the Sumitomo family, the seventh largest MFI shareholder raised similar issues, and Hirao persuaded them with the same logic²⁰.

Resistance of Meiji Fire executives and employees, and completion of acquisition

The views of MFI’s large shareholders reflected the actions of its executives and employees. Juhei Oshimoto, the chief of the Osaka Branch, visited Ichizo Tanaka, the sixth largest shareholder, and advised, “As the book value of Meiji Fire’s assets per share is 1,500 yen, it is very disadvantageous to exchange one share for nine shares of Tokyo Marine”²¹. The memoir of Yoshiya Osawa, mentioned above, describes the actions

¹⁷ *Hirao Diary*, September 28, 1915 (Konan School and Yasuo Mishima eds., Selected Reprint), vol. 1, p. 85.

¹⁸ *Ibid.*

¹⁹ *Hirao Diary*, October 11, 1915 (Konan School and Yasuo Mishima eds., Selected Reprint), vol. 1, pp. 90–1.

²⁰ *Hirao Diary*, October 9 and 15, 1915 (Konan School and Yasuo Mishima eds., Selected Reprint), vol. 1, pp. 88–9, p. 92.

²¹ *Hirao Diary*, October 15, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), vol. 1, p. 92.

of MFI's executives and employees to oppose the acquisition in detail²². Knowing about the acquisition plan, Kingo Hara called the MFI branch chiefs to Kyoto, and criticized the oppression of the "capitalists." He argued, "We should confront the capitalists by assembling the employees. We want to propose that a request to the shareholders meeting be accepted." The request was a "Commitment not to transfer the incumbent employees from the President to ordinary employees" and "If they do not commit to that, the employees will collectively quit the company."

In arguing this, Hara stated, "If all of Meiji Fire's employees collectively make efforts, capitalists such as Mitsui, Okura and Sumitomo will make us very welcome, and it will be easy for us to gain their investments and help. As somebody from the Mitsui zaibatsu has already suggested to me, we do not need to worry about the employment of people who quit, even if the negotiations break down." Given that it is characteristic of nonlife insurance companies that the role of human capital is large and it has little complementarity with physical capital, Hara's argument is reasonable, and we will see below, his investment argument was not simply invented. Having heard Hara's presentation, the branch chiefs discussed it in another room. Consequently, although some people were sympathetic to Hara, no one favored accepting his proposal, and he left Kyoto for Tokyo in indignation.

The acquisitions of MFI and Tomei Fire by TMI were successfully completed. By the end of June 1916, TMI had de facto obtained 95% of the MFI's shares. Given the completion of the acquisition, Suenobu, the president of MFI, Shoda, Kagami, and Hirao had a meeting on the postacquisition management of MFI, on October 19, 1915. In the meeting, Hirao argued that because some employees of MFI had actively opposed the acquisition, the TMI should take charge of MFI immediately and request the MFI board to take appropriate action. This was approved by Shoda and Suenobu, who were directors of Meiji Fire at the same time. The appropriate action here meant firing Hara²³.

On October 22, the MFI executives were reelected. Taizo Abe, who had been chairman from the foundation of the company, stepped down from the chairmanship to be a director, and Suenobu, the chairman of TMI, served concurrently as the chairman of Meiji Fire. The position of manager was transferred from Hara to Keinosuke Nishino, the chief of the TMI sales department, and Hara resigned as a director in December. While Kagami became an advisor to the company, Hirao became an advisor to the

²² Osawa, *Seiun*, pp. 589–91.

²³ *Hirao Diary*, October 19, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), vol. 1, pp. 94–5.

Osaka branch, Kyoto branch, and Kobe subbranch. In April 1917, Kagami took the position of executive director²⁴. Thus, MFI became a purely subsidiary company of TMI. Concerning this personal policy and the role of Shoda, Kagami made the following comment to Hirao: “The issue of managing Meiji Fire has been completely resolved by ruthless and swift action by Mr. Shoda. Mr. Hara was forced to resign, while Mr. Abe mentioned his intention to step down. Mr. Nishino is newly appointed as manager, and I will participate in the board of directors as an advisor²⁵.”

3. New entry of Taisho Marine and Fire and its consequences

Plan to found a new marine insurance company by Mitsui & Co.

Through acquiring MFI, TMI secured its leading position in the fire insurance industry, but in the late 1910s, a new powerful competitor emerged on its home ground, the marine insurance business. During World War I, many companies entered the marine insurance business because of the expansion of marine shipping and government promotion by means of the Wartime Marine Compensation Law (1914) and the Wartime Marine Reinsurance Law (1917). While the number of marine insurance companies increased from 11 in 1914 to 34 in 1919, the share of TMI in terms of net insurance premium declined from 57.3% to 34.9% (Figure 1, Table 5). TMFI and Mitsubishi Marine Insurance were among the new entrants. Because these two companies were backed by the Mitsui zaibatsu and Mitsubishi zaibatsu, respectively, TMI was seriously concerned about its entry. Here we focus on the entry of TMFI and explore how TMI reacted to it, and how TMI’s executives and the related players acted.

Mitsui & Co. mainly engaged in international trading and shipping. As those businesses were closely related to nonlife insurance and Mitsui & Co. had a large international branch network, it worked as an agent of nonlife insurance companies including TMI. During World War I, Mitsui & Co.’s trading business expanded rapidly and was faced with the limited underwriting capacity of the Japanese nonlife insurance companies. Hence, Mitsui & Co. began to plan its own nonlife insurance company in 1916²⁶. The key person was Sutejiro Odagaki, the executive director, and he asked

²⁴ Meiji Fire Insurance Co., *Meiji Kasai*, appendix, p. 49, Tokyo Marine and Fire Insurance Co., *Tokyo Kaijo Kasai*, vol. 1, pp. 350–1. Kagami attended the director meeting of Meiji Fire as the advisor before he became the executive director (*Hirao Diary*, October 23, 1915, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 96.

²⁵ *Hirao Diary*, October 15, 1915 (Konan School and Yasuo Mishima eds., *Selected Reprint*), vol. 1, p. 96.

²⁶ Taisho Marine and Fire Insurance Co., *Taisho Kaijo Kasai Hoken Kabushiki Gaisha 40nen Shi* (A 40-Year History of Taisho Marine and Fire Insurance Co.), Tokyo: Taisho

Kingo Hara, who had just quit MFI, to advise on and research the foundation of a new nonlife insurance company. Hara made a plan to found a new company. Although Hara did not participate in the new company for a reason stated below, Mitsui & Co. drew up a plan based on Hara's plan, which was approved by the board of directors, Mitsui Holdings, and the Mitsui family by 1918²⁷.

Requesting Hirao to be the executive director

Odagaki understood that an appropriate underwriter was essential to the successful management of a marine insurance company. From this standpoint, Odagaki directed his attention to Hirao. On December 21, 1916, Teijiro Kawamura, the chief of the Shipping Department of Mitsui & Co. visited Hirao. He told him confidentially, "The Mitsui zaibatsu has conducted research on the foundation of marine insurance companies for some years, at the recommendation of people at Kanebo and the Taiwan Sugar Refinery, which are its affiliated companies, as well as the opinion of the executives of Mitsui Holdings (Mitsui Gomei Gaisha). Now, the discussion is almost complete, and an announcement is coming." Kawamura explained that Mitsui & Co. sought an executive for the new company, and when he discussed this issue with the executives of Mitsui & Co., Kawamura expressed the view that there was no more appropriate person than Hirao. The executives agreed with him, and asked him to invite Hirao²⁸.

On December 24, Kawamura visited Hirao again to request him to be the executive of the new company. Hirao responded as follows. He had no idea that he would leave TMI to be the executive of a competitor, because he believed that his work for TMI was his life's work. On the other hand, he did not like the fact that TMI would compete with the new company affiliated with the Mitsui zaibatsu. He wanted the two companies to cooperate, so it was desirable that TMI would be a large shareholder in the new company, and Hirao would join its board as a "connecting link," not as an

Marine and Fire Insurance Co., 1916, pp. 14–8. However, as stated below, Teijiro Kawamura, the chief of the Shipping Department of Mitsui & Co., said to Hirao, the Mitsui zaibatsu has researched the foundation of a marine insurance company for some years," on December 21, 1916. Hence, we can infer that Mitsui & Co. started its research in 1915 at latest (*Hirao Diary*, October 15, 1915, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 174).

²⁷ Taisho Marine and Fire Insurance Co., *Taisho Kaijo Kasai*, pp. 14–20. On the decision process of Mitsui Holdings, this book states, "The enthusiasm of Mr. Odagaki was recognized by the people concerned, and at the discretion of the Mitsui family and with the approval of all the executive members, the plan to found a new company was authorized, and everything was entrusted to the executive director, Odagiri" (p. 20).

²⁸ *Hirao Diary*, December 22, 1916, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 174–5.

executive. If the board of Mitsui & Co. accepted this idea, he would speak to Kagami to gain his agreement²⁹.

On January 31, 1917, Odagaki and Kawamura visited Hirao to say:

“A new marine insurance company, organized mainly by Mitsui & Co, and supported by companies affiliated to the Mitsui zaibatsu, is necessary for development of the Japanese economy, and the present economic situation promotes its foundation. Hence, we have already decided that it will be founded. However, as Mitsui & Co. have supported and utilized TMI, it is not desirable for either company to break off the relationship when the new company is founded, and we hope the two companies will eternally coexist and cooperate as brother companies. Taking account of this, we consider that it is best to entrust the new company to you. To hear your thoughts on this idea, we have come to Kobe this time.

Hirao replied in the same manner as he had to Kawamura in December 1916, and he added that if he became a connecting link between the two companies, he had better step down as an executive of TMI, and have director positions in both TMI and the new company. Odagiri understood Hirao’s idea, and said that they did not intend to have Hirao dedicate himself to the new company. Rather, they intended to entrust the new company to Hirao in the interests of both companies, and the agreement of TMI was a prerequisite. Hirao responded, “I will tell Mr. Kagami and Mr. Suenobu that I do not belong exclusively to TMI, but to both companies, and I will make fair and impartial efforts in their interests”³⁰.

Negotiation between Hirao and Tokyo Marine Insurance

Although Hirao and Mitsui & Co. had discussed the foundation of the new company and the head hunting of Hirao since December 1916, Kagami had no accurate information on this in the middle of February 1917. This is indicated by a letter that Hirao received from Kagami on February 28, 1917. Kagami wrote, “Although the plan for a new marine insurance company by Mitsui was shelved last year, it has been advertised that it has been resumed this year. Yet it seems to be Hara’s plot, and probably Mitsui has indeed dismissed it.” Hirao replied, “The plan for the new company seems to have been decided already by Mitsui, and we should assume that its

²⁹ *Hirao Diary*, December 25, 1916, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 175–6.

³⁰ *Hirao Diary*, January 31, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 185–7.

foundation is a matter of time,” concealing his discussion with Odagaki and Kawamura³¹.

After that, Kagami was informed of the plan for the new company by Mitsui & Co. and Kagami, Hirao, and Odagaki met on February 25. At this meeting, Odagaki first stated courteously, “So that the new company will long cooperate with Tokyo Marine as a brother company, we would like to ask your advice on the foundation procedure.” In response, Kagami requested that TMI should be a major shareholder in the new company and that Kagami and Hirao should personally participate in the company. Odagaki agreed to this, and asked, “We would like someone from Tokyo Marine to hold directorships in both companies at the same time, and manage the new company as the executive director.” Furthermore, Odagaki asked for the transfer of Hirao for three years; otherwise, he wanted another appropriate person to be recommended. Kagami refused this request, and recommended Kaneo Nanjo, an executive director of Mitsui & Co. However, for Odagaki, “Because Nanjo is now at an important position in our company, if he moves, substantial personal reallocation would be needed, which would entail great costs for our company and for Nanjo. Therefore, it is impossible.” Thus, the issue of the executive director of the new company was not resolved at this meeting³².

However, by March 21, Kagami had decided to transfer Hirao to the new company as the executive director. On that day, Kagami visited Hirao to say, “Given that Mitsui has decided to enter the marine insurance business, it is appropriate for the two companies to coordinate their interests and to develop in cooperation.” Then Kagami asked Hirao’s frank opinion of the idea that he would manage the new company as its executive director. Hirao replied, “If I do not accept the request of Mitsui to be the executive director of the new company, cooperation between Tokyo Marine and the new company will be difficult. In that case, the two companies may adopt competitive strategies, which will entail great damage to our company. Hence, if you and other board members of Tokyo Marine want me to do that, I will accept the request, sacrificing my own interests”³³.

Kagami thanked Hirao, and returning to Tokyo he let Odagaki and Shoda know the result of the meeting with Hirao. Odagaki was satisfied with it. On the other hand, Shoda accepted it as the second-best solution, but expressed his concern about the

³¹ *Hirao Diary*, February 18, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 193.

³² *Hirao Diary*, February 25, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 194–6.

³³ *Hirao Diary*, March 21, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 197–8.

future successors of TMI's management, as TMI would lose one of the two executives who had taken charge of its management, especially if Kagami had an accident. Kagami explained that although Hirao and Kagami had considered the issue of a successor, they had not found an appropriate person. However, the transfer of Hirao was limited to three years, and if either he or Kagami had an accident, the other would take charge of the two companies. Shoda accepted this on condition that the transfer would be for three years, and told Kagami to report this to Hisaya Iwasaki, a major shareholder of TMI and the president of Mitsubishi Holdings³⁴. This process meant that Shoda advised on and ratified the strategic decision to transfer an executive, as an outside director representing the Mitsubishi zaibatsu.

Foundation of Taisho Marine and Fire Insurance

By the end of March 1917, TMI and Mitsui & Co. agreed to make Hirao the executive director of the new company, but the foundation was delayed for a while. This is apparently because of the issue of Kingo Hara. As stated above, Hara originally drew up the plan for a new insurance company for Mitsui & Co. However, Hirao, who was to be the executive director of the new company, insisted that they did not need Hara for the new company³⁵. This is natural, given the relationship between Hara and TMI. Hirao argued, "If it is necessary for the new company to employ Mr. Hara, I am unable to manage the company as the executive director, of course"³⁶.

This issue was resolved by the end of June. In a letter accepted by Hirao on June 28, Odagaki wrote, "I have given Hara his final notice," and Mitsui would start the procedure to request TMI to release Hirao. The request for his release was sent by Takuma Dan, the chairman of Mitsui Holdings, to Suenobu, the chairman of TMI. Hirao asked Kagami to forward the following conditions to Suenobu for negotiation with Mitsui: (a) TMI is ready to release Hirao to the new company as the executive director, but he cannot be a full-time executive director until the business of the new company is authorized by the government. Until then, he will go to Tokyo to participate in important discussions, when the work for TMI allows; (b) Hirao's term of the new company is up to three years³⁷.

The final decision of TMI to release Hirao was made at the directors' meeting on

³⁴ *Hirao Diary*, March 21, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 197–8.

³⁵ *Hirao Diary*, February 18, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 193.

³⁶ *Hirao Diary*, May 17, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 212.

³⁷ *Hirao Diary*, June 28, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 221–2.

November 2, 1917. At the meeting, Kagami explained the details of the foundation of the new nonlife insurance company affiliated with the Mitsui zaibatsu and the release of Hirao as the executive director of the company, to ask the opinions of the directors. Kagami stated that it would cause substantial damage to TMI to lose Hirao, although his term was limited to three years, and appealed, “According to our long-term interests, I consider that cooperation of the two companies is most necessary, and if Hirao’s contribution is needed for this purpose, TMI must agree to release him.” After Hirao presented his decision, every director understood his view and thanked him for his decision³⁸. The minutes of the directors’ meeting record the following³⁹: The directors’ meeting was held to entrust Mr. Hirao with his mission (working for the new company as the executive director—note by the author). The meeting decided on the following conditions: (a) TMI will hold 15 thousand of the 100 thousand shares of the new company, and (b) the term of Hirao as the executive director will be up to three years from the start of business.

On November 3, Hirao met Odagaki and Dan at Mitsui & Co. Dan thanked Hirao and said, “From this sequence of events, we can be confident of contributing to the development of Tokyo Marine for a long time,” and “We can relieve the senior executives of the Mitsui zaibatsu of the annoyance of conflicts between Tokyo Marine and the new company”⁴⁰.

Finally, on March 1, 1918, the application for the new company, TMFI, was filed with the Ministry of Agriculture, and it was approved on September 20. TMFI started business on December 1, 1918. The chairman was Giichi Iida, former executive director of Mitsui & Co., while the executive director and the manager were Hirao and Goichi Iinuma, former chief of the Taipei branch of Mitsui & Co.⁴¹.

Agreement by three companies on marine and transportation insurance contracts

Given the original mission, Hirao intended to reach an agreement between TMI, TMFI, and Mitsui & Co. on agency and insurance contracts. The following agreement was approved by Odagaki and Kagami, to be enacted in January 1919⁴²: (a) If either

³⁸ *Hirao Diary*, November 2, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 227–8.

³⁹ Tokyo Marine and Fire Co., *Tokyo Kaijo Kasai*, vol. 1, p. 355. Tokyo Marine Insurance Co., *Minutes of Director Meeting*, November 2, 1917 (held at Mitsubishi Archives, IMF1061).

⁴⁰ *Hirao Diary*, November 3, 1917, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 238.

⁴¹ Taisho Marine and Fire Insurance Co., *Taisho Kaijo Kasai*, pp. 53–5.

⁴² *Hirao Diary*, January 18, 1918, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 316–7, Tokyo Marine and Fire Insurance Co., *Tokyo Kaijo Kasai*, vol. 1, p. 354.

TMI or TMFI enters an agency contract with a branch of Mitsui & Co., the other company will immediately enter an agency contract with that branch. (b) If a branch of Mitsui & Co., which is an agent of the two companies, insures its own cargo, the two companies always underwrite equally, and will issue the insurance certificate in the joint names. (c) TMI will assume responsibility for the negotiation of the insurance contract in the previous article.

Pressure on the executives of Taisho Marine and Fire Insurance from the outside directors of Mitsui

The early financial performance of TMFI was poor. The ROA was -0.2% in 1918, and it was still 1.1% in 1919. This performance caused dissatisfaction among the Mitsui directors. On April 26, 1919, after the first shareholders' meeting, Inuma, the manager, said to Hirao, "some directors from Mitsui] do not like Taisho Marine and Fire's subordinate position to Tokyo Marine, and encouraged me to get out of Tokyo Marine's contro"⁴³.

Inuma again appealed to Hirao concerning the pressure by Mitsui directors in October 1919. According to Inuma, directors from Mitsui had stated, "We are not satisfied with the slow development of Taisho Marine and Fire," "This is because Taisho is under the control of Tokyo Marine and its cowardly attitude to doing everything with the assistance of Tokyo Marine. Taisho should be independent and leave the control of Tokyo Marine." Hirao interpreted these criticisms to relate to the foundation of a new marine insurance company by the Mitsubishi zaibatsu⁴⁴. In April 1918, Mitsubishi Holdings founded Mitsubishi Marine Insurance, by spinning off its self-insurance activities⁴⁵. According to Hirao, the entry of Mitsubishi Marine into the reinsurance business in London had stimulated the Mitsui directors, because TMFI had been reinsuring all its policies with TMI⁴⁶.

In 1921, the pressure from the Mitsui directors to make TMFI independent from TMI became stronger. Inuma reported to Hirao that a director had even said, "The fact that Taisho cannot behave independently, as if it were subject to Tokyo Marine, affects Mitsui's dignity, and it is not an issue of interest." Inuma argued that unless TMFI was allowed to establish an independent agent in London, which could conduct business at its own discretion, the relationship between TMI and TMFI would eventually dissolve.

⁴³ *Hirao Diary*, April 26, 1919, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 316–7.

⁴⁴ *Hirao Diary*, October 2., 1919, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, pp. 343–4.

⁴⁵ Tokyo Marine and Fire Insurance Co., *Tokyo Kaijo Kasai*, vol. 1, pp. 285–7.

⁴⁶ Taisho Marine and Fire Insurance Co., *Taisho Kaijo Kasai*, p. 67

Hirao understood the situation and said to Inuma that he would discuss with Kagami the proposal to improve the position of Inuma and Odagaki, who were faced with pressure from the Mitsui directors⁴⁷.

The issue of establishing an agent in London arose during discussion at the TMFI directors' meeting on June 21, 1922. Hirao had already spoken to Kagami on this issue, but as Kagami did not like the loss, his proposal had not yet been approved by TMI. At the directors' meeting, Hirao stated to chairman Iida and director Nanjo, who represented Mitsui & Co., that he would urge Kagami to finish the approval procedure, but that establishing a London agent would not be advantageous to TMFI⁴⁸.

In 1922, TMFI made a contract for marine reinsurance with Willis, Faber and Co. in London⁴⁹. After that, Mitsui continued to apply pressure to the TMFI executives. On the occasion that Hirao visited Kikusaburo Fukui, a director of Mitsui Holdings, to discuss Taisho's participation in fleet insurance of Nihon Yusen, on March 12, 1923, Fukui complained, "It is really cowardly that Taisho has not yet participated, and is behind Fuso as well as Mitsubishi"⁵⁰. It is confirmed that the pressure came not only from Mitsui & Co., which sent directors to Taisho, but also from Mitsui Holdings.

Breaching the agreement between the three companies

The dissatisfaction of Mitsui & Co. and Mitsui Holdings finally broke the cooperation between TMI and TMFI after Hirao stepped down as the executive director of Taisho. At the shareholders' meeting on April 10, 1924, Hirao stepped down from that position to be a director. The reasons were (a) three years had passed; (b) Inuma had developed as an executive; and (c) the TMFI's business was on the right track⁵¹.

Two months later, TMI offered a premium for the insurance of rice imports by Mitsui & Co., undercutting TMFI. Concerning this affair, Inuma, who had succeeded Hirao as executive director, strongly criticized TMI and Kagami at the TMFI directors' meeting on June 18. Observing Inuma's behavior, Hirao wrote in his diary, "I cannot but suspect that Mr. Inuma is ready to make Taisho independent of Tokyo Marine and is preparing for that"⁵².

⁴⁷ *Hirao Diary*, October 29, 1921, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 440.

⁴⁸ *Hirao Diary*, June 21, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 1, p. 464.

⁴⁹ Taisho Marine and Fire Insurance Co., *Taisho Kaijo Kasai*, p. 67.

⁵⁰ *Hirao Diary*, March 12, 1923, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 2, p. 7.

⁵¹ Taisho Marine and Fire Insurance Co., *Taisho Kaijo Kasai*, pp. 91–2, *Hirao Diary*, April 10 and 18, 1924, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 2, pp. 226–8.

⁵² *Hirao Diary*, June 19, 1924, Konan School and Yasuo Mishima eds., *Selected Reprint*,

Hirao's concern came true in October 1925. That is, on October 8, Iinuma visited Hirao to say, "Seven years have passed since Taisho Marine and Fire was founded, and it is now ready to be independent. The directors of Mitsui strongly urging that the present agreement between the three companies that Mitsui & Co. share contracts equally between Tokyo Marine and Taisho Marine and Fire should not be maintained. As we cannot suppress this opinion and Nanjo has already spoken to Kagami on this, this will become public before long"⁵³. Thus, the agreement was breached, and the relationship between TMI and TMFI became purely competitive.

4. Concluding remarks

In this paper, we focus on two events, the acquisition of MFI by TMI, and the foundation of TMFI by Mitsui & Co. Using Hirao's diary and related materials, we describe in detail what the executives, outside directors, and large shareholders of these three companies actually did. First, it was revealed that even with strategic managerial policies such as the acquisition and the release of an executive, it was principally the executives, including Kagami, Hirao, Hara, and Iinuma, who planned and implemented these policies. Although it was not discussed in this paper, these executives took charge of routine issues, such as ordinary insurance contracts and personal policies for ordinary employees. In this sense, for those companies, management was separate from control. However, this does not mean that these companies were completely managed at the discretion of the executives. Rather, it implies that there was an agency relationship between the executives and the shareholders, which entailed an agency problem. Resolving this problem is the fundamental issue of corporate governance⁵⁴.

Second, concerning the same issue, it was revealed that large shareholders such as Mitsubishi Holdings, Mitsui Holdings, Mitsui & Co., Hisaya Iwasaki, and the directors representing them, including Heigoro Shoda, expressed their opinions on the strategic managerial policies at the directors' meeting and other informal occasions. For instance, the acquisition of Meiji Fire by TMI was executed with the advice and approval of the outside director, Shoda, and major shareholder, Iwasaki. In addition, the release of Hirao from TMI to TMFI was approved by the board of directors including Shoda. The pressure on the TMFI manager, Goichi Iinuma, from outside directors

vol. 2, p. 237.

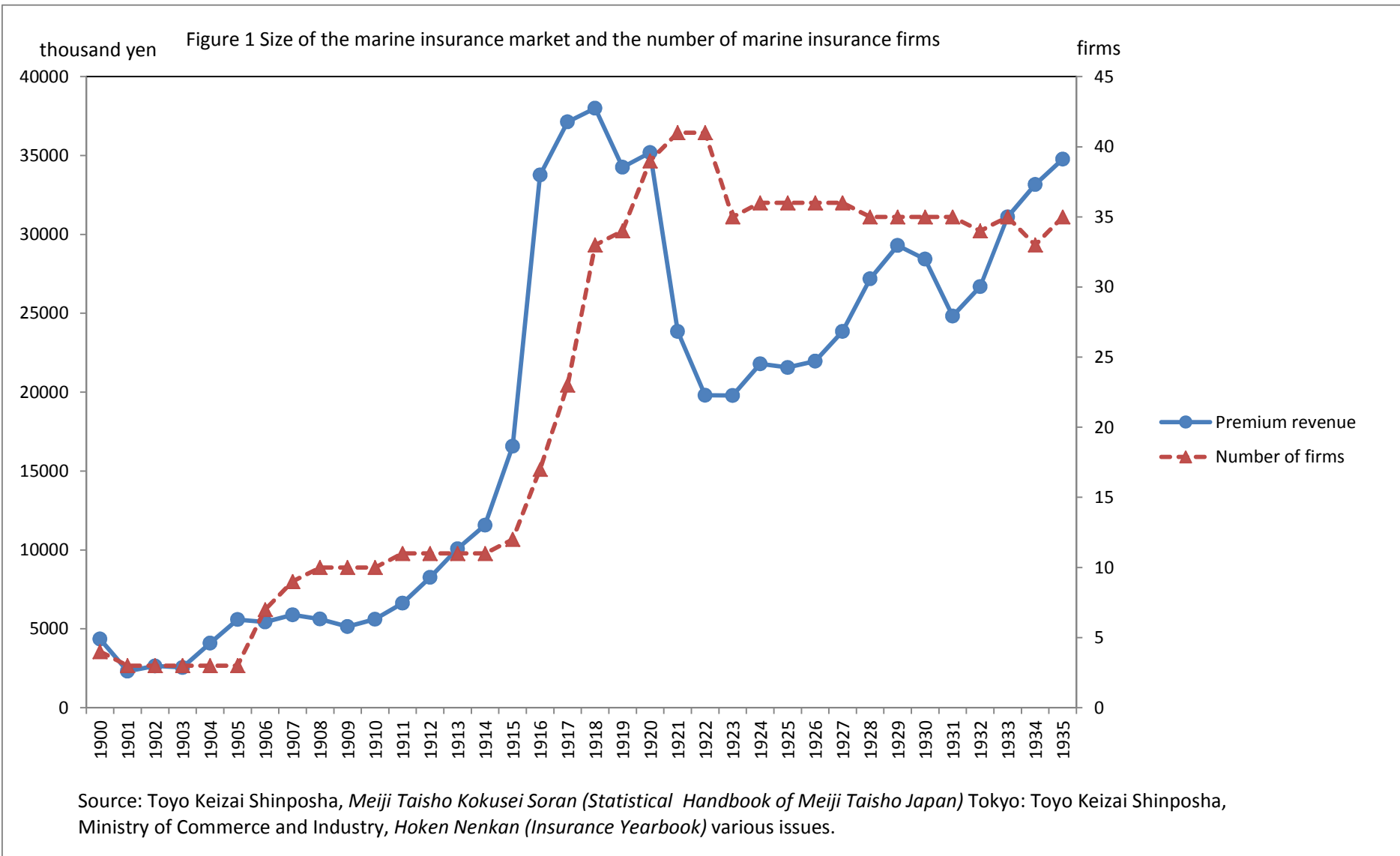
⁵³ *Hirao Diary*, October 8, 1925, Konan School and Yasuo Mishima eds., *Selected Reprint*, vol. 2, pp. 342–3.

⁵⁴ Andrei Shleifer and Robert W. Vishny, "Survey of Corporate Governance," *Journal of Finance*, 52(2): 737–783, 1997, Jean Tirole, *The Theory of Corporate Finance*, Princeton: Princeton University Press, 2006.

representing Mitsui, resulted in breaching the agreement by the three companies.

Finally, the roles of the executives were to make and implement managerial policies and interact with outside directors representing large shareholders concerning those policies. This mechanism of corporate governance, which separates management from control, whereby large shareholders communicate with management through outside directors representing them, and thereby indirectly control the management, is an essential element of the “Anglo-Saxon” type or the “market-oriented” type⁵⁵ of corporate governance.

⁵⁵ Franklin Allen and Douglas Gale, *Comparing Financial Systems*, Cambridge, MA: MIT Press, 2000.



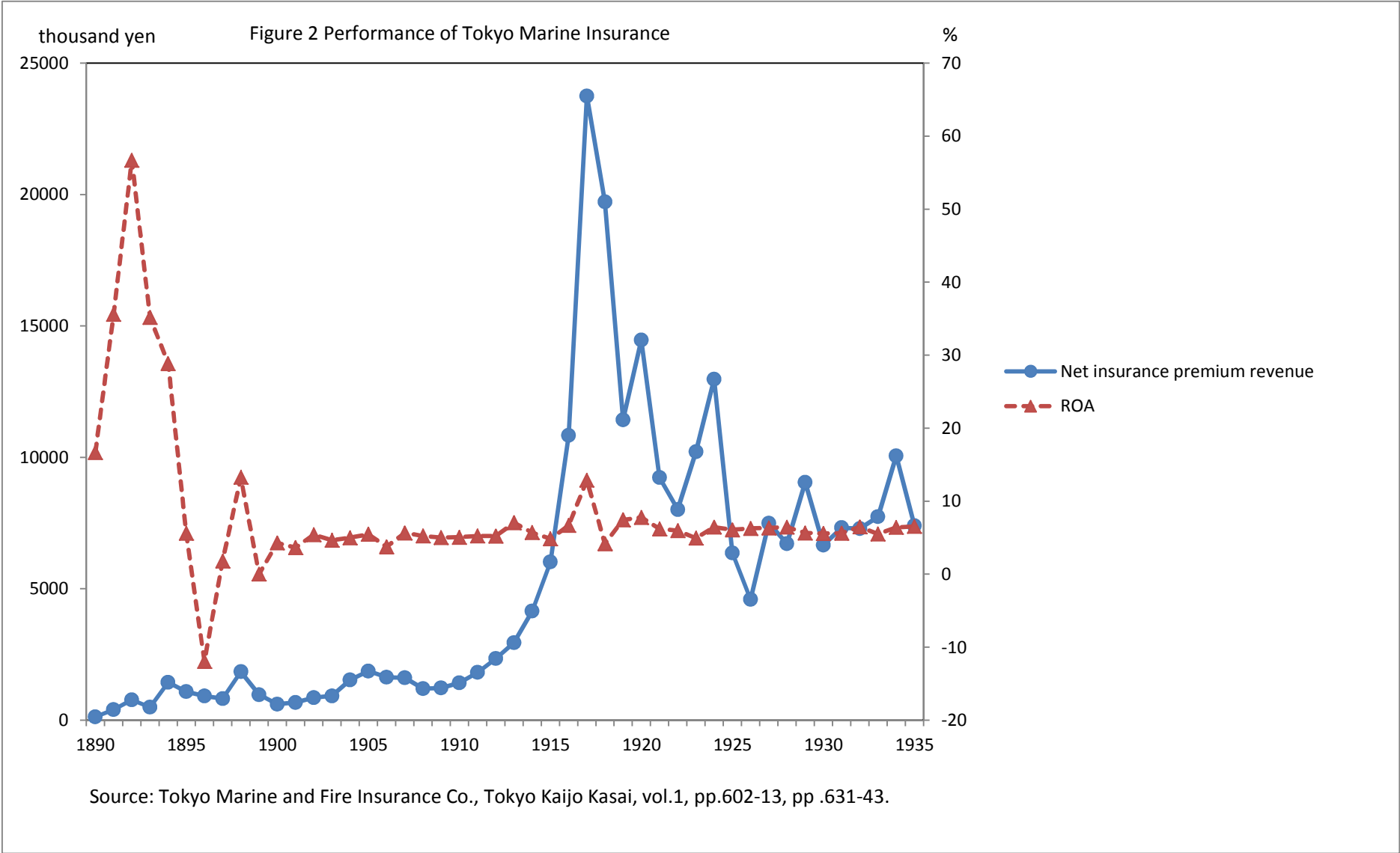


Table 1 Market shares of nonlife insurance companies

				%		
1914		1919		1924		
1	Tokyo Marine	57.3	Tokyo Marine	34.9	Tokyo Marine	31.4
2	Teikoku Marine and Fire	11.9	Nihon Marine	8.1	Nihon Marine	8.8
3	Nihon Marine	10.3	Kobe Marine	5.2	Fuso Marine	7.6
4	Toyo Marine	7.4	Yokohama Fire and Marine	5.2	Teikoku Marine and Fire	6.2
5	Kobe Marine	6.0	Teikoku Marine and Fire	5.0	Mitsubishi Marine and Fire	5.8
6	Tomei Fire and Marine	2.4	Osaka Fire and Marine	5.0	Taisho Marine and Fire	5.3
7	Yokohama Fire and Marine	1.4	Tomei Fire and Marine	4.5	Osaka Marine and Fire	4.4
8	Nissin Fire and Marine	1.2	Toyo Marine	3.8	Yokohama Fire and Marine	3.4
9	Kyodo Fire	1.1	Tokyo Fire	3.7	Kyodo Fire	3.3
10	Tokyo Fire	0.9	Fuso Fire	3.3	Toyo Marine	3.2
11	Osaka Fire and Marine	0.2	Taisho Marine and Fire	2.4	Tomei Fire and Marine	2.6
12			Nissin Fire and Marine	2.4	Kobe Marine	2.3
13			Kyodo Fire	1.9	Nishho Fire and Marine	2.1
14			Chugai Marine	1.7	Chugai Marine	1.7
15			Nishho Fire and Marine	1.7	Nihon Fire	1.3
16			Mitsubishi Marine and Fire	1.5	Daiwa Marine	1.2
17			Daiichi Fire and Marine	1.4	Settsu Marine	1.1
18			Hokoku Fire	1.3	Nissin Fire and Marine	1.0
19			Chiyoda Fire	1.2	Tasuma Marine and Fire	1.0
20			Nihon Fire	1.0	Daito Marine and Fire	0.9
	Others	0.0	Others	4.9	Others	5.6

Source: Ministry of Commerce and Industry, Insurance Yearbook, various issues.

Table 2 Large shareholders of Tokyo Marine Insurance Co.

1907				1919				1924			
	Name	Number of shares	%	Name	Number of shares	%	Name	Number of shares	%		
1	Hisaya Iwasaki	16,699	27.8	Hisaya Iwasaki	70,625	23.5	Mitsubishi Bank	112,144	18.7		
2	Michinari Suenobu	3,750	6.3	Michinari Suenobu	22,100	7.4	Meiji Fire	29,100	4.9		
3	Yorihisa Matsudaira	2,777	4.6	Meiji Fire	14,742	4.9	Tatsuuma Shipping	27,860	4.6		
4	Mitsui Bank	2,346	3.9	Yorihisa Matsudaira	11,106	3.7	Yorihisa Matsudaira	22,212	3.7		
5	Kenkichi Kagami	2,300	3.8	Kenkichi Kagami	10,000	3.3	Tazuru Suenobu	22,122	3.7		
6	Michiaki Hachisuka	2,000	3.3	Mitsui Holdings	9,384	3.1	Michinari Suenobu	22,100	3.7		
7	Rokuro Ishikawa	1,750	2.9	Meiji Life	6,642	2.2	Kenkichi Kagami	20,100	3.4		
8	Hachisaburo Hirao	1,500	2.5	Tomei Fire	6,030	2.0	Mitsui Holdings	18,768	3.1		
9	Manzo Kushida	1,248	2.1	Hachisaburo Hirao	4,700	1.6	Meiji Life	13,284	2.2		
10	Toyokage Yamanouchi	1,128	1.9	Manzo Kushida	4,604	1.5	Tomei Fire	12,060	2.0		
	Others	24,502	40.8	Others	140,067	46.7	Others	300,250	50.0		
	Total	60,000	100.0	Total	300,000	100.0	Total	600,000	100.0		

Source: Tokyo Marine and Fire Insurance Co., Tokyo Kaijo Kasai, vol.1, p.232, Tokyo Marine Insurance Co., Business Report, 1919 and 1924 (held at Mitsubishi Archives).

Table 3 Board members of Tokyo Marine Insurance Co.

	1907	1919	1924
Chairman	Michinari Suenobu	Michinari Suenobu	Michinari Suenobu
Executive director		Kenkichi Kagami Hachisaburo Hirao	Kenkichi Kagami Hachisaburo Hirao
Director	Heigoro Shoda Shinshiro Sasaki Eiichi Shibusawa	Heigoro Shoda Shinshiro Sasaki Renpei Kondo Kokichi Sonoda Taizo Abe Sankichi Komuro Kunpei Mimura	Shoich Kirisima Yokiti Mashima Kyoroku Yamanari Manzo Kushida Kusuyata Kimura

Source: Tokyo Marine and Fire Insurance Co., Tokyo Kaijo Kasai, vol.1, appendix.

Table 4 Large shareholders of Meiji Fire Insurance Co.

1915				1921		
	Name	Number of shares	%	Name	Number of shares	%
1	Meiji Life	738	14.8	Tokyo Marine	4,714	94.3
2	Hisaya Iwasaki	460	9.2	Mazujiro Miyano	38	0.8
3	Tokyo Marine	356	7.1	Juhei Oshiki	31	0.6
4	Heibei Hirano	240	4.8	Kenji Mizusawa	31	0.6
5	Hisadayu Kawakita	210	4.2	Kenkichi Kagami	30	0.6
6	Ichizo Tanaka	200	4.0	Taizo Abe	30	0.6
7	Sumitomo Holdings	150	3.0	Hachisaburo Hirao	30	0.6
8	Isako Masujima	120	2.4	Michinari Suenobu	30	0.6
9	Masumi Fujii	115	2.3	Satoru Hori	10	0.2
10	Taizo Abe	100	2.0	Seishiro Kuzago	10	0.2
	Others	2,311	46.2	Others	46	0.9
	Total	5,000	100.0	Total	5,000	100.0

Source: Meiji Fire Insurance Co., *Business Report*, 25th, Toyo Keizai Shinposha, *Kabushiki Nenkan (Stock Yearbook)*, 1922, p.18.

Table 5 Board members of Meiji Fire Insurance Co.

	1915	1921
Chiirman	Taizo Abe	Michinari Suenobu
Executive director		Kenkichi Kagami
Director	Heigoro Shoda	
	Michinari Suenobu	Kenji Mizusawa
	Kingo Hara	Taizo Abe

Source: Meiji Fire Insurance Co., *Business Report*, 25th, Toyo Keizai Shinposha, *Kabushiki Nenkan (Stock Yearbook)*, 1922, p.18.