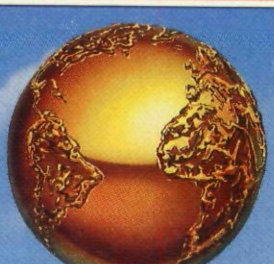
JAPAN



JAPAN INDUSTRY

SEIJI TSUTSUMI
Another Overseas Street

A part-time poet and novelist, the head of $25 billion (sales) Saison Group is bold in business, unlike richer half-brother Yoshiaki *(which see)*. Thus, Seiji built the unfashionably located department store he inherited into a 100-company empire with supermarkets, restaurants, travel agencies, insurance and consumer credit.

Take his swift $2.15 billion purchase of the Inter-Continental Hotels chain last fall, one of the largest overseas acquisitions by a Japanese company. It is Seiji's most aggressive foray overseas, too, but by no means the only one. He likes partners outside Japan. For Inter-Continental, Tsutsumi hooked up with Scandinavian Air Systems in April to manage the 101-hotel chain. In 1987 Tsutsumi joined the Rockefeller group, among others, to buy a hotel in Scotland, and lately Saison has been talking with Intourist about building and managing hotels in the Soviet Union. Seibu Department Stores plans a branch next spring in Hong Kong and further moves into Singapore and Taiwan with local partners.

Kyodo Press

Seiji Tsutsumi

Rapid expansion has a price. According to one source, Seibu, his original core company, alone carries some $1.6 billion in loans that virtually wipe out profits.

Some in Japan interpreted the Inter-Continental purchase as a challenge to half-brother Yoshiaki Tsutsumi, who runs one of Japan's best-known hotel chains. Both are rumored to be after the famous Hilton chain. Such talk is an old tale. Their father, Yasujiro, a successful entrepreneur, left most of his assets to Yoshiaki, the more obedient son. Some lines of Seiji's poetry hint at why the imperious old man favored Yoshiaki:

"I am what I am
So I joined no club
Even with those I love I spoke only inside my heart
And so I built my streets one by one."—**Gale Eisenstodt**

MORITA FAMILY
Just A $14 Billion Sideline

★ "Sony is merely a venture business for the Morita family," says Hideo Morita, vice president of the Morita group of companies and son of Akio Morita, the chairman of Sony. Hideo, 37, likes to remind people of where the family fortune began: In its 324-year-old sake and soy sauce company. His father, Akio Morita, had been slated to become master brewer at the Nagoya sake plant. But independent-minded Akio had other ideas. He won his father's permission to join with Masaru Ibuka, a World War II navy buddy, and start an electronics company. In 1950 the company produced Japan's first tape recorder, but its big break came when it bought Japanese patent rights for a new gadget invented in the U.S.: the transistor.

Seed money for Sony came from the old family company. Akio frequently turned to his father for loans to expand and paid back in Sony stock. So today Raykay, a Morita subsidiary, holds 6.6% of Sony, together with Akio's shares worth about $1 billion.

Andrew Popper/Picture Group

Akio Morita

Sony has become a legendary success. And the old family business? It's doing great. It's diversified into food distribution and convenience stores. Raykay, under young Hideo Morita, is scouting out new selling channels, including a direct sales division. He is also developing a resort in Niigata prefecture.

Hideo, reflecting on Sony's success, is frank in admitting that Japan has not always played by the rules in international trade. Says he: "My father's generation knew they were playing by different rules from the West when it came to trade, but they pretended they didn't understand the rules. That's why they won. My generation knows that we have to play by the same rules [as the West observes]."—**Gale Eisenstodt**

TADAO YOSHIDA AND FAMILY
Survival Of The Fittest

No thanks to Japan's supposedly efficient Ministry of International Trade & Industry, Tadao Yoshida built Yoshida Kogyo into the world's leading zippermaker. "The Japanese govern-

Robert Wallis/J.B. Pictures

Tadahiro Yoshida

ment never considered zippers an important industry," says Tadahiro Yoshida, the founder's son. "My father always felt the government protected the auto industry at his expense."

Ironically, in the 1980s, as Japan's automakers have moved overseas, MITI now holds up the $3.2 billion (sales) Yoshida Kogyo as a model multinational corporation—with zipper factories in 40 countries, YKK had long ago gone overseas to respond more quickly to the needs of local apparel manufacturers. The company reinvests its overseas profits in additional growth and grants local managers considerable autonomy. At home the Yoshidas have built an aluminum building materials business that now accounts for 70% of sales.

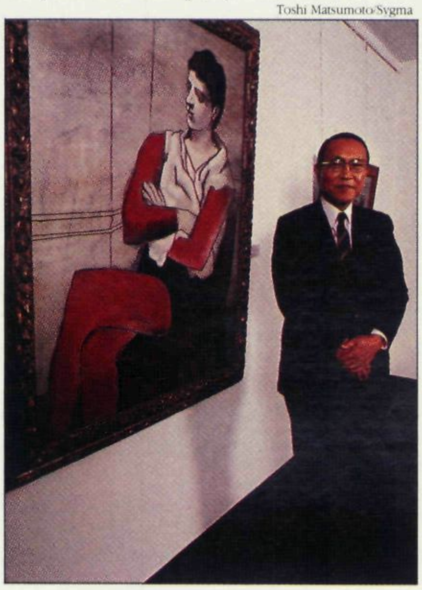
Founder Tadao Yoshida, now 80, is in poor health; son Tadahiro runs things. He reminds FORBES that his father was not shy about criticizing the government for coddling certain industries and believed that YKK's strength lay in the fact that the company had to build its own financial muscle, and had to avoid the glut of managers that make many big Japanese firms, by Yoshida Kogyo standards, inefficient. The Yoshida family still owns around 27% of the company, a stake worth some $1.3 billion.—**Gale Eisenstodt**

KANICHIRO ISHIBASHI
Watch Out, Goodyear

Observers who expected Japan's Bridgestone Tire to lie low and quietly digest its $2.6 billion acquisition of Firestone Tire & Rubber last year got a shock. At year's end Bridgestone announced a further $1.5 billion investment to be spent over three years to streamline Firestone's operations; and in February another $350 million for a new plant, in Tennessee. Bridgestone is also working at beefing up the overseas sales networks. Clearly Bridgestone is not content to be the world's number three tiremaker. Goodyear and Michelin, watch out.

What does all this mean for the family of Bridgestone's late founder, Shojiro Ishibashi (whose surname translates to "stone bridge")? A lot. Before the Firestone deal, Bridgestone seemed to be falling behind. Dominant in its home market, the 58-year-old company was not following the Japanese car manufacturers overseas. But Firestone brought it plants in North America, Latin America and Europe. Now Shojiro Ishibashi's son Kanichiro is honorary chairman, and the Ishibashi family's Bridgestone stock alone is worth over $1 billion. The Firestone purchase will probably augment that value considerably.—**Gale Eisenstodt**

Toshi Matsumoto/Sygma



Kanichiro Ishibashi

JUNICHI MURATA
"They Hate Us"

★ Not all Japanese billionaires owe their fortunes to real estate. Murata owes his to a clever product—the facsimile machine—well produced and stubbornly marketed. Matsushita, Ricoh, Toshiba and Canon laughed when Murata Machinery first started selling facsimile machines, but now the Kyoto-based manufacturer makes about 12% of the fax machines produced in Japan and recently introduced the first fax machines for less than Y100,000 ($680), setting a new price threshhold. "They hate us," Murata, 53 and a new name among our billionaires this year, says of his mainline competitors.

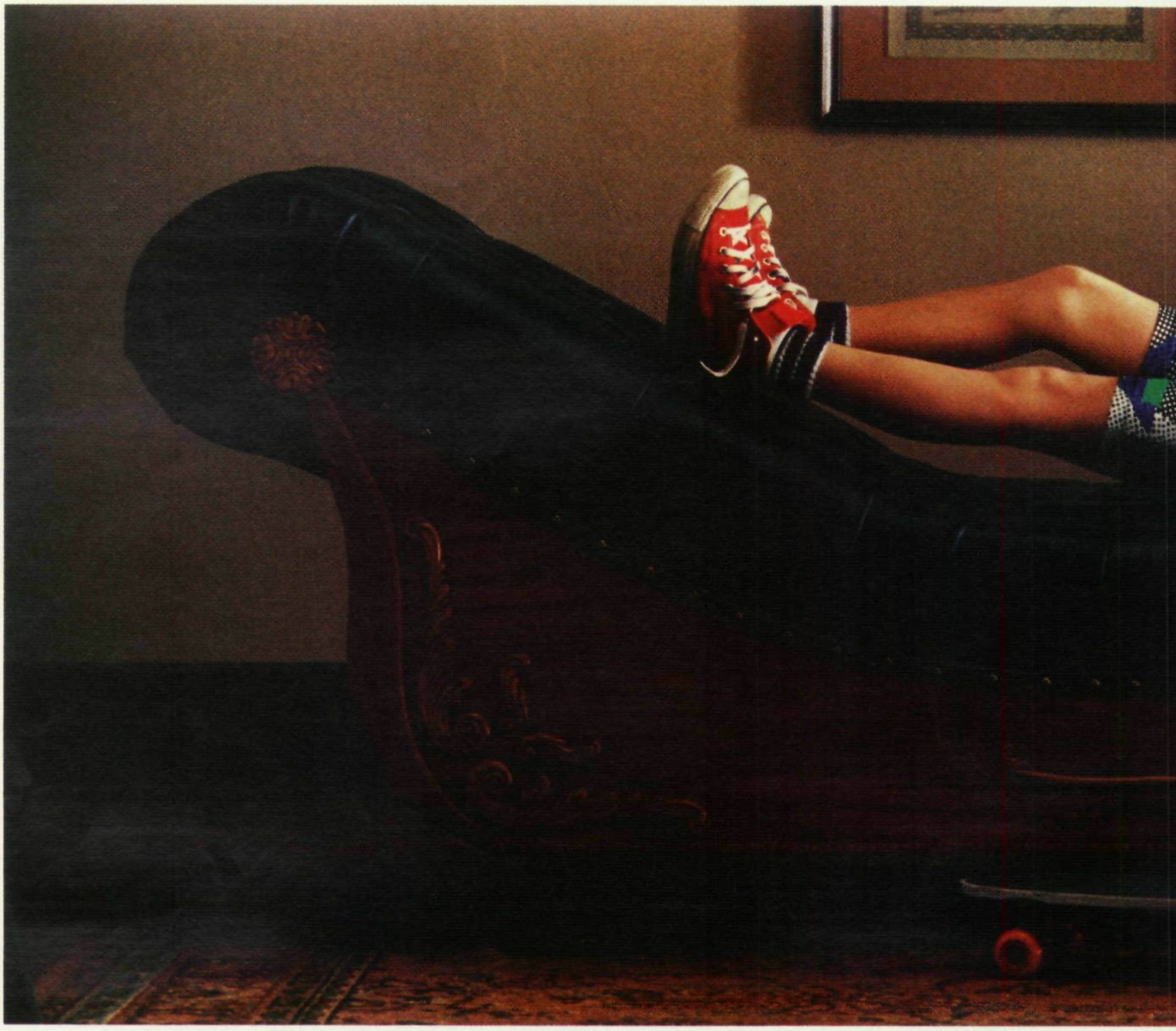
Founded by Junichi's father, Murata Machinery made textile machinery (still 50% of revenues) and later added machine tools and other industrial goods. Junichi took over in 1969 and launched the facsimile business in 1973. "I wanted a product that had a different business cycle than industrial machinery." At one point he paid the Boston Consulting Group to assess his potential; they told him to pull out.

Murata followed his instincts. By 1982 he was setting up a U.S. sales network. He hired R. Michael Franz away from Burroughs to run it and gave him almost complete autonomy. "A Japanese president would be easier to communicate with, but he'd concentrate on pleasing me rather than his U.S. customers," explains Murata. Franz targeted the home-office segment with faxes short on features but high in dependability and low in price. This year the U.S. division probably brought in about 20% of operating profits. Overall last year, the privately owned company earned around $70 million on sales of $1.1 billion. At prevailing Japanese market multiples, the company is worth around $1.8 billion.

Now Murata Machinery is developing other office automation equipment, but Murata recalls that it took the company ten tough years to turn a profit on fax machines. "My father came from a farming family and he made me farm when I was young,"

Robert Wallis

Junichi Murata



KIDS THESE DAYS ARE SPENDING A LOT OF TIME ON THE COUCH.

The number of kids with mental health disorders is enough to make you sit up and take notice.

Every year 15 million kids under 18 years old will have some kind of psychiatric illness.*

Add to that the increased cost of their mental health claims—up 27 percent in 1988** alone—and we're looking at some serious growing pains.

At NWNL Group, we're trying to help control these costs. We're also trying to do what's best for the kids undergoing treatment and the employers paying for it.

To do that, we have a full-time staff psychologist who works with our hospital utilization review program. Together, they help us

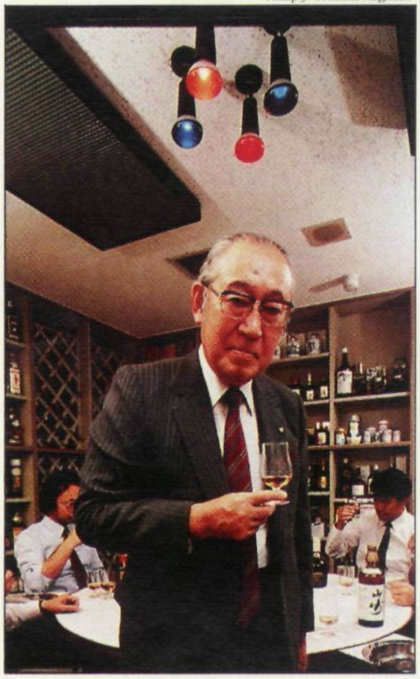
*American Psychiatric Association ** "Health Benefits Survey: 1988," A. Foster Higgins & Co. Inc.

Murata says. "I hated it, but I learned that to produce something good there are no short cuts. Manufacturing is like farming. You will never see the instant profits of a stockbroker."—**Gale Eisenstodt**

KEIZO SAJI
Safe No More

When they drink, Japan's hip young consumers generally like imported prestige brands—Johnnie Walker, Ballantine, Moët and the like. Once prestigious Suntory Old is considered an old fogey's drink. Sales plunged from 11.3 million cases in 1980 to 5 million cases last year. This is bad news for

Philip J. Griffiths/Magnum



Keizo Saji

the Saji clan, which owns over 90% of Suntory, the predominant Japanese distiller.

Keizo Saji's father founded Suntory in 1899. For most of his life Saji, now 69, had contentedly concentrated on Japan, safe behind huge tariffs and other barriers. But now the liquor barriers are coming down. Suntory's 70% market share in whiskey and 22% in wine is still strong. But the company's exposure in the beer market is being threatened by last year's overheated dry beer war.

Saji's reaction? A tie-up with Britain's Allied-Lyons, a leading liquor and food company, last year. Suntory took 2.5% of Allied-Lyons, and sold it 1% of Suntory. Suntory is negotiating to use the Brits' global network to export its products, and will import the Brits' brands—including Canadian Club, Courvoisier cognac and Ballantine scotch; these will be sold exclusively in Japan through Suntory's distribution network.

In short, there could be a strong new competitor on the world spirits scene, one with deep pockets. Saji and family are worth some $3 billion, and they are going far beyond modest investments in foreign wineries (France's Chateau Lagrange, California's Chateau St. Jean).—**Hiroko Asami**

MASAHITO OTSUKA
No Kidding?

Thirteen years ago Masahito Otsuka turned over Otsuka Pharmaceutical, the company his father founded and that he expanded into one of Japan's most profitable drug companies, to his sons. But Otsuka is still "adviser" to the company. "When I feel a mistake is being made," says the charming, 72-year-old businessman, "I give my advice."

What kind of advice? There is Otsuka's secret of success: *"Kinben, setsuyaku"* (work hard, be economical). There is his advice to invest in land: "In business, there's always the fear of going bankrupt. But if you have some land, you can always come up again. Never think that a company is safe from bankruptcy." And there is his feeling that a good business should stick to basic necessities—food, medicine and housing.

The advice seems to work. The family owns some 30% of Otsuka

Robert Wallis

Masahito Otsuka

Pharmaceutical, the main company, with sales of about Y258 billion ($1.7 billion) and profits of about Y10 billion ($68 million).

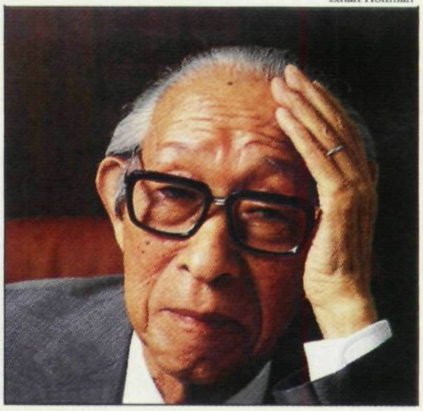
A frugal man, like many Japanese of his generation, Otsuka had little time for hobbies. At last, he now has plenty for golf. Not so his sons. When he handed his sons the companies (one runs the drug business; the other runs affiliate Otsuka Chemical), he took away their golf club memberships on the grounds that they would no longer have time for such pastimes. When they resisted, he says he countered: "If you don't want to give me the memberships, you don't have to become president."

What goals does Otsuka still have before him? "If I live until I'm 80," he replies with a mischievous smile, "I would like to go to the U.S. for about six months and do all the things that we're forbidden to do here . . . like smoke grass. Then I can die content."—**Nobuko Hashimoto**

MATSUSHITA FAMILY
"Mokarimakka?"

That's "Have you made some money?" in Osaka dialect; reportedly it was Konosuke Matsushita's favorite greeting. The legendary founder of Japan's giant Matsushita group hoped to live to see the 21st century. But he

Ethan Hoffman



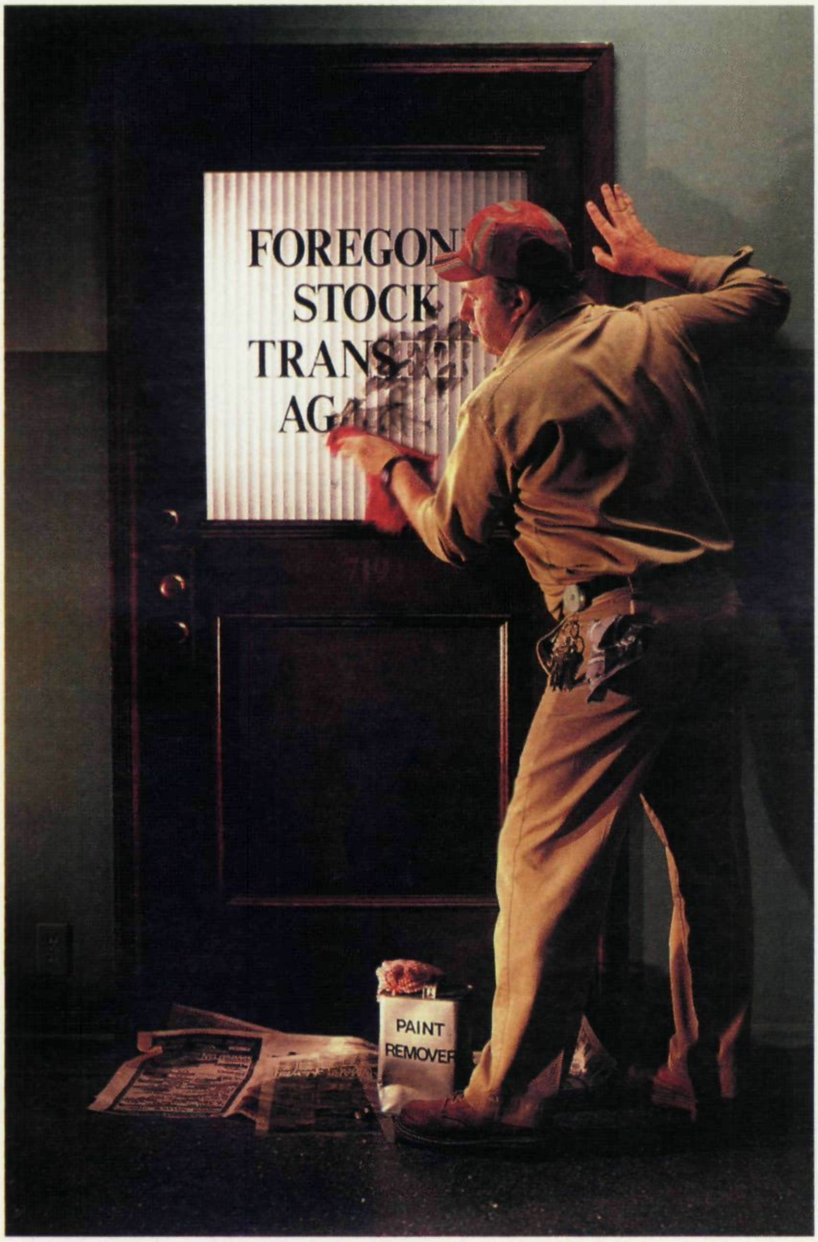
Konosuke Matsushita

had long been hospitalized, and died earlier this year of pneumonia at the age of 94.

Matsushita was widely mourned in Japan, where he was hailed as the "god of management." Among his many famous precepts was the "tap water" philosophy: It is the duty of industrialists to supply daily goods abundantly and cheaply to consumers, like water from the tap.

Konosuke was born to an old landlord family. But his father went broke speculating in commodities and Kon-

In the near future will your stock transfer agent be a thing of the past?



Commitment is one of the most important qualities a stock transfer agent can have today. And yet so few have it. The Bank of New York, however, is a notable exception.

While so many others are getting out of the business, we are actually adding substantial resources to it.

Our computer resources consist of the latest hardware and software technologies, backed by a communications network spanning the nation. Our Advanced Corporate Trust Integrated On-Line Network (ACTION™) is a real time, dedicated processing system, which is the most efficient of its kind in use today.

We can handle proxy services faster and more accurately because we have our own Bank of New York zip code and high speed OCR scanners.

And you will have a single contact point through your own thoroughly trained and professional account administrator, who has a full-time backup.

To have a stock transfer service that won't be a thing of the past, call The Bank of New York in the near future. We'll be here. And we'll stay here.

For more information, call Mr. Leon Urbaitel, Vice President, at (212) 815-2054.

THE BANK OF NEW YORK

osuke had to leave school. In 1918, when he was 23, he set up shop making electrical sockets and plugs, and took off from there.

Two Matsushitas are left among the company's excellent professional managers: son-in-law Masaharu Matsushita, chairman; and an only grandson, Masayuki, 43, a director. Many suspect Masayuki will be groomed for the presidency of Matsushita Electric, the group's flagship company. Keeping the presidency in the family would be a popular move with the employees, and Masayuki has come up the corporate ladder quite swiftly.

Meanwhile, Matsushita Electric is considering buying in the late founder's stock, not a bad deal for the family. At current prices, this would provide some $1.7 billion in ready cash for Matsushita's heirs, and already Japan's gossip columns have come up with plenty of long lost relatives claiming rights to the inheritance.—**Nobuko Hashimoto**

HISAKICHI YAMAGUCHI
Kim Il Sung's Western Connection

★ The Japanese have always treated Korean-born businessmen living in Japan as second-class citizens, but Hisakichi Yamaguchi has prospered nonetheless. Born in what is now North Korea, Yamaguchi is founder and president of $1.7 billion (sales) Daiwa Can. He is 78 and has long shunned the press, so very little is known about him. This marks his first appearance among our billionaires.

The veil was pierced somewhat earlier this year. An Asahi publication reported that Yamaguchi and a close associate were behind-the-scenes intermediaries when Chung Ju-Yung *(which see)*, founder of South Korea's giant Hyundai, made a high-visibility trip to North Korea in January.

Why Yamaguchi? Several years ago, said the Asahi publication, Yamaguchi proposed to North Korean dictator Kim Il Sung a resort hotel project. Apparently the North Koreans were interested in the idea, but Yamaguchi could find no Japanese companies that were willing to participate; none wanted to risk damaging relations with South Korea.

But now there are tentative signs of thaw between the prosperous south and dilapidated north; could Yamaguchi yet do business in Pyongyang?

Who is Hisakichi Yamaguchi? Back in 1939, when Korea was still a Japanese colony, he started a cork company in Osaka; in 1950 he moved into cans. A technical tie with the U.S.' American Can Co. got Yamaguchi the most advanced production equipment available.

It is said that Yamaguchi was friends with Yoshihiro Inayama, the late chairman of the powerful Japanese Federation of Economic Organizations and former chairman of what is now Nippon Steel. Today Nippon Steel owns about 33% of Daiwa Can, and Daiwa is the second-ranking can producer in Japan. Yamaguchi owns 47.5% through a holding company; at prevailing multiples that stake is worth about $2.5 billion. He also owns half of a $200 million (sales) machine tool maker and assorted real estate. Regarding mergers, one of Yamaguchi's sons is married to billionaire Kenkichi Nakajima's *(which see)* eldest daughter.—**Gale Eisenstodt**

MURAYAMA FAMILY
Paper Billionaires

★ On Jan. 25, 1879 Ryohei Murayama went to press with the first edition of the *Asahi Shimbun*. A thin four pages, it was the cheapest of the five dailies in Osaka, written in a simple manner and illustrated with ink sketches of local scenes for the broadest possible public. In 1881 Murayama put up two-thirds of the initial capital of 30,000 yen (today about $204), and Riichi Ueno, hired on to help manage the paper, put up one-third, to buy out the local merchant who originally financed it.

Thus began $2.5 billion (sales) *Asahi Shimbun*, Japan's second-largest national newspaper, circulation around 12 million (including morning and evening editions, about 20% of the newspaper market). There are also interests in television and radio and numerous magazines. At prevailing Japanese multiples, the value of the family's share in the paper and its subsidiaries exceeds $1 billion.

Today the Murayama family owns over 40%, the Uenos some 20%. Michiko Murayama, Ryohei's granddaughter, jointly with Junichi Ueno holds the position of "owner," a strictly honorific title given descendants of the founders.

But the Murayamas have at various times taken the title literally and attempted to exert authority. Ofuji (a.k.a. Fujiko) Murayama, the founder's only daughter, waged a long battle to do just that. At the 1963 shareholders' meeting, the Murayamas refused to confirm the nomination of a managing director who opposed some of Fujiko's plans. That led the Uenos and other stockholders to pool their shares into a group with some 50%, reining the Murayamas. There matters have rested since.

Last spring Fujiko died at age 91. Japan's enormous inheritance tax has forced many a family to sell stock but few Asahi insiders expect the Murayamas to relinquish those shares and the potential power that comes with them. After more than 25 years, the fight goes on.—**Gale Eisenstodt**

HISASHI ISHII
The "Stalin Crash"

As far as FORBES' list of billionaires goes, Ishii is the only Japanese billionaire who made his money in Tokyo's *Kabutocho*, or stock market. From a farming family, Ishii arrived in Tokyo after the war and got a job in a stock brokerage firm. At 30, he forecast the famous "Stalin Crash" on the Tokyo Stock Exchange, so named because it coincided with the death of the Russian leader in 1953.

Capitalizing on his reputation, that same year Ishii founded his own brokerage firm and later went on to take over then-ailing Tachibana Securities. Last year Tachibana earned Y8 billion, about $54 million. The Ishiis now own over 80% of the company, which at prevailing multiples is worth around $2.6 billion.

The brokerage continues to expand. To its London office it added one in Hong Kong last year. It is said that

Zaikai

Hisashi Ishii

"For my office, the right 286 desktop PC has got to be big on power... but small on space."

ZENITH INNOVATES AGAIN™

The world's number one family of PC compatibles* now brings you everything you expect in a 286 desktop...except the size.

Big power in a small package. That's the idea behind the Z-286 LP. Another Zenith Data Systems innovation to fit your workload *and* your work space.

On the *inside*, the Z-286 LP is unmistakably a 286-based system—with enough "zero wait state" speed and power to handle heavy-duty word processing, large spreadsheets and huge databases. It's also compatible with literally thousands of industry standard peripherals.

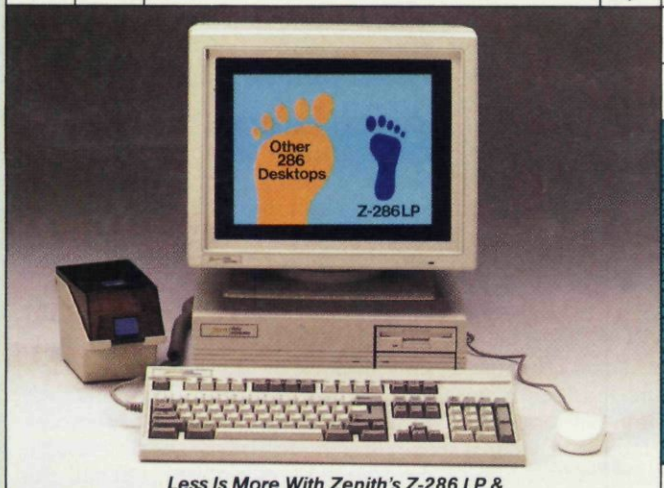
For more advanced performance, the Z-286 LP easily lets you move up to MS OS/2® applications. It's truly a desktop PC that's built for today... and tomorrow.

The Z-286 LP also features 1MB of RAM—expandable to 6MB *without* using an expansion slot. Plus, it comes standard with MS-DOS® And all hard drive models include Microsoft® *Windows*.

It's on the *outside*, however, that the Z-286 LP offers you the biggest advantage: a dramatically smaller footprint than conventional desktops for more productive use of your desk space.

So free up your workload *and* your work space with Zenith's Z-286 LP. For your nearest Zenith Data Systems authorized dealer, call:

1-800-553-0350



Less Is More With Zenith's Z-286 LP & Award-Winning Flat Technology Monitor.

ZENITH data systems

THE QUALITY GOES IN BEFORE THE NAME GOES ON®

*Source: Dataquest
Graphics simulate Microsoft® *Windows*, a product and trademark of Microsoft Corporation.
MS-DOS and MS OS/2 are registered trademarks of Microsoft Corporation.

Ishii has plans to upgrade Tachibana to a *Sogoshoken,* an all-around securities company, like the bigger outfits that can handle underwriting.

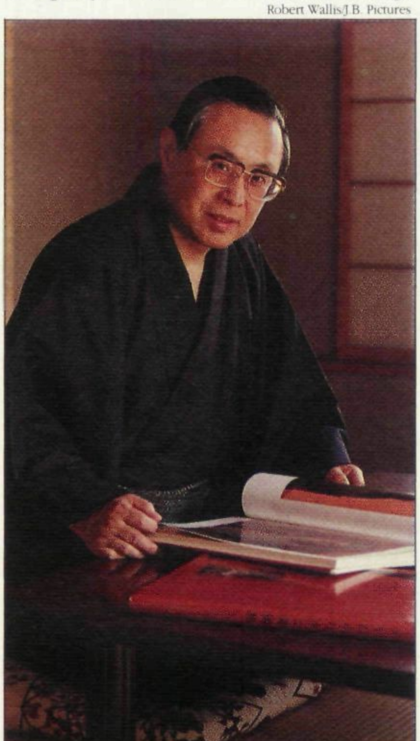
Last December Ishii, now 66, stepped up to the chairmanship and turned the presidency over to a successor. He turned over his stock column as well. But he isn't leaving the market.—**Nobuko Hashimoto**

SHOJI UEHARA
Fresh Blood

The Ueharas, who became billionaires in the pharmaceutical business, take no chances with heredity. If no scion presents himself for leadership of the family businesses, they adopt a suitable candidate and give him the Uehara name. Shoji, 61, now Taisho Pharmaceutical's chairman, was a nephew of former chairman Shokichi's wife, and was adopted into the family. Akira, 48, the president and heir apparent, Shoji's son-in-law, is now also a Uehara.

So far the formula works. Akira Uehara joined Taisho in 1977 after 11 years at NEC, bringing a concept he learned working on a project with Honeywell in the U.S.: management by objective. So now Taisho division managers present their own projects and deadlines quarterly, which Akira synthesizes to give direction to the company. The idea is to encourage innovation yet force managers to set realistic goals. "You used to simply reduce costs to increase market share but now you need to introduce something new," explains Akira.

Robert Wallis/J.B. Pictures



Shoji Uehara

Taisho's strong marketing channels have kept it at the top of the over-the-counter market, but the Ueharas are moving the company into ethical drugs. How aggressively? The company has traditionally avoided debt but last October issued about $200 million in convertible bonds for new manufacturing facilities.

"The first generation worries about whether things are selling and whether there is enough cash. The second and third generations step into a profitable company and must think in a broader sense of ways to make it grow," sums up Akira.—**Gale Eisenstodt**

RYOICHI JINNAI
Das Finanzkapital

Jinnai came from a poor farm family, got into college, and became a Marxist agitator. His labor union activities lost him his government job in 1950, and he had to look for ways to survive. He eventually discovered moneylending and became one of the early *sarakin.* (*Sarakin* is a popular abbreviation for "salaryman's financing.") Charging legal interest rates in excess of 100% a year, Jinnai's firm, appropriately named Promise, grew rapidly. Like other *sarakin,* it also alienated more than a few Japanese working men. Eventually, in 1983, the government cracked down on the *sarakin.* Jinnai's company, one of the biggest, survived—it earned about Y9.3 billion last year, enough with Japanese multiples to make its 63-year-old owner and chairman a billionaire.

But times are changing, and the companies have been cleaning up their act. And coping with competition from the banks and even retailers. The government's current rate ceiling on consumer finance is about 54.75%. But Jinnai's Promise is meeting the competition by offering loans at between 25% and 32%. A sign of the times.—**Nobuko Hashimoto**

YASUO TAKEI
Harder Times

The many outlets of Takei's company, Takefuji, bear the familiar neon signs saying "Yen Shop," a reminder that Takefuji is the largest of Japan's consumer finance companies. Now 59, Takei started Takefuji in 1968 to exploit the lack of consumer finance for ordinary Japanese. Takefuji and other *sarakin* were able legally to charge annual rates as high as 109.5%. At those rates money really compounds, and Takei is today worth upwards of $1 billion.

Zaikai

Yasuo Takei

To finance Takefuji at the lowest cost, Takei went multinational. He borrowed extensively from foreign banks such as Barclays, National Australia Bank and Mellon Bank. But the company says it is now able to get cheaper financing back home.

With Japan's rapid development have come harder times for the *sarakin.* There is now a legal 54.75% per annum ceiling on consumer lending rates. Takei's top rate is currently 32.8%. Meanwhile, mainstream commercial banks have been pushed by Japan's Ministry of Finance into consumer lending, providing tough competition for Takefuji.

HATTORI FAMILY
Watch Out

★ The Hattori companies will be a good test of inherited money: a business empire well worth straightening out, but plenty of temptation to just let it slide. The business was started by Kintaro Hattori, who in 1881 opened a watch and clock retail store. This became $1.9 billion (sales) Hattori Seiko, Japan's second-largest watch company, recently overtaken by Citizen. In 1937 Genzo Hattori, the founder's eldest son, opened the separate Seiko Instruments; it is now a $980 million (sales) watch, electronic components and measuring instru-

Kyodo Press

Reijiro Hattori

ments manufacturer. From this also grew what is now Seiko Epson, the $2.7 billion computer and watch manufacturer, also established with family money.

These compose the Seiko Group, today a loose federation of four main companies and numerous subsidiaries with complex and often competing interests. Hattori Seiko is the only public company of the lot (the Hattoris own 40% directly or indirectly). The Hattoris are also majority owners of the otherwise separate Seiko Instruments and Seiko Epson.

For decades the early Hattori family businessmen held all this together, albeit loosely. But in 1987 Ichiro Hattori, Seiko Epson's dynamic ruler, died, followed shortly by Kentaro Hattori, the person most capable of unifying the group's diffuse interests. Now Reijiro Hattori, 68, and the founder's grandson, is group chairman, but for the first time outsiders are appointed to top positions in all four companies. Collectively, the Hattoris' corporate and property assets are quite likely worth over $2 billion. But whether the family has what it takes to make the companies work together still remains to be seen.—**Gale Eisenstodt**

KENKICHI NAKAJIMA

"Money Is A Wanderer"

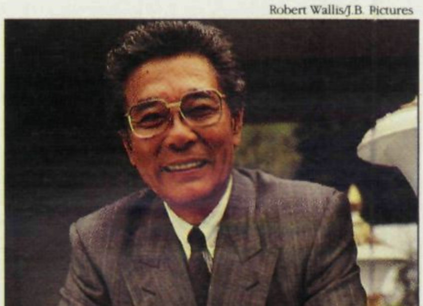
As more Japanese companies adopt the five-day workweek, the pachinko parlor business is booming, and with it Nakajima's fortunes. His family's 88%-owned Heiwa is the biggest manufacturer of Pachinko machines (pachinko is the Japanese equivalent of pinball).

Nakajima, a Japanese citizen who came from Korea, struggled hard to build Heiwa, and still struggles to be first with newer and more competitive games. He recruits the best designers and spends heavily to apply the latest chip technology to his machines.

Now Nakajima has his eyes on other ventures. He commissioned a French architectural firm ("I wouldn't choose them unless they were famous") to build what he hopes will be "Japan's number one golf course."

Entirely self-made, Nakajima is now a multibillionaire. How does he feel about being rich? "An ideal wealthy person should have, besides a roof over his head, about Y1 billion [$6.8 million]," he replies. "It doesn't make much difference if he has much more. You can't go around wearing a

Robert Wallis/J.B. Pictures



Kenkichi Nakajima

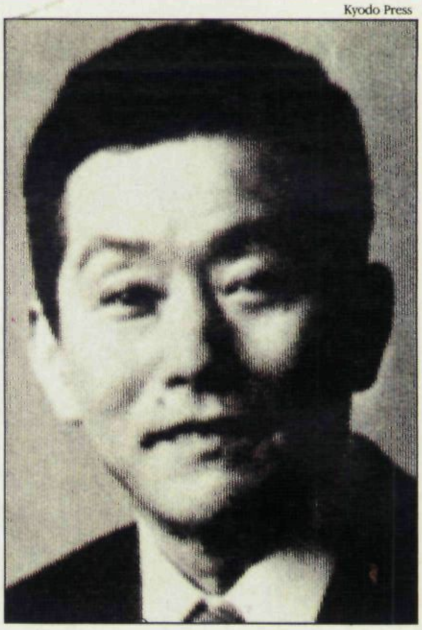
coat made of pure gold, nor can you eat food ten times a day. In fact, it's probably better not to have too much because it creates an imbalance between yourself and the environment." He adds that one should not take money for granted: "Money is a wanderer and stays only as long as it wants to."—**Nobuko Hashimoto**

KIYOSHI SAGAWA

Time Saver

In Japan as much as in the U.S., time is money, which made the old Japanese Transport Ministry ban on transport vans traveling from one province to another so blatantly wasteful that the ban was finally struck down in

Kyodo Press



Kiyoshi Sagawa

1953. Now same-day or next-day delivery service in Japan has a secure niche in the frantic pace of Japanese life. One of the best in the industry: Sagawa Kyubin, its logo a running man, and largely owned by self-made founder Kiyoshi Sagawa, 67. Its operations in busy Tokyo alone make an estimated 200-million-plus deliveries a year.

Part of Sagawa's success seems to have been his incentive system, making each courier responsible for getting new orders and collecting money as well as making deliveries. This formula probably evolved out of Sagawa's own experience as a courier when he was young.

With a business and other wealth collectively worth about $1.8 billion, Sagawa ranks among the biggest individual taxpayers in Japan each year. He is also a noted conspicuous consumer; among other things he has sponsored singers, actors and sportsmen, and made donations to restore a famous temple. His private home in Kyoto is huge, and is reported to have its own artificial pond. A good role model, perhaps, for the oversaving Japanese.—**Nobuko Hashimoto**

TAKENAKA FAMILY

The Takenakas Are Coming

For centuries Japan's premier construction company, the Takenaka family's Takenaka Komuten, is trying its hand as a real estate developer in the U.S. It built the Hotel Nikko, in San Francisco. The U.S. could be seeing much more of the Takenakas, who by all accounts are smart cus-

New Maximum

Obviously, the car eating up the road above is no ordinary Subaru. In fact, it's a car designed to be like no other car.

It's the new Subaru Legacy.™ The largest, most powerful Subaru ever built.

And if you can look beyond its gracefully sculptured body design, you'll find a wealth of engineering marvels. Perhaps none more impressive than its 16-valve horizontally opposed aluminum engine. An engine created for maximum acceleration and power. With minimum vibration and noise. An engine so rare its design can only be found on two other cars: Ferrari Testarossa and Porsche 911.

Of course, what good is tremendous power without the ability to properly control it. Accordingly, the Legacy boasts such strong suits as a maximum stability suspension system, electronic automatic transmission for maximum efficiency, and standard 4-wheel disc brakes.

Furthermore, you can pur-

Strength Subaru.

chase a Legacy with road holding front wheel drive or the world's most advanced computerized full time four wheel drive system. For the ultimate in traction control.

As exhilarating as the Legacy is on the road, it's equally impressive from within. Fact is, the Legacy takes all those cars that claim to be "space vehicles" to task. It not only provides more interior and trunk room than ever, it provides it in a remarkably luxurious setting.

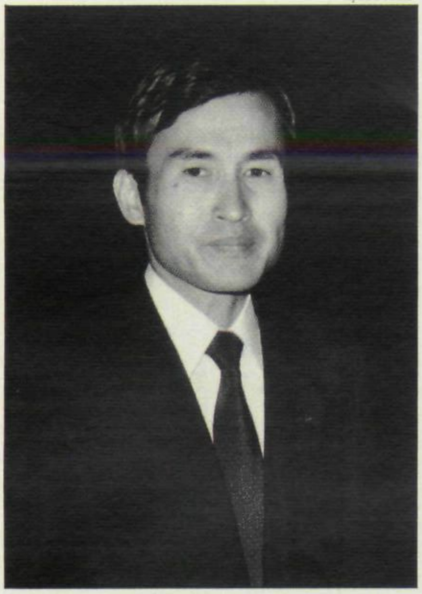
And starting at about $12,500,* the Legacy proves there is also strength in numbers. Rather reasonable ones at that.

Finally, the Legacy continues in the Subaru tradition of reliable, durable cars. Which means it's one new car that will help you avoid buying something else that comes in a new maximum strength: aspirins.

Subaru® Legacy

From About $12,500

Kyodo Press



Toichi Takenaka

tomers. And large ones: Takenaka Komuten's annual revenues are now over Y1 trillion, close to $7 billion at current exchange rates.

The current president, 46-year-old Toichi Takenaka, is an internationalist who got his M.B.A. (in marketing) at Michigan State University. The company has had an office in San Francisco since 1960 and has built around the world: an airport terminal building in Abu Dhabi, the whole new airport in Singapore and the Japan-China friendship hospital in China, for example.

At home the Takenakas are known for innovative architectural work, as well as for introducing foreign construction techniques to their country.

If Takenaka Komuten were a public company rather than privately owned by the family, it would be valued at between $4 billion and $5 billion—a substantial amount even when measured by Japanese billionaire standards.—**Nobuko Hashimoto**

KUMAGAI FAMILY
Into The Breach

The lifeblood of some family companies runs thin in the third generation, but at Kumagai Gumi—the giant construction firm—it thickened. The early Kumagai family members were more interested in politics than business. They left management largely to a talented and trusted aide, Jinichi Makita, who became chairman in 1978 and died in 1987 at age 94.

Into the breach strode Taichiro Kumagai, now 56, the founder's grandson. As a young man, Taichiro spent one year as a trainee at an American construction company, and has looked outward ever since: With Makita, he is responsible for transforming his domestic-oriented civil engineering firm into a major world player. He paid his dues, taking low-margin work in places like Indonesia and Malaysia that diluted profits but gained the company presence and experience. Now Kumagai has shifted to more lucrative markets in the U.S., Hong Kong and Australia—and shies away from competitive bidding. He likes to put together and invest in his

Robert Wallis/J.B. Pictures

Taichiro Kumagai

own projects. The America's Tower, to be completed next year in midtown Manhattan, is one example. And in Hong Kong Kumagai will build a tunnel and retain the right to charge tolls for 30 years.

Back home Kumagai is benefiting from the private construction boom in office buildings and factories. The company is renowned for advanced tunnel construction techniques. This should be a plus as the government begins awarding contracts for new subway projects.—**Gale Eisenstodt**

KAWAMURA FAMILY
Takeover Artist

★ Shigekuni Kawamura, president of Dainippon Ink & Chemicals, is a bold hunter of U.S. companies. "Acquisition is the most efficient way to expand a business," says Kawamura, a new entry to the billionaire ranks.

In 1976 Dainippon Ink bought New Jersey-based Kohl & Madden Printing Ink Corp. for some $6 million. Three years later he paid $70 million for Yonkers, N.Y.'s Polychrome Corp. In 1986 Kawamura made the first hostile takeover attempt by a Japanese company of a U.S. company; this won him the graphic arts division of Sun Chemical. Then he paid $540 million in an unsolicited bid for Reichhold Chemical Ink. Most recently, in March, Dainippon Ink bought a division of Pittsburgh-based Koppers Co., for an estimated $78 million.

Kawamura himself doesn't have to worry about unfriendly overtures. Although publicly listed, the company is largely a family affair. Founded in 1908 by Kijuro Kawamura, Dainippon Ink grew from a family printing ink business into a large diversified chemical concern. Shigekuni, a graduate of New York University's business school, married the daughter of Katsumi Kawamura, then president of Dainippon. He took his wife's last name and was legally adopted into the family.

With about 17% of the stock in three holding companies with various business and real estate interests, the Kawamura family's fortune comes to about $1 billion. Kawamura has an edge in the acquisition game. Firmly in control, he can make significant decisions quickly. "I have more power than most leaders at Japanese companies," he says with a smile.

Kawamura has acquired firms whose businesses he has known for a long time. And unlike some Japanese companies that come here, Dainippon Ink keeps Americans in charge. "The most important issue when making an acquisition is the postacquisition problem [of running the company]," says Kawamura. "I don't think the Japanese can run an American company, for now, anyway."—**Gale Eisenstodt**

Bill Bernstein

Shigekuni Kawamura

MASAO KATO
How Sweet It Is

★ Masao Kato, chairman of Kato Kagaku, was yet another unknown quantity in the West when he purchased an office tower on East 49th Street in Manhattan in 1986 for $300 million. He paid a record price—$470 per square foot—and many Americans were shocked.

But in Kato's case, his fellow Japanese were even more startled. How did a corn syrup maker from Nagoya, a medium-size city, wax rich enough to plunk down that sum, about $100 million of it in cash, for Tower 49? Last October Kato Kagaku did it again, paying $250 million, about one-third in equity, for the Hyatt Regency Chicago, the city's largest hotel. With yields of 7% to 8% in the U.S. versus Japan's 2% to 3%, Kato realized the U.S. was a good deal.

Masao Kato, now 72, founded Kato Kagaku in 1945. At first the company produced malt syrup, like Hayashibara *(which see)*. In 1968 it began manufacturing corn syrup. Today the company, which produces some 2,000 tons per day of starch syrup, is the largest manufacturer of corn syrup in Japan. His eldest son, Shoichi, is now president. Another son, Sadao, spent one year at NYU and now works on the U.S. real estate. All this, plus hotels and real estate in the Nagoya area, gives the family company and a holding company a net worth, at prevailing multiples, of over $1 billion.

But the family fortune isn't just syrup and real estate. Kato is also an avid stock market investor. Some say he deals in "speculative stocks," but Kato would surely disagree. He booked profits of $150 million on his stock portfolio in 1986, which he used to invest in real estate. And in the panic selling of October 1987, Kato was a buyer, snapping up some 30 million shares of this and that at bargain prices.—**Gale Eisenstodt**

Masao Kato

KEN HAYASHIBARA
Be Small, Think Smart

Only 47, Ken Hayashibara is one of the youngest of Japan's billionaires. He was only 19 when he took over the business amid a family tragedy and dirty dealing by company executives. Since then he has quietly built Hayashibara Group, founded in 1883 as a malt conversion rice syrup manufacturer, into a pharmaceutical group whose companies grossed over $340 million. (They also own a big portfolio of valuable real estate in Okayama, Osaka and Tokyo.) Headquarters is in Okayama prefecture, around 700 kilometers west of Tokyo.

Toshi Matsumoto/Sygma

Ken Hayashibara

How does a relatively small biotech outfit like this compete against the world's huge drug companies? Hayashibara does it by avoiding direct competition against the giants, by working out marketing and production agreements with the larger companies—and, most important, by spending heavily, usually 6% of sales, on research and development. With established businesses providing the cash flow, he can sustain this level of R&D indefinitely. This has so far produced some 5,000 patents in disciplines ranging from biotechnology to electronics. In order to market his products, Hayashibara has contracted with 50 companies, some as far away as Denmark.

A quiet and modest businessman, Hayashibara is not afraid to declare: "I hate to work," and can frequently be found practicing meditation or karate.—**Hiroko Asami**

MASATOSHI ITO
By Low Cost Obsessed

Not all Japanese businessmen are obsessed with owning land. For his Ito-Yokado chain of 135 discount stores, Denny's Japan (318 outlets for "authentic American" food), and several other outlets, Masatoshi Ito prefers leasing to owning. Leasing keeps capital costs down. Keeping costs, and prices, low is Ito's obsession.

As a result, Ito-Yokado's profitability beats any rival in its increasingly competitive field, according to *Nihon Keizai Shimbun*, the business newspaper. Ito and his family's 14% stake in the company and their holding in 7-Eleven Japan are now worth $1.7 billion. With more time and money in Japan for shopping, the fortune will likely keep growing.

Ito, now 65, has pioneered American retail concepts in Japan since his first visit to the States in 1960. Yet despite Ito's strong record, some analysts fret that his no-frills approach may very well cost him business. Ito-Yokado's competitors are more intense than ever, and Japanese consumers are obsessed with quality and service. Ito has not been as aggressive as rival Daiei in venturing into another American invention, consumer credit; but he has shown himself to be flexible before.

If consumers want something and Ito can offer it profitably, chances are that this brilliant merchandiser will.—**Nobuko Hashimoto**

Kyodo Press

Masatoshi Ito

JAPAN REAL ESTATE

YOSHIAKI TSUTSUMI
Still The World's Richest Man

Last fall, Yoshiaki Tsutsumi, still the world's richest man, turned down the chance to buy the Inter-Continental Hotel chain. His poorer billionaire half-brother, Seiji Tsutsumi *(which see)*, jumped at the opportunity and paid $2.15 billion. Yoshiaki Tsutsumi explained to a Japanese publication that he didn't have "the excess wealth" to buy the hotels at that price

Kyodo Press

Yoshiaki Tsutsumi

by himself, and didn't want partners. "When it comes to the resort business, I don't believe in joint management in principle," he was quoted as saying. These days he is rumored to be after Hilton Hotels (current market capitalization, $4.6 billion), possibly again in not-so-friendly rivalry with his half-brother.

Yoshiaki Tsutsumi, 55, could certainly afford either property. True, our estimate of his net worth, at least $15 billion, is down from 1988's $18.9 billion, but that's mostly due to the recent rise in the dollar exchange rate, plus finding a smidgen of more debt.

If money isn't holding him back, what is? His cautious style. Tsutsumi probably doesn't want to take that big a flier in the less-familiar world outside Japan.

Tsutsumi controls his Seibu empire—an important railroad, Seibu Construction, the Seibu baseball Lions, and a web of other companies—through Kokudo Keikaku Corp., a holding company of which he directly owns 40%. The holding company owns land under golf courses, ski resorts and other businesses that is worth some $34 billion, plus nearly $7 billion in various Seibu company stocks, minus, according to one source, a mere estimated $770 million in debt (we count only the 40% actually in Yoshiaki's name).

His widely noted conservative style is attributed to the fact that he inherited the fortune from his father, Yasujiro. "He feels like he must protect the family business," says a Japanese business writer who meets with him.

Earlier this year Tsutsumi handed on the title of president of Seibu Railway to Iwao Nisugi, whom he recruited in 1986 from what is now Japan Railways. Few expect real change. Tsutsumi had entrusted day-to-day management to Nisugi and is expected to continue making the significant decisions. "I like creativity but my successor should not be a creator," Tsutsumi is quoted as saying. That's not the sound of a man who is willing to risk a big loss.—**Gale Eisenstodt**

TAIKICHIRO MORI
Natural Price Rise

"With the advent of the two-day weekend, Japanese have more time to play," Mori assures FORBES. How will Mori play it? Conducting business in his usual traditional dark kimono, Mori says his Mori Building will more than double the resorts it operates over the next five years.

But he is not abandoning the Tokyo market. His jewel is Ark Hills, a complex of office towers, condos, a hotel and even a concert hall, built for the

Robert Wallis/J.B. Pictures

Taikichiro Mori

foreigners flooding Tokyo. To be completed in 1992 in the same Minato-ku district will be Shiroyama, a similar complex where Japanese executives can also live a few minutes from work. In a city where brutal, two-hour commutes (each way) are common, Shiroyama should sell well.

Mori, now 85, became the world's second-richest businessman (our estimate drops to $14.2 billion because of the rising dollar, and debt overlooked last year) mostly by transforming Minato-ku, the Tokyo ward where he was born, from a neighborhood of little wooden houses into a glass and concrete commercial center. Today Mori owns 72 office buildings in Minato-ku.

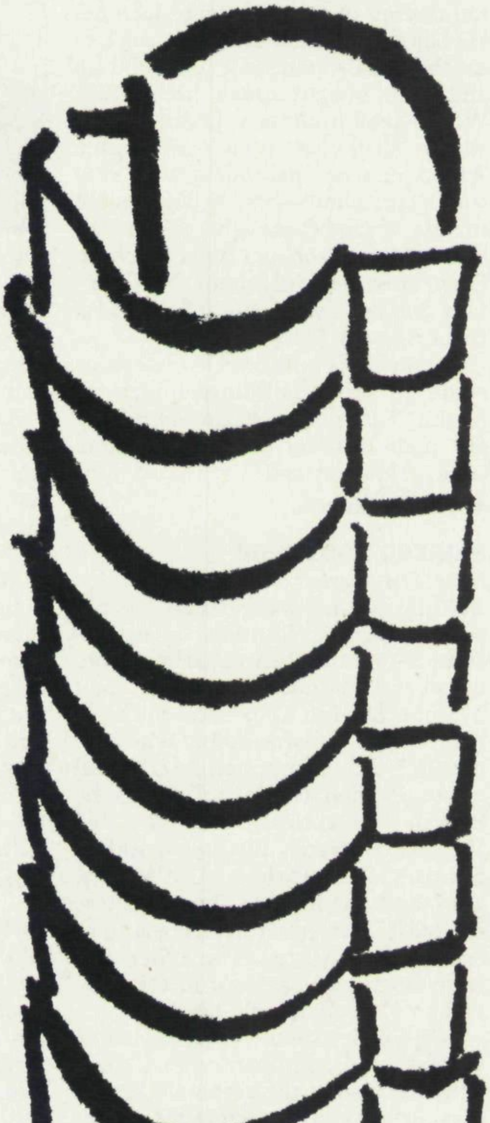
Expect Mori to stay primarily in Tokyo. He has little interest in Osaka, Nagoya and Fukuoka, where speculators have recently sent land prices into orbit. We asked Mori, who taught economics until he was 50, about downtown Tokyo land prices, which are officially up only 2% this year as compared with 65% in 1988. "Up until now, land price increases reflected the natural prices plus speculation," Mori replied. "Gradually, the speculative element is disappearing and the natural price is appearing." Translation: The real value of land is still going up.—**Gale Eisenstodt**

EITARO ITOYAMA
Free Agent

As the Recruit scandal discredits the old guard of Japanese politics, 47-year-old Eitaro Itoyama is working to bring fresh young people to leadership within the ruling liberal democratic party while maintaining the party's grip on government. A billionaire when he inherited his father's wealth—mostly real estate—in 1985, Itoyama has great political influence but prefers to use it discreetly. Last March Itoyama quietly launched his own political group, the Heisei Club, with 25 young fellow members of the ruling party. He tells FORBES he is wary of talking too much to the Japanese press because "we'd be snuffed out straight away by the party elders." But now he is getting bolder. Itoyama predicts younger politicians will seek to stage a sort of coup d'état within the party. With his support, presumably.

Itoyama is not one of your provincial Japanese. He is in touch with events abroad. He is a worldly-wise man. "I can't go to sleep until I know what the stock prices are in New York," he remarks. On trade, he is more than just another free-trade

BEAUTIFUL MONOTONY. The utterly uneventful production run is run-of-the-mill at International Paper. On one particular product, for example, a unique problem-sensing device designed by a team of our production experts upped the acceptance rate from 99 in 100 to 11,999 in 12,000. You see, continual product improvement isn't just an idea that gets bandied around our boardroom. It's a here-and-now quality objective we pursue every single day. With the result that if International Paper makes it, you can depend on it—time after time after time. And that's the kind of monotony that never gets boring. **INTERNATIONAL PAPER.** Use our imagination.



Eitaro Itoyama

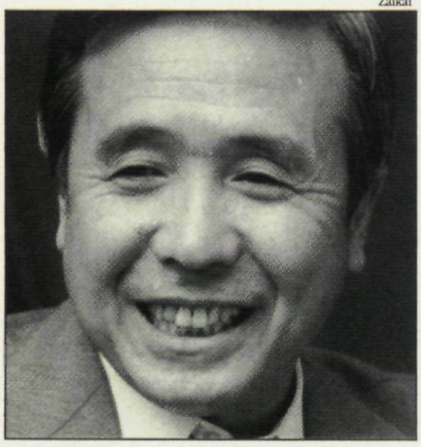
advocate. Itoyama proposes a new order: Japan, U.S., Canada and Mexico in a sort of north Pacific "community," in which all barriers come down, really down. "Everything should become equal, investments should become free, with member countries allowed to visit each other without passports," he says.

Itoyama, worth at least $6.6 billion, left us with a bit of his wisdom, especially apt in these days of highly leveraged businesses. 'You shouldn't underestimate the strength of someone who has no debts . . . a group of companies, wholly owned by myself, with no debts. That's what real power is."—**Nobuko Hashimoto**

KITARO WATANABE
T. Boone's Good Buddy

In March, T. Boone Pickens spent $600 million to buy 20% of Koito Manufacturing, an auto parts maker with a strong relationship with

Zaikai



Kitaro Watanabe

Toyota. The seller: Kitaro Watanabe. The deal unsettled Japan's establishment, but so far Pickens has done little more than ask for seats on Koito's board.

If the sale was a big deal to T. Boone, it was a sideline to Watanabe. His main business is real estate, with a nice sideline in selling imported cars—luxury vehicles priced over $82,000, including Rolls-Royce and Mercedes-Benz.

Peddling domestic used cars, then imported new ones, was actually the foundation of his real estate fortune: He bought the land under his car lots in the 1960s (when it was cheap), and then bought much more land. With a good hunk of it luckily located in Tokyo's now fashionable Azabu district, he rode prices into the stratosphere—his 99,000 square meters of Azabu are now worth well over Y10 million per square meter. Even after debt of about Y300 billion, his net assets are at least Y1.1 trillion—over $7 billion.

Watanabe is now 55. He now owns some 20 office buildings under his Azabu Tatemono (Azabu building). His plans call for building 30 more soon.—**Hiroko Asami**

SHIGERU KOBAYASHI
Rice For Land

As they become increasingly cosmopolitan, Japan's billionaires are becoming more sophisticated about political and charitable donations. Case in point: Shigeru Kobayashi, the highly leveraged Tokyo landlord who now has $2.7 billion invested in U.S. real estate. He donated $1 million to the Reagan Historical Library and $100,000 to Nancy Reagan's antidrug campaign. Kobayashi and his son Takaji were among the four Japanese invited to the grateful Reagans' official farewell party. (The other two were Japan's ambassador to the U.S., Nobuo Matsunaga, and his wife.)

"Diplomacy should be promoted on various levels, through official channels, but also at the corporate level," says Kobayashi. Backing his words with money, in March Shuwa signed on Kumagai-Turner, a Japanese-American joint venture, to build in Tokyo for him, thereby admitting the first American company into the formerly closed world of Tokyo private construction.

Last year, Kobayashi bought two buildings in Chicago. This year, he is opening a midwestern office. He says he plans to aggressively expand his U.S. holdings, already at 41 buildings.

Robert Wallis/J.B. Pictures

Shigeru Kobayashi

On another front, he told FORBES that he is looking into opening offices in Europe, most likely in Spain, France and Great Britain.

Kobayashi estimates his 54 office buildings in Japan are worth $7 billion. Against that are his immense borrowings, estimated by one source at $4 billion from Japanese banks and $1 billion from U.S. banks.

What of reports that Shuwa has bought heavily into several Japanese retailing stocks? For once, Kobayashi, who is often quite voluble, is keeping quiet. It seems he wants to shake up the retail sector's management. His one comment in the Japanese press: "I want to reorganize the industry, bringing various interests together to create a company with sales of Y1 trillion."—**Gale Eisenstodt**

YOHACHIRO IWASAKI
Word Of Warning

At 87, Iwasaki looks frail and conducts an interview with us through his aide. But that doesn't stop him from enjoying life. For his 88th birthday (considered lucky in Japan), Iwasaki plans to fly with friends and family in a private plane to a major celebration in Australia, where he is building an enormous resort overlooking the famous coral reefs. The business is run by his son, but Iwasaki still travels around to oversee his company's operations. "He is a pioneer-type chairman," explains a corporate officer.

Iwasaki is sometimes called the *zaibatsu* of Kagoshima, the southernmost part of Japan, because he owns so


Quality is Job 1.
Profile in quality #8:
Control.
At Ford, Mercury and Lincoln every car and truck we build is designed to put the driver in control. It's called human engineering—the interaction of man and machine. From the feel of the road, to the feel of the wheel, to the touch of a button, its objective is to provide the driver with comfort, confidence and ease of operation. When quality is job 1—you don't do it any other way.
Ford, Mercury, Lincoln, Ford Trucks.
Our goal is to build the highest quality cars and trucks in the world.
Ford
Buckle up—together we can save lives.

much of it. (He also owns some patches in central Tokyo, Hakone and Okinawa, bought many years ago.)

Iwasaki's main effort has been and still is to develop resorts in the region he loves most—the islands around Kyushu. Lately he has started jet foil services to two islands, both beautiful spots but as yet not easily accessible (one has an extra tourist feature: It is a base for Japan's space program). He has also been negotiating to build airports and resorts for Japanese tourists in Australia and Mexico, both of which are still awaiting permission.

Iwasaki is another of the billionaires who was born into a poor family and became wealthy through a lifetime of buying up land. He has some advice for younger entrepreneurs. "When I bought land, times were different. I wouldn't buy anything now, prices are too crazy!" he exclaimed, through his aide, to FORBES.—**Nobuko Hashimoto**

Kyodo Press

Yohachiro Iwasaki

MASAO NANGAKU
Eclectic Electronics Man

If you gamble at Las Vegas' Dunes hotel-casino, you're adding to Masao Nangaku's $1.1 billion fortune. Besides the Dunes, which he bought two years ago, Nangaku owns a castle in West Germany, a forest on Oahu, Hawaii, and Minami Musen Denki, a huge discount consumer electronic goods shop in Tokyo's Akihabara district that has become a well-known tourist stop. Included in the emporium is the Minami Museum, where you can see, among other things, Nangaku's collection of Salvador Dali's sculptured jewels.

Nangaku, now 70, started with the electronics shop in 1948. But his fortune really exploded when he caught the 1960s bowling boom in Japan just right. Then he caught the leisure boom by going into hotels and resorts, first in Japan, later abroad.

Perhaps because of the intense publicity his various overseas acquisitions generate, Nangaku is shy of talking to the press. He lets his business ventures speak for themselves.—**Nobuko Hashimoto**

Zaikai

Masao Nangaku

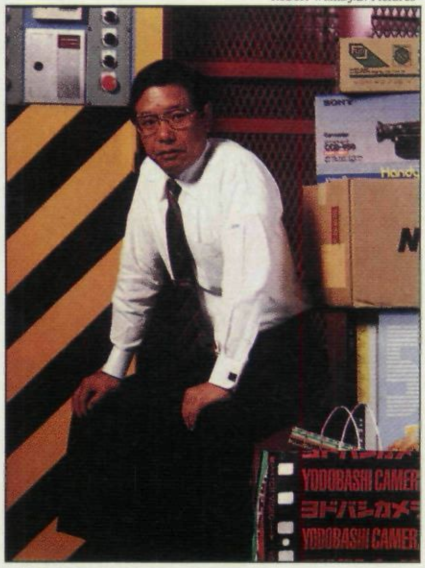
AKIKAZU FUJISAWA
Ex-Camera

Fujisawa, 53 years old, started later than Nangaku and looks slightly richer. But he's made his billion in a similar way. He started his own camera discount shop around 1975 and took a lot of heat from the middlemen he cut out so he could retail at cut-rate prices. But consumers loved him: Fujisawa's Yodobashi Camera chain is Japan's biggest discount camera retailer. It is also one of the best-known names in Japan because of the catchy jingle it's been running in TV commercials for over a decade.

Fujisawa operates mostly in Tokyo's high-rent Shinjuku district. Born poor in the north of Japan, Fujisawa has been quoted as saying he has lived only for work. Now he has several huge shops and sells not only cameras but just about every type of electronic product.

Anyone who has watched a group of Japanese tourists in action can appreciate the business a high-volume camera store in Japan does. Fujisawa's annual volume totals more than $480 million. That alone wouldn't put him among the billionaires. What does is this: With the camera money he earned, he bought land in Shinjuku, where he built his other shops. Including his $500 million worth of property, Fujisawa is worth about $1.2 billion.—**Nobuko Hashimoto**

Robert Wallis/J.B. Pictures

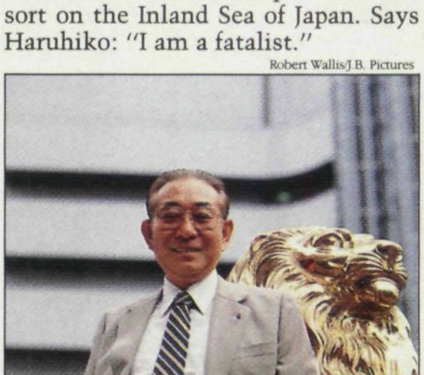


Akikazu Fujisawa

HARUHIKO YOSHIMOTO AND FAMILY
He'll Make Do, Somehow

Haruhiko Yoshimoto, 65, takes seriously what his fortune-teller—a good friend who is a Buddhist priest—predicted: Haruhiko must not undertake any new business this year. Accordingly, he halted work on a hotel construction project near Osaka's new Kansai International Airport and a resort on the Inland Sea of Japan. Says Haruhiko: "I am a fatalist."

Robert Wallis/J.B. Pictures



Haruhiko Yoshimoto

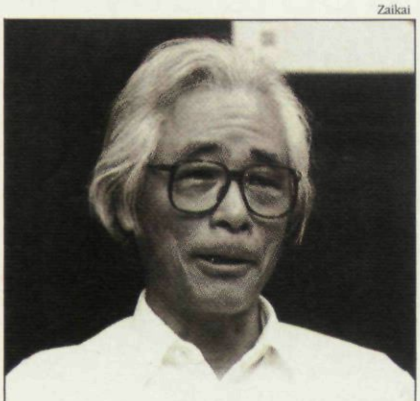
But it's apparently still okay to buy land, which, he says, is almost as important to him as being thrifty. And it's okay to look for future ventures. Haruhiko has his eye on a resort project on Okinawa, for instance. He also continues to lecture, to paying audiences, on how to be really tightfisted. (Free hints: Use note paper filched from bank counters instead of stationery and always wait for the other fellow to place the toll call to you.)

FORBES had thought the trillion-yen Yoshimoto Osaka empire was all his. Turns out the Yoshimotos are three related families, and he's just the most famous. The Osaka Hilton, for instance, is actually owned by his second cousin. The Yoshimotos together own about $7 billion worth of Osaka, all right, but Haruhiko's portion is roughly a third of that, about $2.6 billion. Good thing he's thrifty.—**Hiroko Asami**

HIROTOMO TAKEI AND FAMILY
Good Combination

What could be better these days than a fortune based both on media and real estate? And that's what Hirotomo Takei has. Takei's father was a local politician and newspaper distributor. The son began his career as a journalist with *Yomiuri Shimbun,* but quit after three years. Then he started *Asahi Geino,* a "soft" publication featuring screen stars. After selling the magazine, he got into real estate. At latest count, the family's Chisan Group owned 16 golf courses, 36 hotels, numerous buildings and a couple of warehouses, all together worth an estimated $7.8 billion.

Zaikai



Hirotomo Takei

Now 68, Takei dabbles in painting, writing books, and traveling to exotic places, while eldest son Hiroshi looks after Chisan Group's daily operations. The father is still involved in the business. While the Takeis have said publicly they don't like to do hostile takeovers (quite unpopular in Japan), reports are circulating that Chisan has bought up nearly 40% of the shares of Kasho, a medium-size trading company. Japanese press reports say that many of Chisan's acquisitions, however, have been companies that mortgaged shares or property to borrow money from Chisan, and couldn't pay. The company denies this, but now Takei owns, among other things, a Japanese-German delicatessen and a cotton spinning and fishing equipment company. Just the thing for retirement.—**Nobuko Hashimoto**

HEIZO KOBAYASHI
Rice For Land

Immediately after World War II, Kobayashi realized that parcels of land could be had in Tokyo practically for little more than a bag of rice. Thus were relative values back then. When he started a restaurant after the war, he bought land to put it on, and continued to do so for every restaurant he opened. His restaurants eventually became the famous Sanpei chain, now called Restaurant Sunpark.

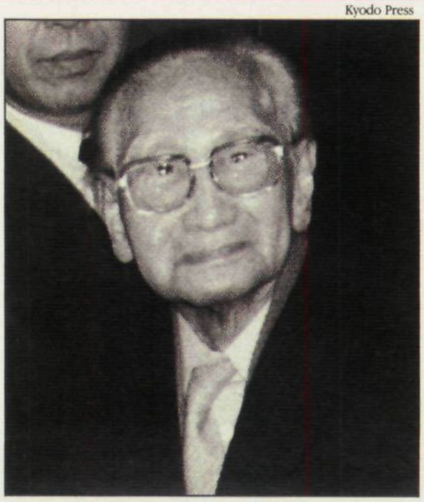
Kobayashi, who to his disadvantage owned no land before the war, takes pride in the fact that all his commercial ventures (he started opening supermarkets in 1962, then hotels, discount shops, and game centers) stand on land he owns. "How can you do good business if you have to rent someone else's land?" he wrote in his memoirs. He owns land not only in central Tokyo and Nagano, where he was born, but also in Hawaii.

Despite his success, Kobayashi, 76, once bold, is a cautious man. Worth at least $1 billion, he remains extremely frugal.—**Nobuko Hashimoto**

TAMESABURO FURUKAWA
Movies For Cash, Land For Gain

★ Tamesaburo Furukawa celebrated his 99th birthday in January and makes his debut among the billionaires this year. It has been an eventful life. Born a Nakano, he was adopted by the Furukawas, distant relatives who lacked a child. At 16 he was apprenticed to a glass importer. But when the owner decided to donate all his money to a religious sect and close shop, Furukawa

Kyodo Press



Tamesaburo Furukawa

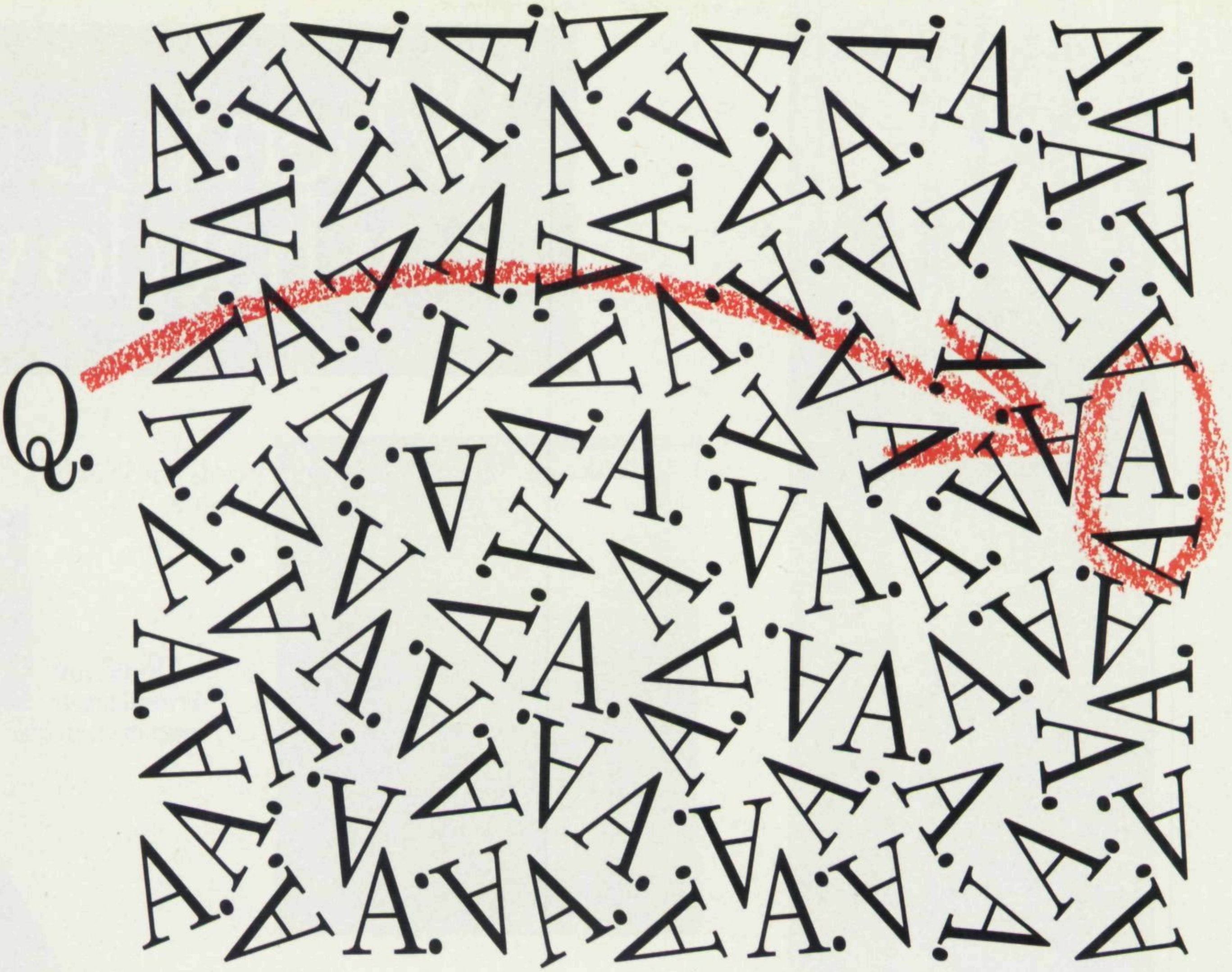
launched his own business selling women's hair ornaments. He correctly foresaw the trend to Western styles and in 1917 opened a branch in Tokyo's Ginza, near the Hattoris' *(which see)* tony Wako store.

An economic downturn in 1921 nearly flattened Furukawa. He decided the surest way to conduct business was on a cash basis. This led him to owning and operating movie theaters, and then to restaurants and coffee shops near the theaters. His eldest son, now dead, started the family-run Nippon Herald Corp. in 1957 to import foreign films. Today the Herald Group is said to comprise some 50 affiliates with diversified leisure interests: theaters, the production and importing of films and management of resort properties.

But Furukawa's real wealth—like that of so many megarich Japanese—lies mainly in his investments in land and, to a somewhat lesser extent, in art. Much of the property he now owns in Nagoya he purchased before World War II; toward the end of the war he snapped up more. In the 1960s he started buying whole forests in Aichi and Gifu prefectures. Meanwhile, his collection of brush paintings, swords and wood block prints includes the works of such famous Japanese artists as Sesshu and Kaii Higashiyama; he has put the total value of the art collection at 200 billion yen ($1.4 billion). The land alone we value at around $2 billion.—**Gale Eisenstodt**

MATSUOKA FAMILY
Farewell

Seijiro Matsuoka, well known as a major collector at Sotheby's, Christie's and other art auction houses and to dealers large and small, died in March. He was 95. Born to a family of



Who Says There Are No Easy Answers.

Whoever said it, obviously has never used NEXIS,® the world's largest on-line, full-text information service.

NEXIS makes finding in-depth answers easy. Like gathering intelligence on a competitor's technology. Tracking the introduction of a new product or service. Finding profiles of customers or executives. Or just the latest developments that affect your company or product.

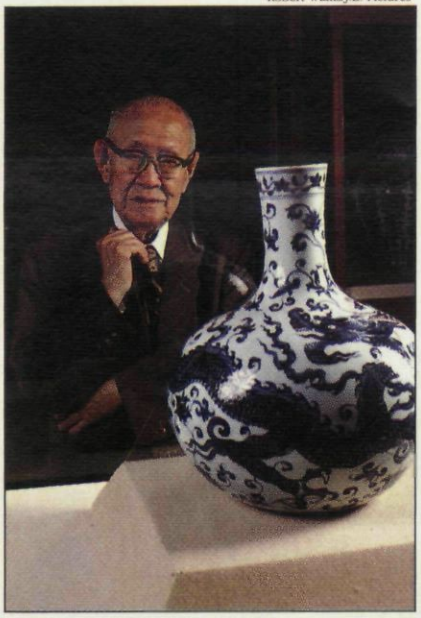
Whether drawing from The New York Times or the less familiar Xinhua (New China) News Agency, NEXIS taps over 600 sources to give you the raw information you need to arrive at an intelligent conclusion. In just about the time it takes to thumb through this magazine.

To find out more about the NEXIS service, just call 1-800-541-6886 to talk to a NEXIS representative and arrange for a demonstration. So that next time you're facing the tough questions, you'll know where to go for the easy answers.

NEXIS®


nk of Mitsubishi,
u think of first?
World's first spiral
escalator.
World's first
consumer golf
swing analyzer.
World's first full-color outdoor video
display screen in a major sports stadium.
Vorld's first 70-inch
ear-projection TV for
he consumer market.
70
MITSUBISHI
World's first video
copy processor.
© 1989 Mitsubishi Electric America, Inc.

Robert Wallis/J.B. Pictures



Seijiro Matsuoka

rice traders, he learned English from a missionary, built a trading business and switched to real estate. He avoided debt when possible.

Matsuoka attributed his longevity to getting plenty of sleep—up to 12 hours a day—and to his custom of eating a bowl of ground Japanese white radish in the morning, having a nightcap at night and maintaining a hobby—in this case, art collecting.

As with the real estate that made him a billionaire, so with his art: Once he bought, he never sold. And he was eclectic. The Matsuoka museum in Shinbashi, in the center of Tokyo, has his collections of Ming and Tang Chinese porcelain, Persian statues, Gandhara statues from India and ancient Roman busts, as well as famous paintings by Monet and Renoir.

Little has been said officially about how Matsuoka's estate will be settled, but his six daughters and their husbands will probably take over his several companies. One daughter is already running the museum; observers doubt she'll be as active at auctions as her father was.—**Nobuko Hashimoto**

HIDEKI YOKOI
Greek Tragedy, Tokyo Stage

More than seven years have gone by since the night of Feb. 8, 1982, when Hotel New Japan, in central Tokyo, burned down. The tragic fire killed 33 people. It was an accident. Nonetheless, the hotel's owner, Hideki Yokoi, now 76, was convicted of accidental homicide and sentenced to three years in prison, for failing to install required fire-prevention equipment. He was let out on bail.

Little has been heard from Yokoi lately, although some details about his past have emerged. Born into a poor family, he was apprenticed to a Tokyo cloth wholesaler in the late 1920s, when he was 15. In the 1930s Yokoi opened his own textile wholesale business. He went on to supply

Kyodo Press

Hideki Yokoi

military orders both before and after World War II, and then moved into real estate. In 1979 he purchased the Hotel New Japan, on a large and beautiful site in central Tokyo.

As land prices in Tokyo have continued their upward march, the Hotel New Japan site's value has at the very least kept pace. Well located in central Tokyo, the parcel is valued at some $1.8 billion. The building remains as it was left seven years ago: a burned-out shell. But by some calculations, the site is now worth at least ten times what it was worth at the time of the fire. No doubt Yokoi has had plenty of opportunities to sell, but he has continued to hang on, presumably on the grounds that prime property can only keep rising in value. —**Nobuko Hashimoto**

RINJI SHINO
Paris, Japan

A narrow, unpaved country road leads to real estate billionaire Rinji Shino's country club. The clubhouse looks like a small chateau, for Rinji Shino is a raving francophile. The house is decorated with French-style sculptures,

Robert Wallis/J.B. Pictures

Rinji Shino

and directions both inside the club and on the golf course are in French. It really does not go well with the surrounding Japanese countryside.

Shino plans to open a 100-room luxury hotel on the site—in the French taste—costing over $110 million. Guests, of course, will be rich travelers to and from the nearby Kansai International Airport, which opens in March 1993.

And there is action on the 3-million-square-meter woodlot at the west end of Fontainebleau, near Paris, he bought in the early 1960s for $1.5 million and which has a big silicon reserve. "For the development, we are now negotiating with two West German ceramics companies, and the reserve is estimated at at least Y100 billion [$740 million]," he smiles.

Shino now owns restaurant, marine leisure, travel agency and gas-station companies. But especially he owns real estate, bought slowly at first, but always with a passion to restore his old landowning family's empire, expropriated after World War II. Today his daughter, Shigeko, 46, runs the businesses. Shino, at 79, is taking time out to appreciate and buy Japanese art.

Which he can well enough afford. Shino is worth over $2 billion, if you do not count the silicone reserve in Paris, within a whisker of $3 billion if you do.—**Hiroko Asami**

YONEICHI OTANI
Detail Worship

Yoneichi Otani is a second-generation billionaire: With his older brother, Kokichi, he inherited the land his father, Yonetaro, a onetime Sumo wrestler, bought from an impoverished

Robert Wallis/J.B. Pictures

Yoneichi Otani

aristocrat.

The prize family property is the Hotel New Otani, a first-class hotel situated on Tokyo land that would sell for about $200,000 per square meter—$14 billion worth in all. Yoneichi's share is worth around $2.2 billion. Industry analysts say the New Otani is the most profitable Japanese hotel. Occupancy is good but it gets most of its profits from parties, weddings and corporate receptions, which cost on average $220 per person.

The family owns 17 other New Otani hotels in Japan and has plans to start construction of another 3, though not in high-cost Tokyo. Abroad are New Otani hotels in Los Angeles, Honolulu, Singapore, and possibly this year, Beijing. In addition, the family's publicly listed TOC, which owns, manages and sells real estate, has started selling apartments in resort areas.

Yoneichi Otani is one of those managers who know that God is in the details. For instance, when he doubled the size of the flagship hotel 15 years ago, Otani managed to keep costs down by increasing the full-time staff to only 1,350, from 1,250. He did this by hiring part-time workers (particularly housewives who had free time) during the day and subcontracting out the cleaning of rooms and linen.

These were innovations in Japan, and they help to explain how this family has made and kept $3.2 billion.—**Nobuko Hashimoto**

KICHINOSUKE SASAKI
Envying Hef

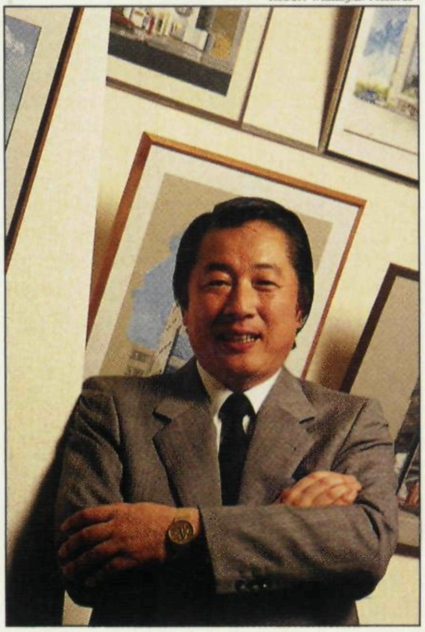
In the past, Sasaki has told FORBES he had no interest in expanding into U.S. real estate. But he appears to be reconsidering. He has opened small offices in Los Angeles and Hawaii, staffed by Americans and serving as brokers for Japanese moving to the U.S. For Sasaki, it is a way to learn this strange, new market, with other people's capital at risk. Aggressive in Tokyo, he is cautious here: "Unless you can adapt to the American way completely, you can't do business well," he asserts in an interview. "One can lose a lot of money in this business."

Back home, he continues to buy. Tokyo rents are going up 20% a year for the commercial buildings—shops, restaurants and the like—that are most of his business, and Sasaki has a long waiting list.

Trained as a medical doctor, Sasaki has the typically Japanese conviction that, in the long term, land prices never go down. He modestly attributes his early success to luck. But then he adds, "You must have imagination, maybe even romantic dreams that you pursue with a concentration of will. Or to put it another way, concentrate all your attention and energy on one theme."

Sasaki, now 56, has a romantic dream of another sort. "I may get into trouble for saying this," he confides, "but I would like to have been like Hugh Hefner." The closest he got was a license for the Playboy Club in Hawaii, but then the whole Playboy Club chain closed down. And now the owner of multibillion-dollar Togensha says, "I don't even have time now to date anybody. . . ." He says that is something he misses. Having time, that is.—**Nobuko Hashimoto**

Robert Wallis/J.B. Pictures

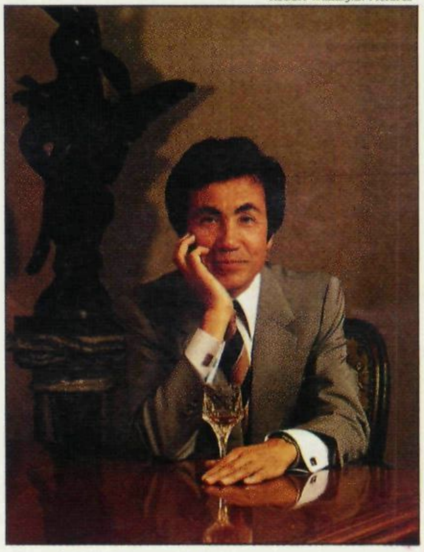


Kichinosuke Sasaki

GENSHIRO KAWAMOTO
Reassured

The "Kawamotomobile"—the Rolls-Royce limo that Genshiro Kawamoto has driven around Honolulu as he snapped up some $170 million worth of Oahu houses—rolled into some trouble. Honolulu Mayor Frank Fasi had harsh words for Kawamoto as he proposed legislation to ban home ownership by nonresidents. "Maybe 179 houses is a lot," admits Kawamoto, who emblazons his Ginza buildings with his company's name in neon, "but I didn't expect such a fuss."

Robert Wallis/J.B. Pictures



Genshiro Kawamoto

So last summer he switched to California's Sacramento and Santa Rosa areas. This time, instead of knocking on doors and wooing owners with huge sums of cash, as in Hawaii, he says he is buying tracts and building single-family houses for rent. He reports five projects under way around Sacramento, and plans for 1,000 homes. He has also been studying New York for some time, and says he's planning his first trip, to look around.

In Hawaii, the Kawamotomobile may soon be back in action. There is a scarcity of rental homes on the islands, and Kawamoto, 57, would like to fill the gap.

Kawamoto says he met with Hawaii governor John Waihee in January and was reassured that his yen were welcome after all.—**Gale Eisenstodt**