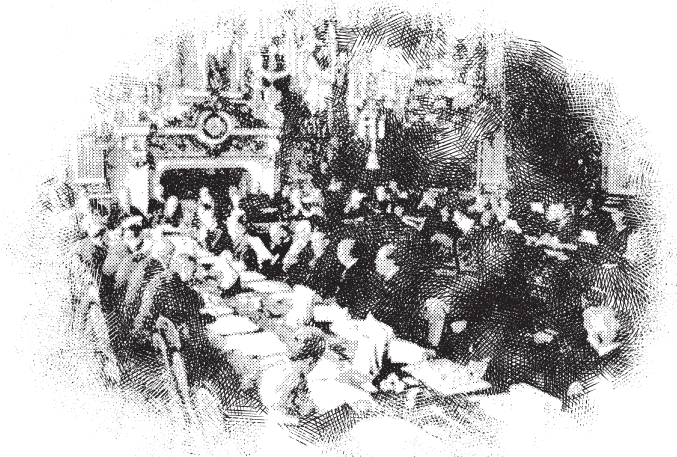
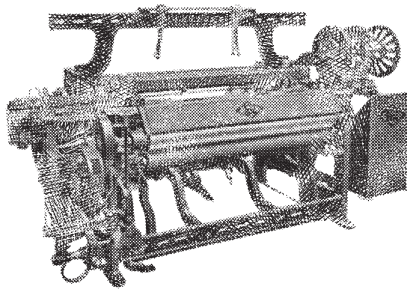


Chapter 3

Japan Cotton Trading Co.

President Kita joins Japanese delegation to the Paris Peace Conference, acquires rice mill in Burma, and becomes first president of Suzumasa Woolen Weaving Company, Ltd. (today's Enshu Limited).





It makes sense given that Kita was responsible for taking over a huge share of the British market and bringing vast amounts of foreign capital into Japan...

Only four private citizens were selected for the delegation...



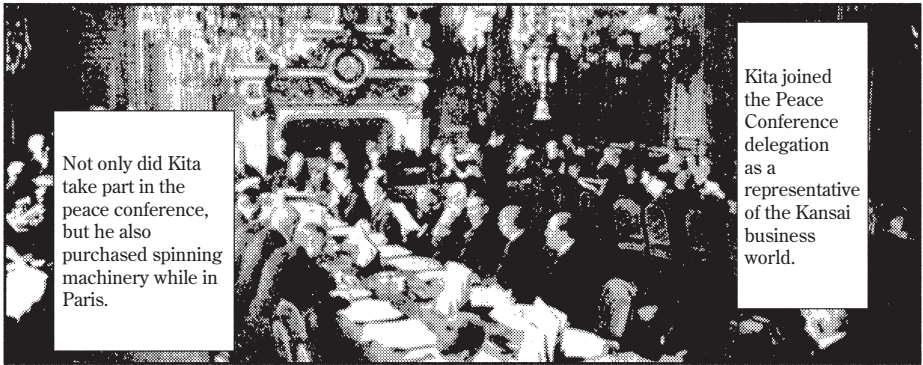
In 1919, Japan Cotton Trading President Matazo Kita was selected to join Prime Minister Saionji Kinmochi's delegation to the Paris Peace Conference.

Kita was just 42 years old.



We must seize this opportunity to improve the international standing of Japan and put an end to racial discrimination. We need to assert ourselves and make our voices heard!

Japanese industry has established a firm presence on the world stage and have joined the ranks of the five great world powers of the U.S., Great Britain, France, and Italy.

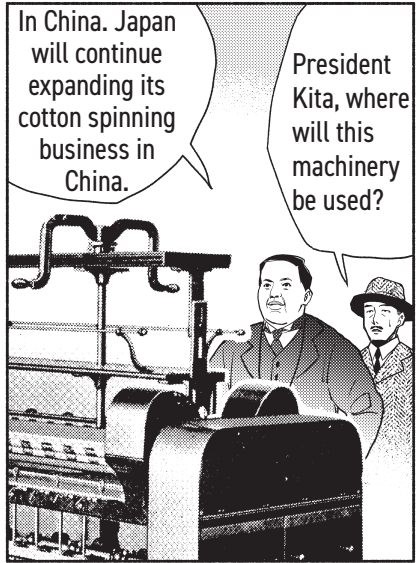


Not only did Kita take part in the peace conference, but he also purchased spinning machinery while in Paris.

Kita joined the Peace Conference delegation as a representative of the Kansai business world.



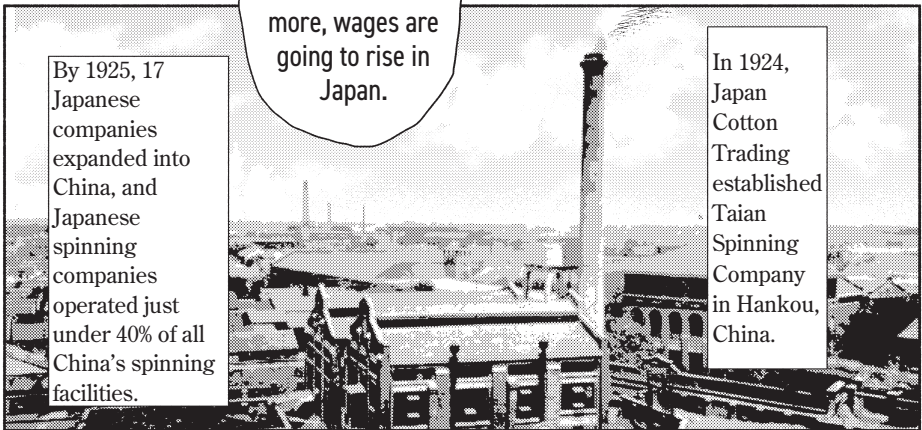
Well, you are the expert on China. By the way, I heard that Mr. Miyajima of Nisshin Cotton Spinning Co. is building a factory in Qingdao, China. Our former Japan Cotton Trading colleague, Yoshizou Murata, has also apparently had great success there.



In China. Japan will continue expanding its cotton spinning business in China.

President Kita, where will this machinery be used?

China has the raw cotton that we need. What's more, wages are going to rise in Japan.



By 1925, 17 Japanese companies expanded into China, and Japanese spinning companies operated just under 40% of all China's spinning facilities.

In 1924, Japan Cotton Trading established Taian Spinning Company in Hankou, China.



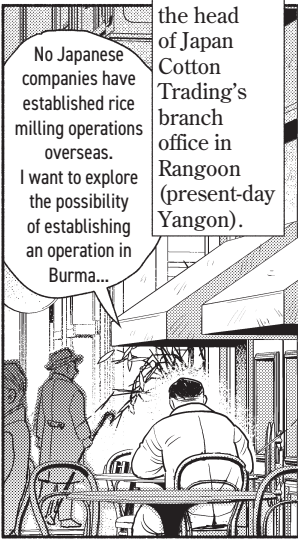
We can't ignore the attack on Suzuki & Co. With mass migration into cities, skyrocketing rice prices added fuel to the fire. The Suzuki & Co. incident perfectly represents the growing pains Japan is facing as it experiences industrialization and urbanization...

The Russian Revolution has set off a wave of socialist movements that swept across the world.

Kita gained insight about the state of affairs in Europe from his visits and was able to leverage that knowledge for the business.

My father back in Nara taught me that ensuring a stable food supply is the first step to public stability.

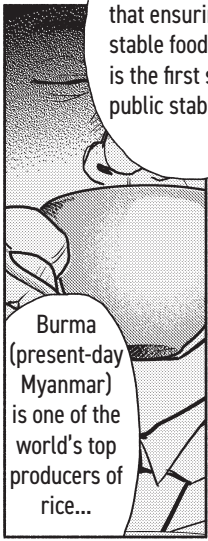
Kita wrote a letter to the head of Japan Cotton Trading's branch office in Rangoon (present-day Yangon).



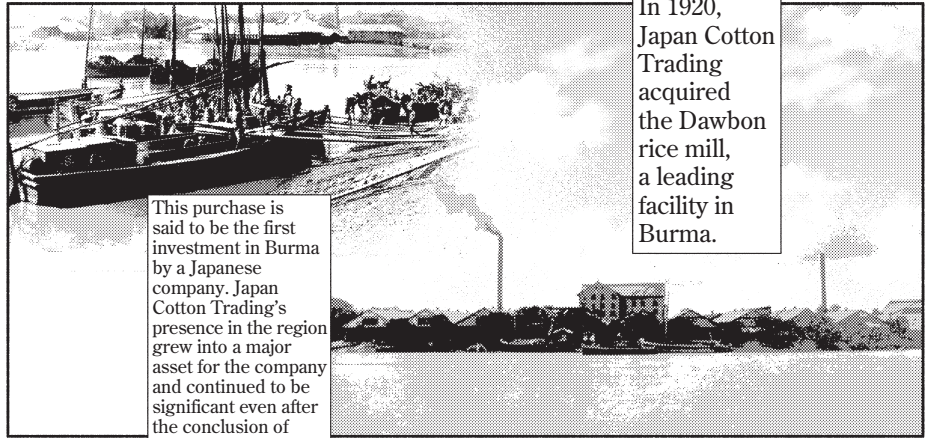
No Japanese companies have established rice milling operations overseas. I want to explore the possibility of establishing an operation in Burma...



It's time for Japan Cotton Trading to blaze a new trail in Burma! Let's do it!



Burma (present-day Myanmar) is one of the world's top producers of rice...



In 1920, Japan Cotton Trading acquired the Dawbon rice mill, a leading facility in Burma.

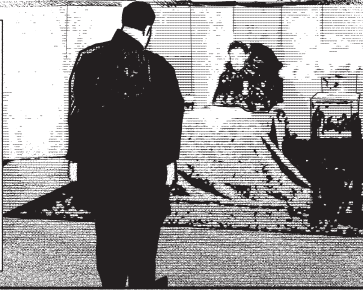
This purchase is said to be the first investment in Burma by a Japanese company. Japan Cotton Trading's presence in the region grew into a major asset for the company and continued to be significant even after the conclusion of WWI.



However, Japan Cotton Trading later faced tragedy—45 of the company's staff were killed in battle after being summoned from Burma to fight for Japan in the nearby Battle of Imphal in India.

Japan Cotton Trading dispatched more employees to Burma than any other Japanese company, and the company's name became synonymous with the Japanese presence in the region.

For a Kansai businessman of only 42 years old, this was a rare honor.



In 1920, he was awarded the Imperial Order of the Rising Sun, Third Class.

After returning to Japan from Burma, Kita was summoned for an audience with the emperor to report on his attendance at the Paris Peace Conference.

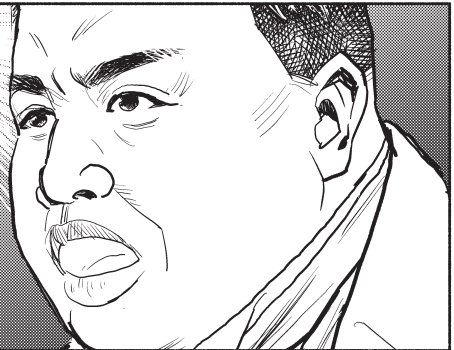
As good as Toyoda ...?

I know of a highly skilled engineer named Seijiro Suzuki in Hamamatsu City, Shizuoka Prefecture. His machines rival those at Toyoda Automatic Loom Works, Ltd. I've heard that he has a vision for modernizing textile manufacturing.

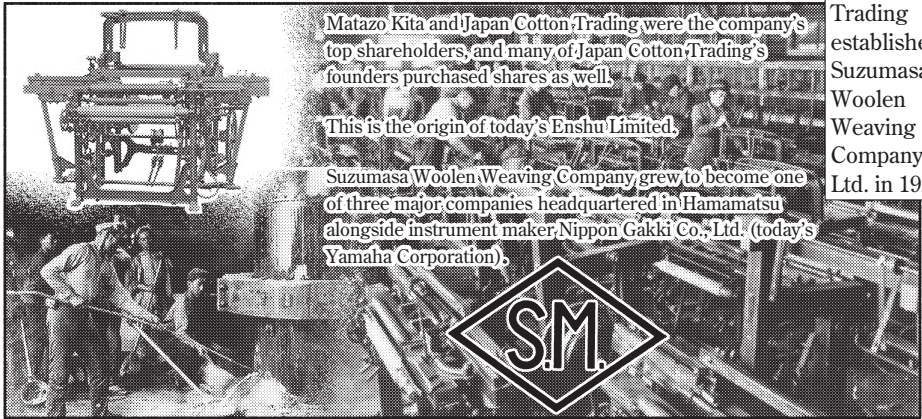
Foot-operated looms are still the standard here in Japan and in China...

Even if we can count ourselves among the world's five great powers, our industrial sector is still far behind. We need to grow our machinery industry. I want to see if we can create textile machinery built for mass production that can meet today's global demand.

At this rate, we'll be left behind in global competition. If we want Japan to be the world leader of the textile industry, we have to create revolutionary textile machines!



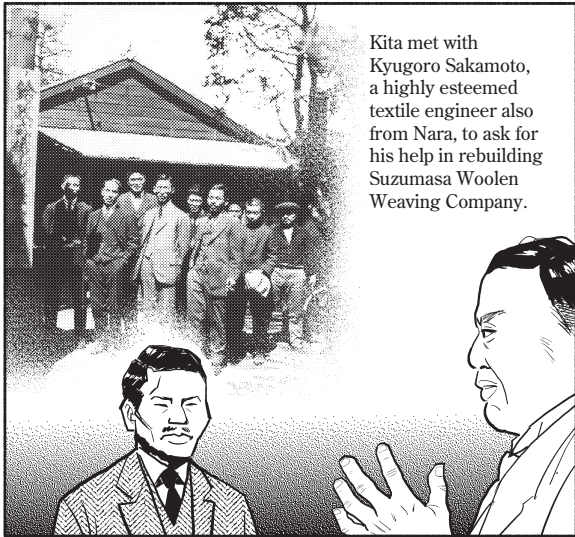
Japan Cotton Trading established Suzumasa Woolen Weaving Company, Ltd. in 1920.



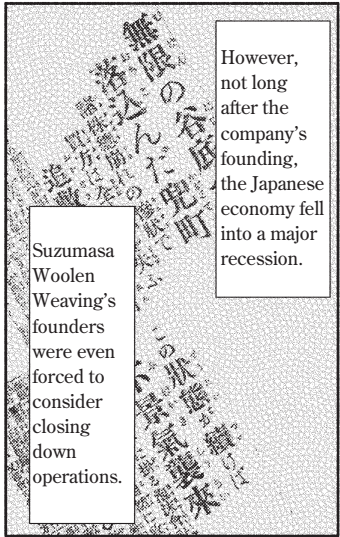
Matazo Kita and Japan Cotton Trading were the company's top shareholders, and many of Japan Cotton Trading's founders purchased shares as well.

This is the origin of today's Enshu Limited.

Suzumasa Woolen Weaving Company grew to become one of three major companies headquartered in Hamamatsu alongside instrument maker Nippon Gakki Co., Ltd. (today's Yamaha Corporation).

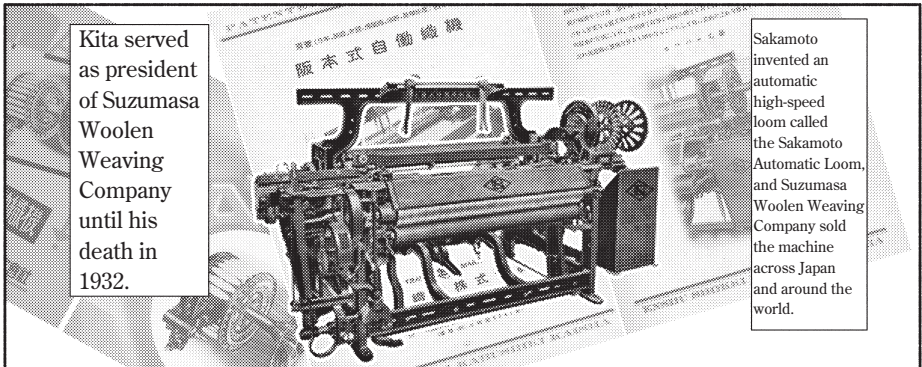


Kita met with Kyugoro Sakamoto, a highly esteemed textile engineer also from Nara, to ask for his help in rebuilding Suzumasa Woolen Weaving Company.



However, not long after the company's founding, the Japanese economy fell into a major recession.

Suzumasa Woolen Weaving's founders were even forced to consider closing down operations.



Kita served as president of Suzumasa Woolen Weaving Company until his death in 1932.

Sakamoto invented an automatic high-speed loom called the Sakamoto Automatic Loom, and Suzumasa Woolen Weaving Company sold the machine across Japan and around the world.