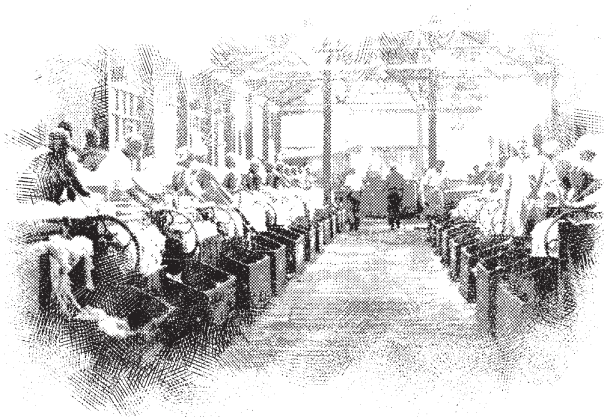


## Chapter 5

Japan Cotton Trading Co.

Passing of Matazo Kita

Japan rises to the world's No.1 exporter  
of cotton cloth

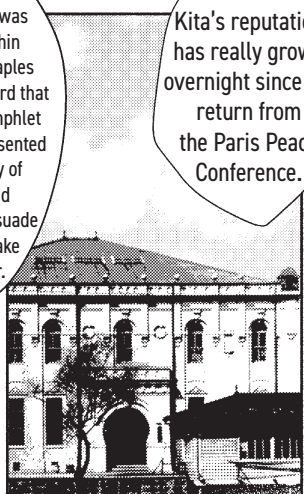




Japan Cotton Trading became the first Japanese trading company to expand into Egypt with its liaison office established in Alexandria in 1923.



That's true. A cotton market was established within Osaka's Three Staples Exchange, but I heard that Kita created a pamphlet and personally presented it to the Ministry of Agriculture and Commerce to persuade the officials to take things further.



President Kita's reputation has really grown overnight since his return from the Paris Peace Conference.



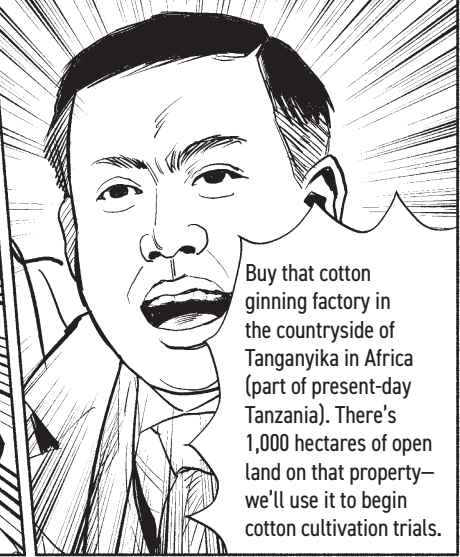
Apparently, we've been gaining momentum in East Africa too—with both the Japanese consulate and Yokohama Specie Bank in our corner.



Yes! We'll be the first Japanese business to invest in East Africa... and this will be the first cotton trial in the region as well!\*



Japan Cotton Trading went on to establish a cotton processing company that operated nine factories across Uganda and Tanganyika.

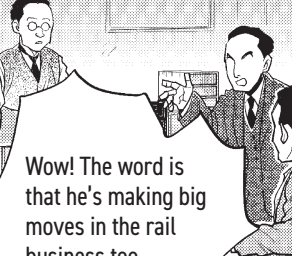


Buy that cotton ginning factory in the countryside of Tanganyika in Africa (part of present-day Tanzania). There's 1,000 hectares of open land on that property—we'll use it to begin cotton cultivation trials.


\* The company ran cotton cultivation trials in East Africa for two years beginning in 1928.



Oh, right—there's that plan to build 26 kilometers of track between Fukiai, Kobe and Sakurajima, Osaka...



Wow! The word is that he's making big moves in the rail business too.



Hey, I heard that the Emperor invited President Kita for a dinner and even asked him about cotton farming in East Africa.

However, the Kobe–Osaka rail project was derailed by the bankruptcy of Suzuki & Co.

I heard that President Kita went head-to-head with Inabata for the chairman seat of the Osaka Chamber of Commerce and Industry—these days, he's just as much a leading figure in the Osaka business world as he is here in Kobe!

Iwajiro Suzuki of Suzuki & Co., and Gisaku Takigawa, the man known as the king of Japan's match industry and an auditor for Japan Cotton. There's also Katsutaro Inabata representing the Osaka business leaders.

The project is backed by giants of the Kobe business world like Kojiro Matsukata of Kawasaki Dockyard,

和歌山の交通新紀元  
阪和電気鐵道株式會社  
大阪  
和歌山  
明十六日より  
大阪-和歌山間全通  
高速阪和電鉄

Together with colleagues in the spinning industry, Matazo Kita led the establishment of an electrified railway connecting Osaka and Wakayama. The line began service in 1926 and still runs today as the JR Hanwa Line.

But Kita did not let this past rail experience go to waste.

Since the railways opened, everyone in Osaka has been flocking to Arima Hot Springs. I want people to enjoy Shirahama Hot Springs in Wakayama in that same way.

In 1930, Japan Cotton Trading found itself in serious financial trouble and consequently recorded enormous losses for the year.

But new hardships continued to emerge, from Suzuki & Co.'s bankruptcy and the onset of the Great Depression to rising anti-Japanese sentiment in China—a key market for Japan Cotton Trading.

Kita emphasized to employees the importance of reducing costs and maximizing efficiency throughout the recession period that began in 1920.

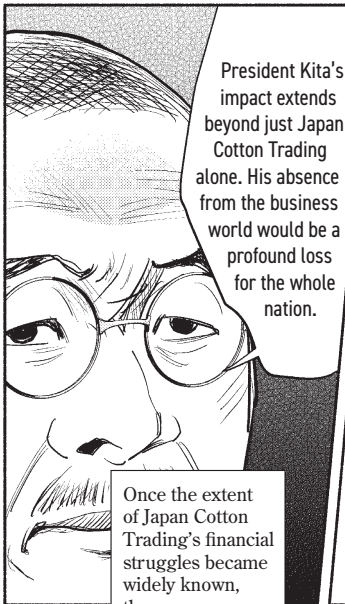
財界の大綱  
鈴木商店整理

However, there were still those that called for Kita to step down as president.

Kita sought financial support from Yokohama Specie Bank. The bank agreed to a capital reduction plan and continued to provide the company with the funds required to restructure its business.



We cannot let our company fall victim to the same excessive expansion policies that led to Suzuki & Co.'s collapse. We must shift gears to a streamlined approach in order to avoid those same pitfalls.



President Kita's impact extends beyond just Japan Cotton Trading alone. His absence from the business world would be a profound loss for the whole nation.

Once the extent of Japan Cotton Trading's financial struggles became widely known, there was an attempt to review the handling of the company's promissory note transactions.

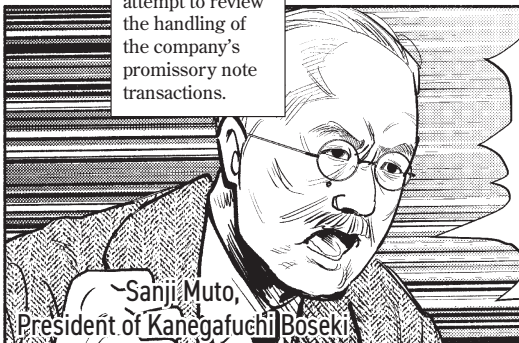


Yes, sir!

Japan Cotton Trading supported Nisshin Cotton Spinning when we were in trouble. They advised us to start trading American cotton, and that strategy had a major impact on our performance. I can't stand by while people demand Kita's resignation. I'll have my employees attend the


Japan Cotton shareholders' meeting and speak out in his favor to block his removal!

Seijiro Miyajima,  
President of Nisshin Cotton Spinning Co., Ltd.




Sanji Muto,  
President of Kanegafuchi Boseki

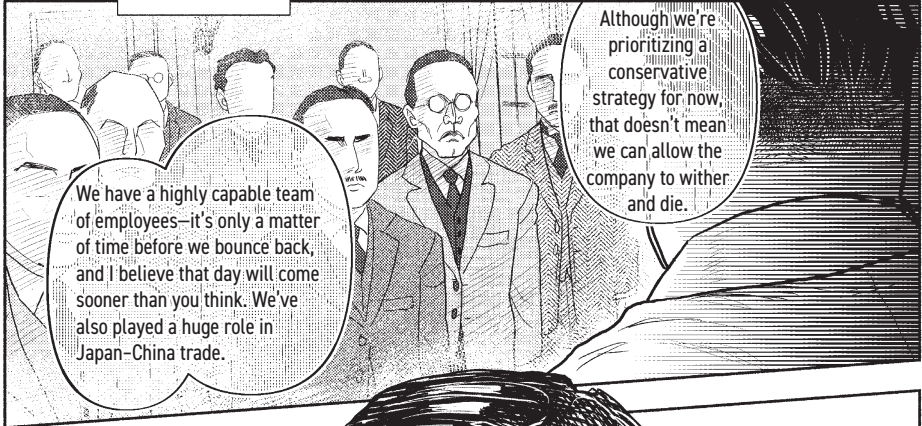
Japan Cotton Trading and Kanegafuchi Boseki have worked in close partnership for many years. Do you all remember everything they've done for us? Now it's our turn to lend a hand to help them overcome this crisis! We mustn't change our business with Japan Cotton—not one bit!



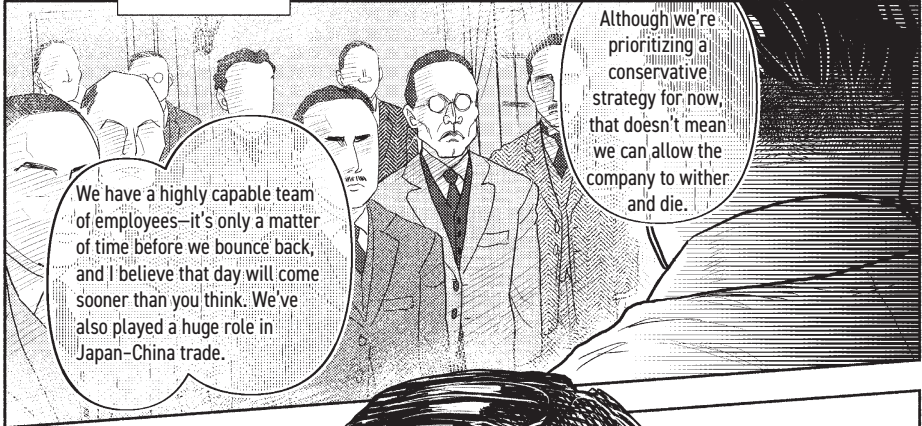
Although Kita had long battled with kidney disease and diabetes,



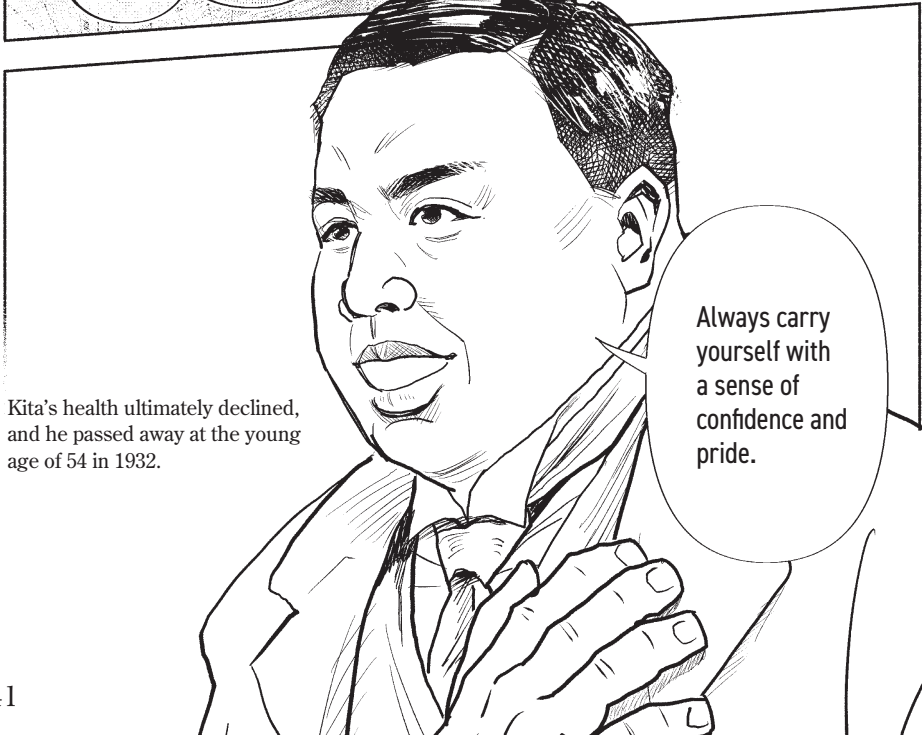
as president, he never took the path of least resistance in business and always tackled adversity head-on, despite his health challenges.



Although we're prioritizing a conservative strategy for now, that doesn't mean we can allow the company to wither and die.



We have a highly capable team of employees—it's only a matter of time before we bounce back, and I believe that day will come sooner than you think. We've also played a huge role in Japan-China trade.

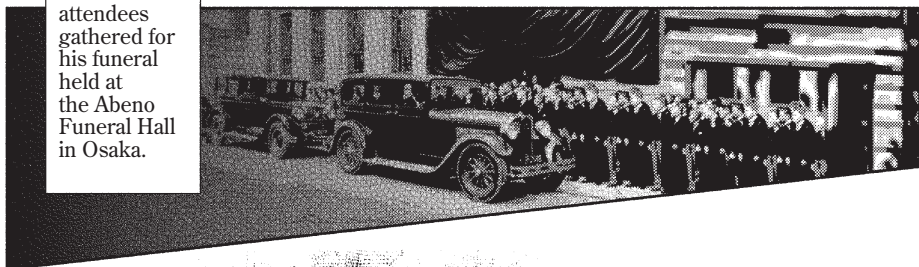


Always carry yourself with a sense of confidence and pride.

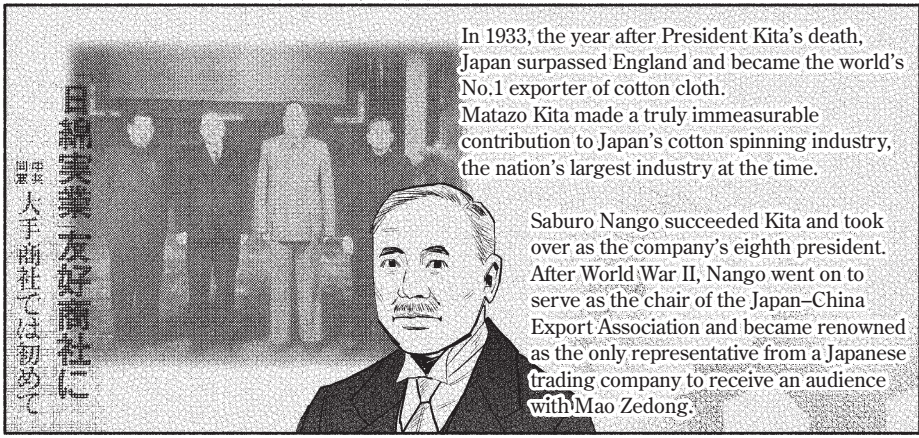
Kita's health ultimately declined, and he passed away at the young age of 54 in 1932.



Over 3,000 members of the business community and other attendees gathered for his funeral held at the Abeno Funeral Hall in Osaka.



Kita now rests in Oku-no-in Cemetery on Mount Koya.



In 1933, the year after President Kita's death, Japan surpassed England and became the world's No.1 exporter of cotton cloth. Mataka Kita made a truly immeasurable contribution to Japan's cotton spinning industry, the nation's largest industry at the time.

Saburo Nango succeeded Kita and took over as the company's eighth president. After World War II, Nango went on to serve as the chair of the Japan-China Export Association and became renowned as the only representative from a Japanese trading company to receive an audience with Mao Zedong.