

# Japan

## real estate



### Yoshiaki Tsutsumi

Tsutsumi may no longer be the world's wealthiest businessman. Then again, he just might be by far the richest. Here's the tale:

FORBES' estimate of Tsutsumi's wealth has been edging down over the years—his Seibu Railway stock (\$27 a share) fell, we've found some debt, and the yen is off its peak. Tsutsumi, once worth over \$18 billion by our estimates, looks more like \$14-billion-plus. Meanwhile, Taikichiro Mori (*see below*) edged up, to \$15 billion.

So Mori's the richest, right?

Not necessarily. Tsutsumi's wealth is held through his holding company, Kokudo Keikaku. His direct ownership is 40%, which is the basis for our estimate of his fortune. Trouble is, FORBES has never been able to figure out who owns the other 60%. There is speculation that some—maybe all—is controlled by Yoshiaki Tsutsumi. If so, he's worth close to \$35 billion.

Now 57, Tsutsumi inherited his vast real estate-based fortune from his father, who founded Seibu Railway and accumulated huge land holdings at end-of-World-War-II prices. He takes risks—witness his big resort projects in isolated areas of the nation where Japanese have not traditionally traveled—but he finances them conservatively. Keiji Onuma, in a recent book on Tsutsumi, suggests that Seibu Group uses Tsutsumi's political connections to secure cheap loans from government-affiliated banks for regional development.

Onuma thinks Tsutsumi is entering tougher times. Seibu Group, he argues, is overcentralized, and the huge



LEFT:  
Yoshiaki Tsutsumi  
with Prime Minister  
Kaifu

Ah, connected.



RIGHT:  
Taikichiro Mori  
**Yield 2% to 5%.**  
**Mortgage 8%.**  
**Result: trouble.**

Japan Railways companies are starting to compete with Tsutsumi in the resort business. The good news for Tsutsumi is that the 1998 winter Olympic Games will be held in Nagano, where he has a lot of resort property. At \$14 billion—or \$35 billion—the Tsutsumi fortune will not vanish. But making it grow will become more difficult. —G.E.



### Taikichiro Mori

Mori, 87, has accumulated \$15 billion worth of real estate assets in his hometown of Minato-ku, a top Tokyo business district. But he's worried about the future. Tokyo land prices have climbed so high, he tells FORBES, that returns on office building investments have dropped to 2% to 5%.

"Let's say you buy office building

lots for Y25 million per square meter in Minato ward [\$17,294 per square foot], for a seven-floor building," says Mori. After construction costs, the total investment will be \$5,000 per square foot of rentable space. Typical rent is \$165 per square foot per year. The yield: about 3%. That's before maintenance and taxes—and debt. With Japanese mortgage rates at 8%, only buildings on inexpensive land, financed with lots of equity, can carry themselves. "Unless you acquire cheaper lots, it's impossible to make money buying land and putting up buildings in Tokyo," says Mori.

Mori himself is in relatively good shape. With a more than 25-acre reserve of undeveloped land in Tokyo and his office rents rising, Mori still develops new buildings. But, he says, "It's sort of gambling" on rents' continuing to rise. And Mori has never been much of a gambler. —H.A.



## Kitaro Watanabe

Watanabe, whose main company is Azabu Building, is known to Americans as the supplier of funds to corporate raider T. Boone Pickens for his purchase of 26.4% of Japan's Koito Manufacturing. (According to Japanese press reports, Pickens sold the stock back to Watanabe in June at the same price at which he purchased it.) The Japanese press called Watanabe the "alchemist" for his apparent ability to create wealth from rank speculations in stock and land in the late Eighties.

But the party is over for 57-year-old Watanabe. Azabu Building said in January its banks will force it to sell much of its property, especially in Tokyo, to reduce borrowings by \$1.5 billion and stanch negative cash flow.

Azabu is land rich. It has Tokyo property worth perhaps \$12.1 billion even at current prices, and debt of around \$4.4 billion. The problem is, Japan's property market has ground almost to a halt as the Ministry of Finance has clamped down on real estate loans, and the Bank of Japan has jacked up interest rates. Moreover, Watanabe owns a lot of scattered small sites off main streets. They're great to own when people are bidding eagerly to assemble big building sites; terrible now.

FORBES obtained an Azabu Building balance sheet (for the 1988-89 fiscal year), which showed only \$127 million cash and \$425 million securities left in liquid assets—and that was over a year ago. Azabu Group has to pay over \$750,000 interest per day. "It might be pretty soon that Azabu won't be able to pipe cash into the interest payments," worries a source

at one of Watanabe's lenders. But for now Watanabe remains, on paper, a billionaire.

-H.K.

## Eitaro Itoyama

Bounced out of the Lower House in the 1990 elections, Eitaro Itoyama, 49, is paying more attention now to Shin Nihon Kanko Kogyo, his company that runs golf courses and other leisure facilities, and to the substantial real estate holdings he inherited from his father.

The holdings are probably worth \$2.9 billion, net. He also owns a large investment portfolio that was built, he tells FORBES, mainly after the 1990 stock market collapse. "It's the time for moneymaking, when many neighbors [i.e., market participants] earn losses."

Itoyama says Donald Trump approached him last year to buy New York's Plaza Hotel. Itoyama says he said no, figuring further declines in real estate in New York were "unavoidable." (A spokesman for Trump avers: "The Plaza has never been for sale.")

Itoyama plays tennis and watches marathons, which he compares to life: "There are ups and downs of fortune in a long life," he says. "Trying to run the whole distance is the most important."

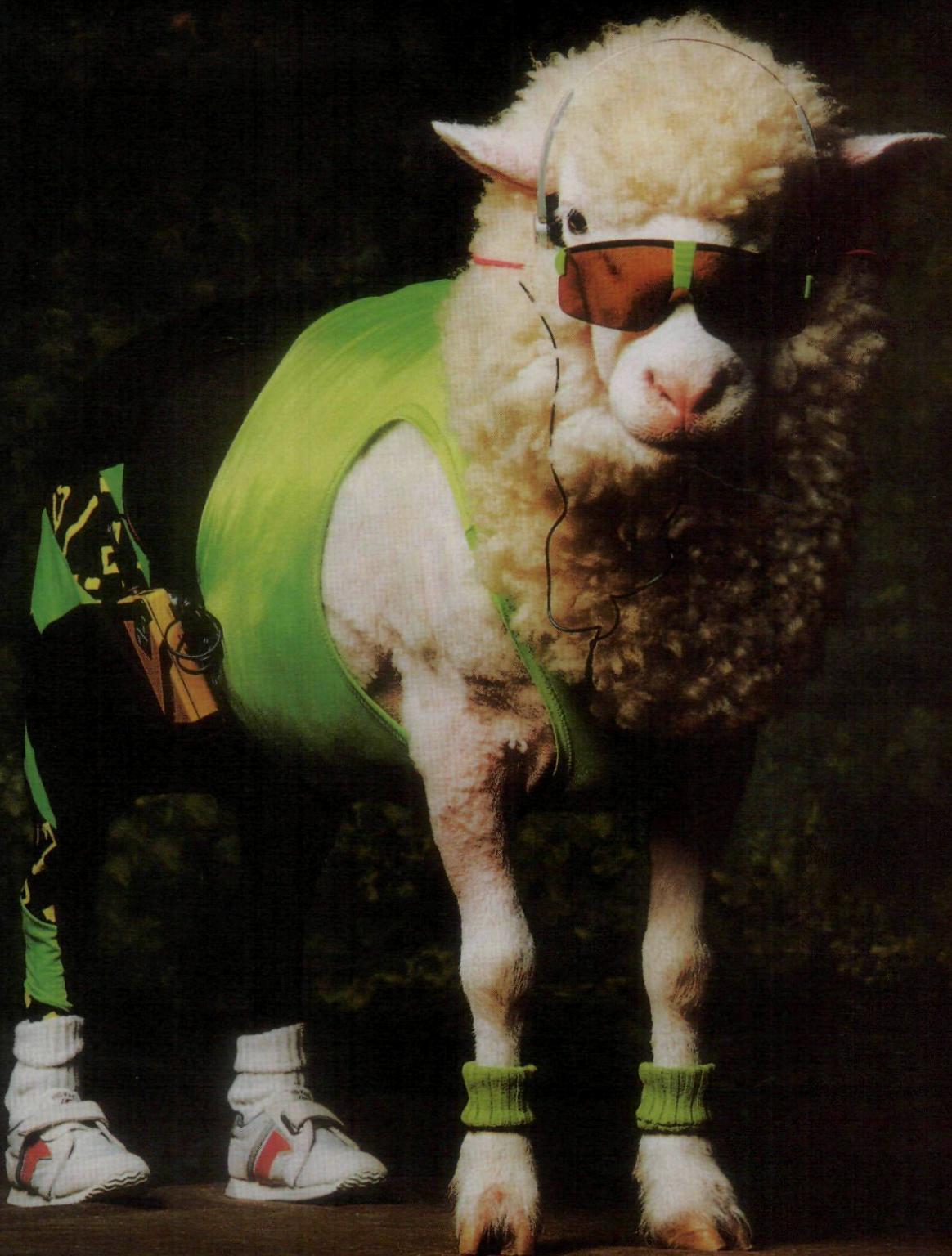
-J.I.

## Genshiro Kawamoto

When other Japanese property billionaires were buying U.S. office buildings and hotels, Kawamoto, 59, invested a total of \$700 million to buy and build houses in Hawaii and in California's Santa Rosa and Sacramento areas. His rationale: liquidity. "I will never buy the property which cannot be sold easily," he says. "You may have to sell your property sometime. And when you think of it, who can buy an office building or a hotel at astronomic prices?" But Kawamoto is more a holder than a seller. Except on Maui, all his U.S. houses are for rent.

In Japan, Kawamoto's Marugen K.K., worth over \$1.2 billion, owns thin "pencil" buildings, full of bars

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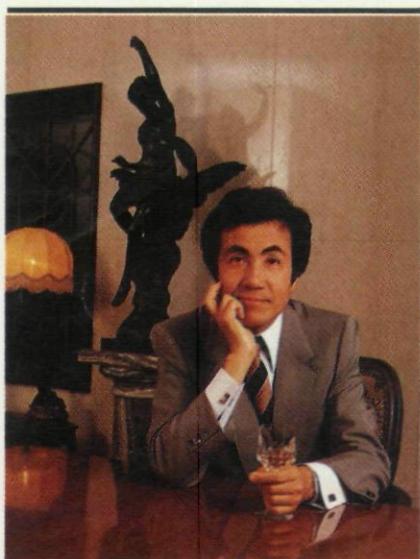
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Robert Wallis/IB Pictures

Genshiro Kawamoto

**The search for liquid land.**

and night spots, that dot the Ginza. But he has no interest in Japanese residential real estate. "It's impossible," he explains, "in Japan for a landlord to cancel a lease for his own benefit."

—H.A.

Japanese cities are dotted with undeveloped parcels. They are often planted with fruit trees or other crops, to qualify as "farms," which are subject to minuscule property taxes. But when the owner dies the land is taxed at huge rates. Tada's firm helps older landowners reduce estate taxes by developing their plots. Average age of Daito's clients: 70. He offers one-stop service: construction and rental management and tax planning.

Tada and family's shares in Daito Trust Construction were recently worth \$2.3 billion, and demand for his services is likely to keep growing fast. Pressure is building in Japan to end the urban farmers' tax breaks, so as to ease the pressure on property prices. Tada sees a downside to a bigger market. "More companies will be attracted and there will be more competition," he worries. But with virtually no debt and nearly \$600 million in cash, Tada will be no pushover.

—G.E.

lord Haruhiko Yoshimoto. "Mr. [Yasushi] Mieno, governor of the Bank of Japan, is one of the really bad guys in this world, along with Saddam Hussein," grousing Yoshimoto. He adds that Japan will face real recession unless the Bank of Japan drops interest rates (the current discount rate is 6%) or the Ministry of Finance quickly lifts restrictions on real estate borrowings. The crunch, Yoshimoto confides, forced him to withdraw from a construction project near Osaka's new airport, and to stop building a resort in southern Japan.

Even with Osaka real estate values down perhaps 30% on average in the past year, the family property holdings are worth around \$3 billion. But Yoshimoto says he is considering diversifying—into computer components manufacturing.

—H.K.

**Masao Nangaku**

The founder and owner of Minami Group, Masao Nangaku, 72, built a \$1.3 billion fortune out of consumer electronics shops and astute real estate investments. In the late 1980s he bought a German castle, a collection of jeweled sculptures by Dali, Hawaiian forests and Las Vegas' Dunes Hotel & Country Club. The Nevada Gaming Commission finally granted him a permanent casino license last April. Several weeks later he reportedly began negotiating the sale of the Dunes property.

—H.K.

**Hirotomo Takei**

On June 11, Tokyo police arrested Takei, 70, and charged him with evading taxes on some \$40 million in profits from stock trading in 1987-88. Takei allegedly bought and sold shares on the basis of inside information provided by Mitsuhiro Kotani, a wheeler-dealer arrested and on trial for alleged security violations and blackmail related to two listed firms. Kotani's scandal brought down several ranking businessmen, but none had profited more than Takei. His Chisan group of over 25 companies—in real estate, hotels, golf courses, restaurants, food and publishing—is still worth \$4.5 billion. But his honor is in shreds. Asked to comment on the relationship between Takei and Kotani in the spring, a Takei associate said: "Everything will be disclosed within a month."

—H.A.

**Tada family**

Katsumi Tada—personable, energetic, and new on this year's list—had a flash early in life: "I didn't want to become a salaryman." So in 1974, at age 28, he started what became Daito Trust Construction in Nagoya. Daito thrived by carving out a smart niche: urban farmland development.

**Yoshimoto family**

Anyone who doubts a credit crunch is squeezing Japan's real estate market hard should talk to big Osaka land-

**Heizo Kobayashi**

"There is nothing more terrifying than a debt, a fool or a leak in a roof," Kobayashi, 78, told FORBES. No fool, his buildings don't leak and he has no debt; his \$1 billion worth of properties in Shinjuku, a bustling Tokyo entertainment and shopping district, are virtually unleveraged.

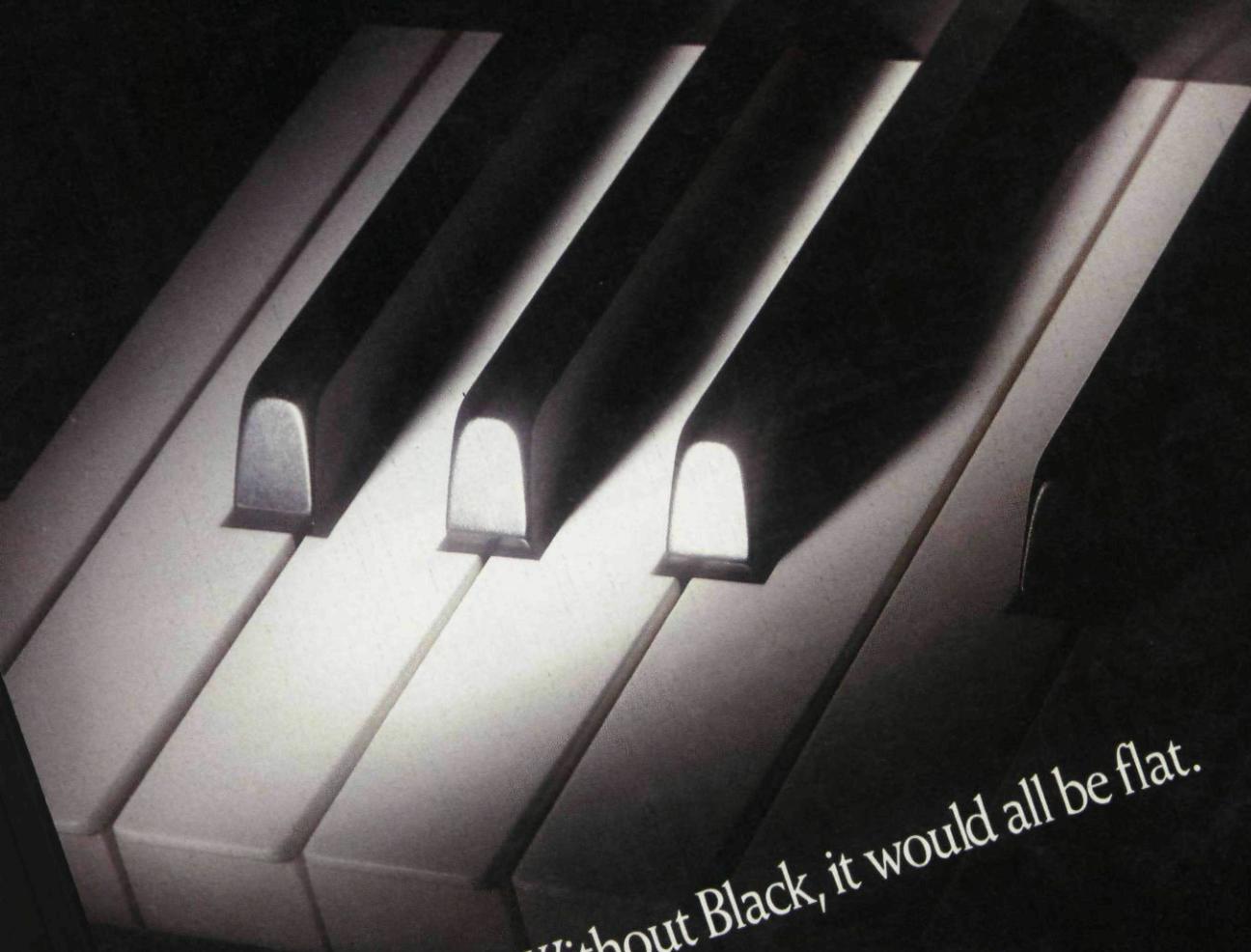
Born the seventh son of a farmer, Kobayashi arrived in Tokyo in 1931. He opened a charcoal shop and later, after the war, pachinko parlors, restaurants, a supermarket. The cash flow went into buildings. To circumvent some of the tough laws regulating landlords, he likes to set his tenants up in business, taking 20% of their sales as rent. Unlike Shinjuku's fashionable buildings, Kobayashi's Sanpei buildings are somewhat shabby. "Perhaps it's time for refurbishing," he sighs. "But I hate to borrow money."

—H.A.

**Takenaka family**

The Takenaka family, worth an estimated \$5.4 billion, traces its roots to a 17th-century samurai. These days the Takenakas often build abroad, but their company, Takenaka Komuten, makes most of its money in the pro-

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tected Japanese market. Renichi Takenaka, 80, is chairman. President is his son Toichi, 48, who earned his M.B.A. from the University of Michigan.

—N.H.



## **Yoneichi Otani and family**

Yoneichi Otani, 75, and family are worth \$5 billion, mostly from Hotel New Otani, one of Japan's biggest hotel chains. The New Otani chain, which now numbers 14 hotels in Japan and 4 overseas, including hostels in Los Angeles, Honolulu and Singapore, was started by Yoneichi's father, a onetime sumo wrestler. The real wealth is not in the hotels themselves, but in the valuable Japanese land under them.

—H.A.



## **Tamesaburo Furukawa**

At 101, Furukawa is the world's oldest known billionaire. He still heads the Herald Group he founded. It imports U.S. movies and produces Japanese movies; owns and operates theaters; manages resorts and restaurants. Several grandchildren in the family-held business are cautiously branching out into producing rental videotapes and programming for cable television.

Furukawa says he plans to live to 120. Don't bet against him. His day starts around 5 o'clock and he devotes his first hour to lightly exercising his limbs and massaging his face. Other secrets? "Not to worry, do work that serves other people, use your head, move your body, eat good food."

—N.H.



## **Ken Hayashibara**

Ken Hayashibara, 49, has used the cash flow from his real estate empire in Okayama, four hours from Tokyo, to fund biotech research. His natural human alpha interferon drug has been licensed in Japan to fight kidney cancer; clinical trials are now in process to determine if the drug is effective against AIDS. With \$3 billion in assets



Robert Waller/BI Pictures

Rinji Shino, at home with Japanese art

**It can be a comfort, having a smart daughter around.**

behind him, Hayashibara, whose family started out in the candy business, is rapidly expanding his research institute. The biotech facility has been inundated with researchers' resumes.

—H.A.



## **Yohachiro Iwasaki**

Yohachiro Iwasaki, 89, started poor, bought land in southern Japan when it cost next to nothing and developed extensive resorts. In recent years he has built resorts as far away as Australia and Mexico. His eldest son, Fukoza Iwasaki, 65, now runs the business, which is worth at least \$2.8 billion.

—N.H.



## **Rinji Shino**

How un-Japanese: Rinji Shino's daughter Shigeko, 49, runs Meiko Group, nerve center of the aristocratic family's \$3 billion real estate empire.

This gives her 83-year-old father time to enjoy his various possessions: the elegant traditional Japanese wooden residence on eight acres in Wakayama, west of Osaka; residential property in Osaka; three golf courses; two uninhabited islands in the Inland Sea; land in France west of Fontainebleau; his 120-foot yacht, *Hayatori II*; and his Western and Japanese art. —H.K.



## **Hideki Yokoi**

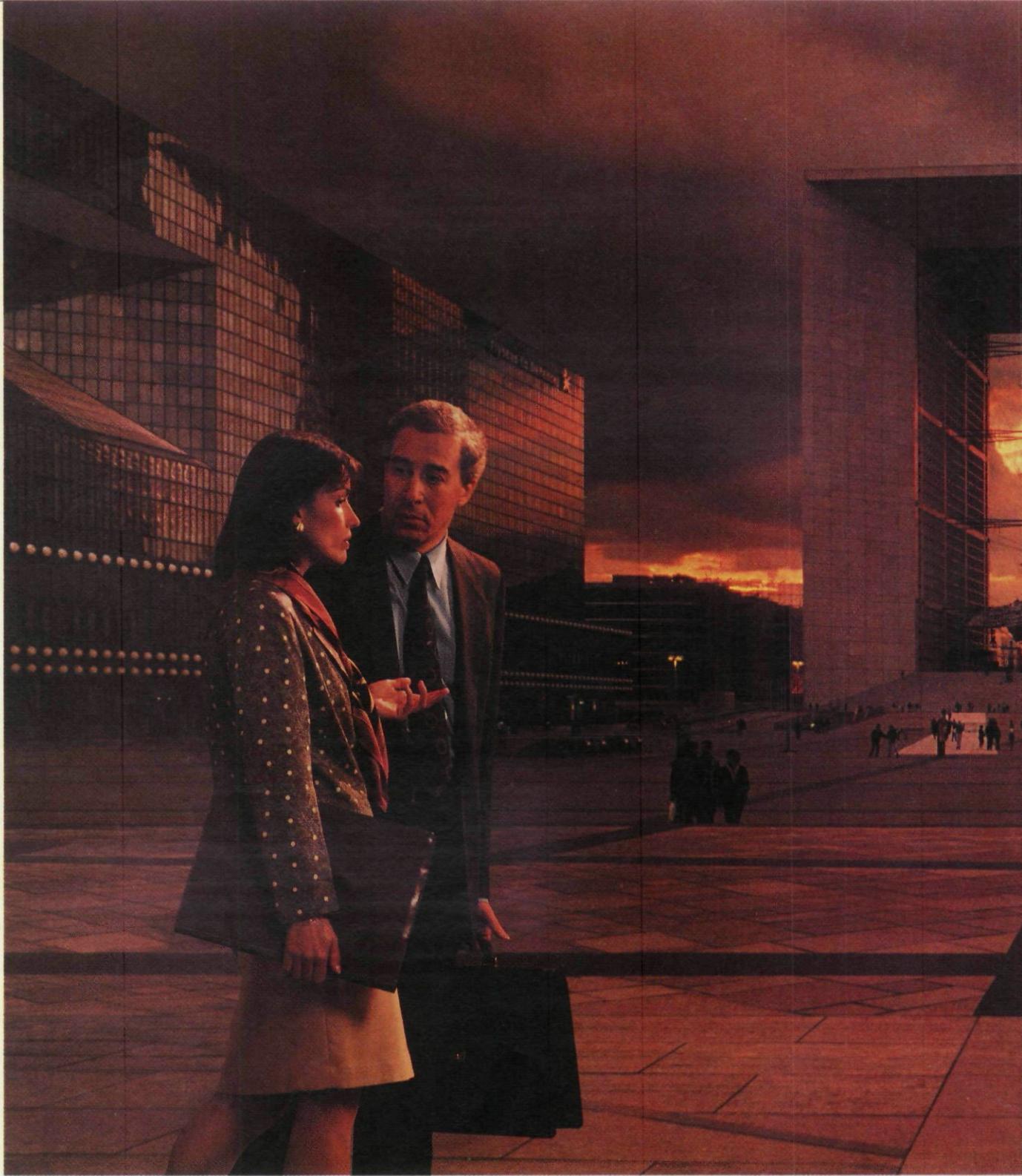
Yokoi's Hotel New Japan burned in 1982, killing 33. It is still in ruins. Yokoi has lost one appeal against the three-year sentence he drew for his failure to install required fire-prevention equipment; he is still out on bail, pending another appeal. Worth over \$1.4 billion, Yokoi, 78, reportedly hopes to build a skyscraper on the Hotel New Japan's billion-dollar site in central Tokyo. Meanwhile, the cash flows from the pachinko parlors, bowling lanes and lesser hotels he and his family own and operate. —H.K.

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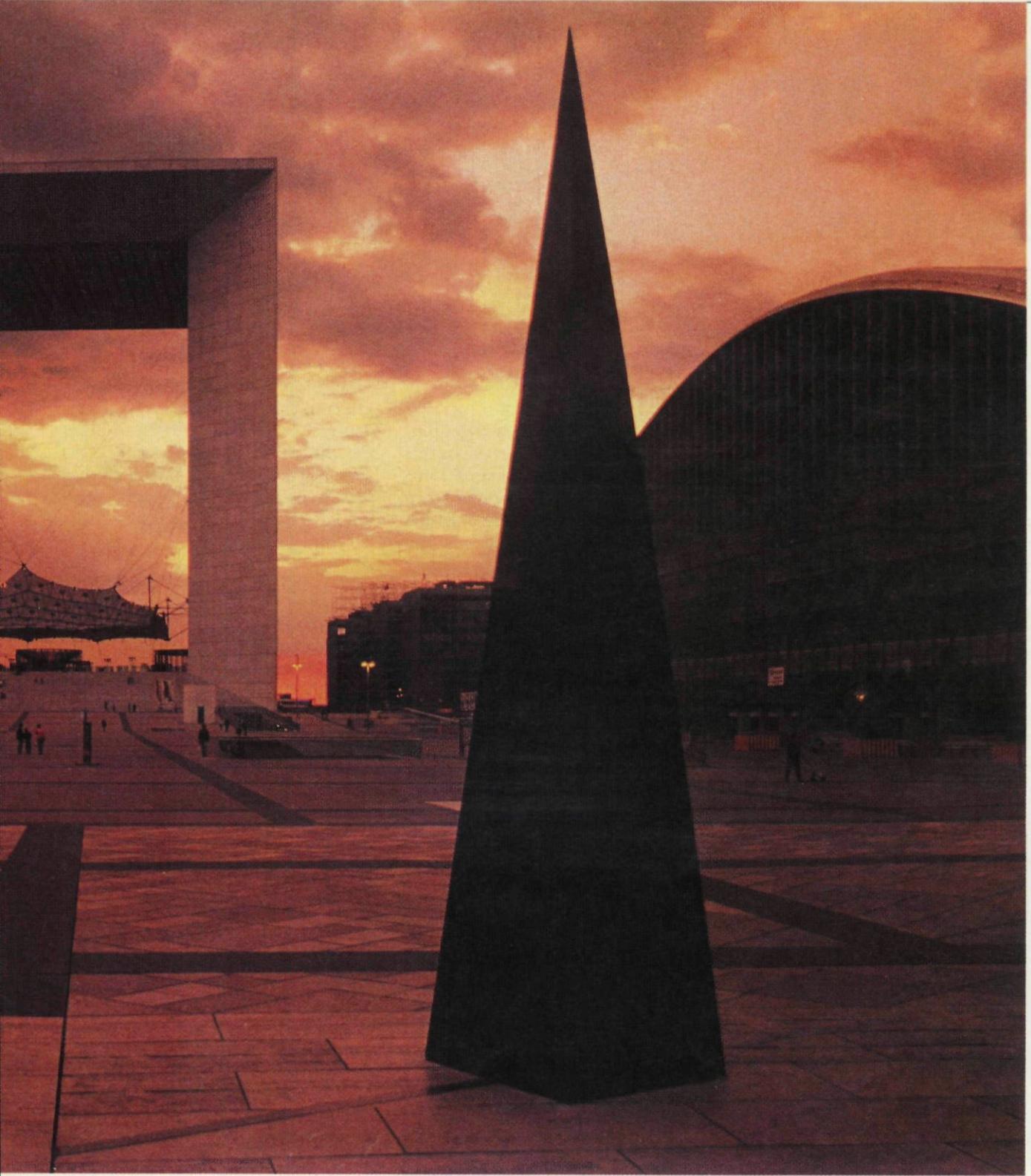
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# Japan industry



## Hiroshi Yamauchi

With U.S. sales for Nintendo slumping, Yamauchi needs a big success with his more powerful, 16-bit system this fall. It has sharper colors and clearer sound but a stiff price—nearly \$200 for the player, plus \$60 for each game. The machine is already a huge hit in Japan, where nearly 1.8 million units have sold in just five months. But what are its chances in the U.S.?

"At this point we don't know," Yamauchi, 63, told FORBES in May. "If we get 3 million orders [by Christmas], it means the outlook is very bright. But we still don't know if users

will buy it."

Paul Heaton, an analyst at W.I. Carr, predicts Nintendo will get only 55% to 60% of the 16-bit videogame market in the U.S., compared to its 85% share of the 8-bit game market. Heaton figures competitor Sega has been pushing harder in the U.S. and will have 100 games out by Christmas, as against 15 or 20 for Nintendo.

Yamauchi, who owns \$2.3 billion worth of Nintendo stock, is not putting all his eggs in the U.S. market for familiar-looking 16-bit games. He has cut a deal with Philips for attachable CD players, permitting vastly more elaborate games. And he is pushing Nintendo into Europe—a less attractive market, he admits.

"Europeans and Americans are different," says Yamauchi. "You see George Bush playing with Game Boy, but the prime minister of France [Edith Cresson], that woman, all she does is complain the Japanese are unfair."

—G.E.



## Masatoshi Ito

Masatoshi Ito, 67, controls two of Japan's most profitable big retailers, Ito Yokado and 7-Eleven Japan; his stock in the pair is worth over \$2 billion. In March he bought 70% of Dallas' Southland Corp. out of bankruptcy for \$430 million; this gives him convenience stores in over 20 countries. Ironically, it was a much healthier Southland that licensed the 7-Eleven name to Ito for the Japanese market in 1973.

—H.K.



## Morita family

While Akio Morita's \$26.7 billion (sales) Sony Corp. battles archrival Matsushita Electric in camcorders, it must also fight a sluggish worldwide consumer audio market. The industry's last hit product, the compact disc player, is already nearly a decade old. Sony recently introduced a miniaturized CD player that may kill off the cassette tape—the Mini Disk can record as well as play; it offers better sound and allows instant access to any song.

The jury is still out on whether Morita's \$3.4 billion purchase of Columbia Pictures will prove a wise investment. The first big test will be



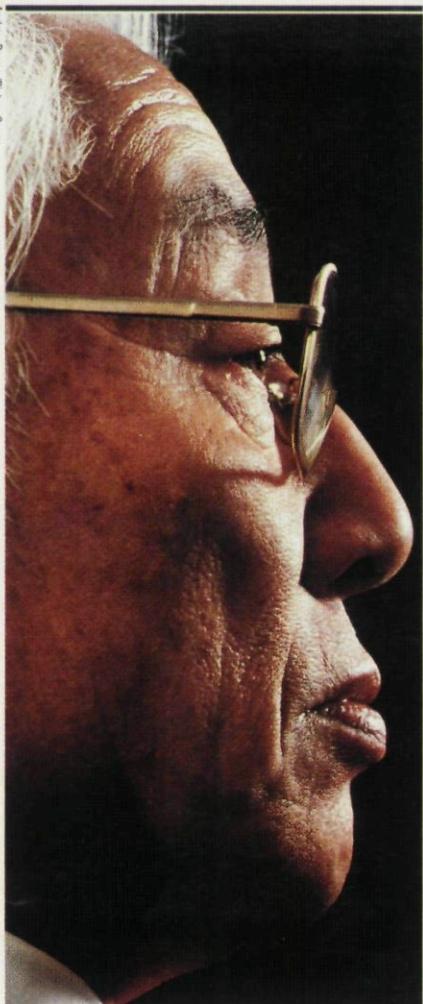
Nintendo/Unipublic Press

Hiroshi Yamauchi,  
president of Nintendo

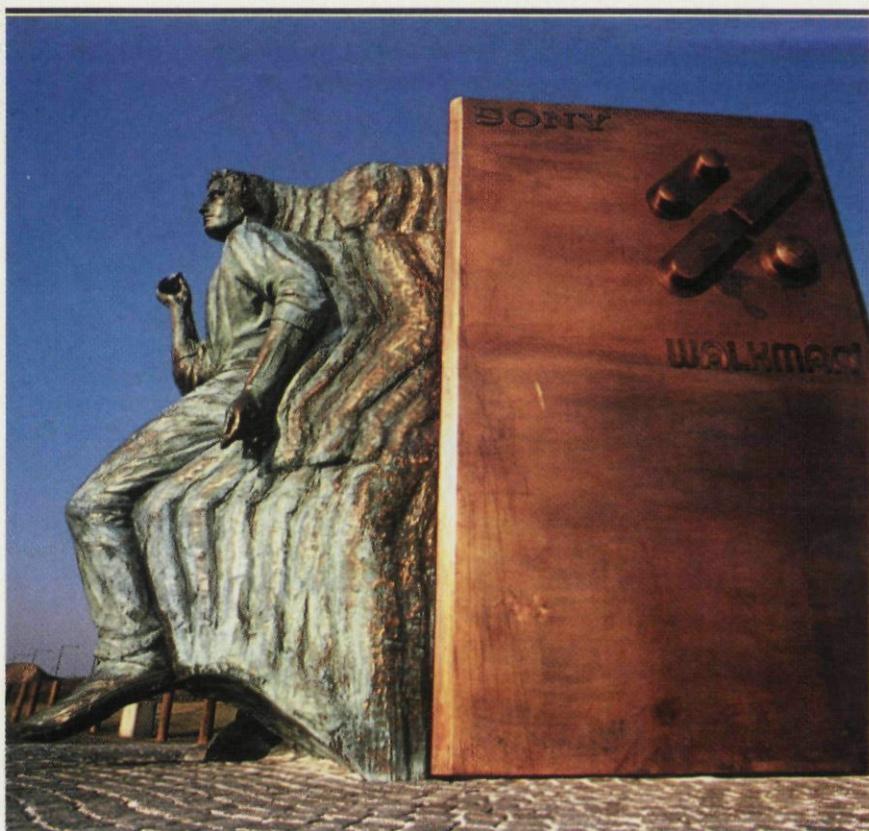
**Will his new  
game be a hit  
in the U.S.?**



Claudio Edinger/Gamma Liaison



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Akio Morita, cofounder and chairman of Sony Corp., and Sony's Walkman monument

**Will Sony's new mini compact disc player kill the Walkman?**

The Mini Disk can record sound and won't skip when worn jogging—which beats current portable CD players. And the sound is of higher quality than cassette tapes'.

the coming release of *Hook*, a movie directed by Steven Spielberg, starring Dustin Hoffman and Robin Williams. Sony Music will release the film's sound track.

Most of Morita's wealth, which is around \$1 billion, derives from Sony. He is also chairman of Morita K.K., his family's 326-year-old sake and soy sauce company. —G.E.

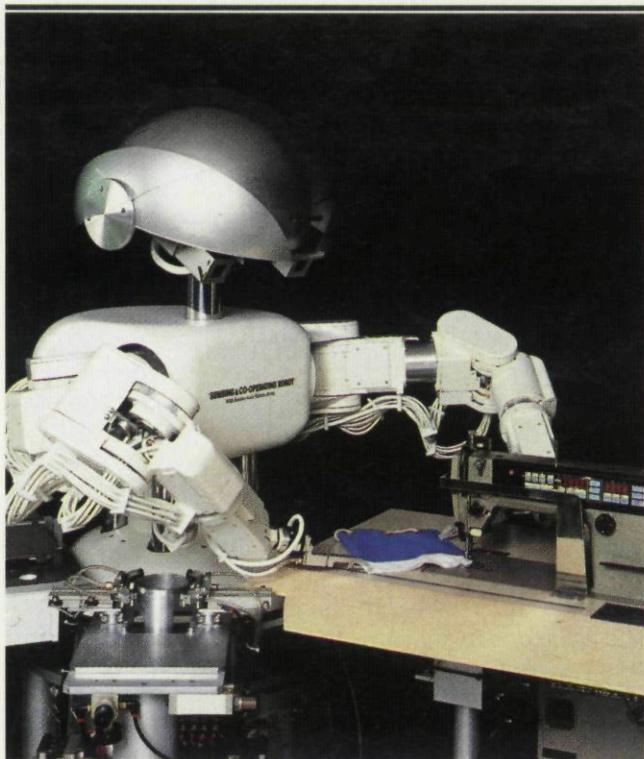


## Matsushita family

When \$49 billion (sales) Matsushita Electric Industrial Co., chaired by Masaharu Matsushita, 78, bought MCA Inc. for \$6.1 billion in December 1990, it opened another front in the perennial battle against Akio Morita's Sony Corp., which bought Columbia Pictures in 1989.

Matsushita is also fighting Sony for market share in palm-size camcorders. Sony reportedly holds 40% of

Matsushita Denki/UPI/Photo Press



Kyodo



Masaharu  
Matsushita

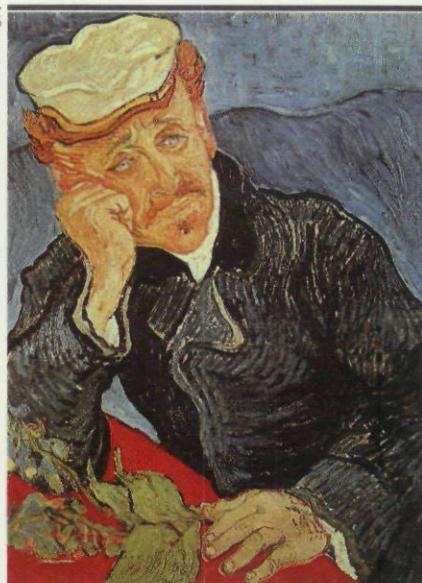
**Doing everything from robotics to buying MCA; perennially battling Sony.**



Daishowa Seiji K. K./Miyajima Press



Ryoei Saito, honoray chairman of Daishowa Paper  
**Saito can enjoy looking at his Renoir and van Gogh while mulling over his company's misfortunes.**



the market, Matsushita 28%. But another 12% belongs to Victor Co. of Japan (JVC), and Victor is part of the Matsushita Group.

Masayuki Matsushita, 45, a grandson of legendary founder Konosuke Matsushita (d. 1989), was appointed a managing director in 1990 and is now one of the candidates for the presidency.

-J.I.

propel the group's other businesses into the international arena. But so far few "synergies" have been realized. "Saison doesn't have leadership that knows how to run a big international operation," says a source in the Japanese hotel business.

According to financial documents obtained by FORBES, Inter-Continental lost \$63 million in 1989, roughly double the amount forecast at purchase. In 1990 it lost around \$26 million. It forecasts a loss of \$34 million in 1991 followed by an \$82 million profit by 1994.

Meanwhile, Tsutsumi's Seibu Department Stores, the original core company, is estimated to have sales of \$7.5 billion, \$2.5 billion in debt, and net margins around half a percent. It plans to restructure.

-G.E.

## Seiji Tsutsumi

Seiji Tsutsumi, 64, well-known poet and novelist, is a creative man. He inherited an unfashionably situated department store and built it into a 100-plus-company empire with supermarkets, travel agencies, insurance and consumer credit. But lately there are signs his creative energies may have outrun profits. He suddenly announced in January that he would step down from active management of Saison Group—under pressure from Japanese banks, say industry sources.

Inter-Continental Hotels is a big headache. Two years ago Saison paid \$2.2 billion—nearly 19 times cash flow—for the chain, much of it borrowed. Later, Scandinavian Airlines System took a 40% stake in Inter-Continental. Says a manager at one of Japan's large long-term credit banks: "The economics of this deal didn't make sense from the beginning."

Tsutsumi hoped to use the chain to

rowed large sums from publicly held, \$3 billion (sales) Daishowa Paper Manufacturing Co. for personal use.

Last year a family holding company paid Daishowa \$49 million for its share of an Australian eucalyptus-chip venture. "Daishowa needs help," says Saito. But, according to a Japanese corporate research firm, the holding company has around \$300 million of debt guaranteed by Daishowa. So it looks as if the Saitos were buying assets from Daishowa with money backed by Daishowa.

Last year Daishowa showed a \$39 million profit, but only after a \$126 million gain on sale of stock. The company has announced investment cutbacks and asset sales to reduce borrowings. Saito believes it will no longer be practical to produce paper in Japan, given high energy costs. He wants to cut domestic facilities and shift production overseas—not easy, given Japan's lifetime employment system. Saito has long been the most aggressive Japanese buyer of pulp and paper facilities in the U.S. and Canada. For now, the family is visibly worth \$1 billion. But Ryoei Saito may need more than panache and a wad of bills to be on the list next year. -G.E.

## Saito family

Ryoei Saito, 75, buyer of van Gogh's "Portrait of Dr. Gachet" and Renoir's "Au Moulin de la Galette," tells FORBES how he will steer his ailing paper company through hard times. With a smile, Saito reaches into his pocket and pulls out a thick wad of Y10,000 (\$74) bills. "I will use this," he says, pointing to the money.

An interesting gesture. Saito means he will dip into his own fortune, if necessary, to prop up Daishowa. But the Japanese press has long questioned whether Saito improperly bor-

## Teramachi family

Hiroshi Teramachi founded and runs THK, a maker of precision bearings known as linear motion guides. It

earned \$160 million last year before tax on revenues of \$550 million, and is growing rapidly. "Now the market penetration of the linear motion guide is 15% to 20% in Japan and some 4% overseas," Teramachi, 67, says. "My projection is pushing it up to 50% worldwide in 15 years." But as a small fish in a land of industrial giants, Teramachi must protect himself, and is doing so by forming strategic alliances with established companies.

-H.A.



## Tetsuo Ohga

Step on any train in Japan and you will see salarymen, students and housewives poring over comic magazines as thick as telephone books. Some boast circulation over 1 million.

*Shonen Jump*, a comic for kids that teenagers and even adults devour, sells some 5.8 million copies a week. Few companies advertise in them, but comics are very profitable: They're cheaply printed on low-grade paper, and popular comic strips are often compiled into lucrative paperback books or turned into television cartoons. They tell tales of sports, adventure, romance, often with lurid scenes of violence and sex.

Many of Japan's comic books are published by Shogakukan Inc. It is a major element of Shogakukan Group, which is controlled by Tetsuo Ohga, 66. This is his first year among the world's billionaires.

Founded by Tetsuo's father in 1922, Shogakukan Inc. originally published educational materials for children. Later, Tetsuo added to the line dictionaries, books and general interest magazines—the company's 70-plus popular magazines earn 58% of its \$1 billion revenues. The comics are only 25% of revenues but reputedly have the highest margins of all.

Tetsuo Ohga runs the family business now, and has been busily expanding. Today Shogakukan is only one of 30 companies in Shogakukan Group. Rivaling it is Shueisha, another member of the same group, established in 1926 to handle entertainment publications.

The Ohgas' holdings are worth over \$4 billion.

-G.E.

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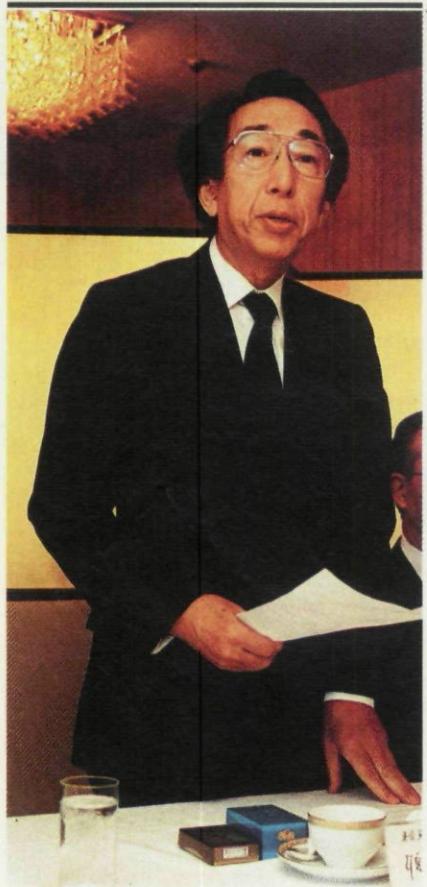
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Kenkichi Nakajima, president of Heiwa Corp.  
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Reiji Hattori, chairman of Seiko Group  
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## Kenkichi Nakajima

The Nakajima family owns \$6.1 billion worth of stock in Heiwa Corp., Japan's biggest maker of machines for pachinko parlors. Nationwide, the pachinko industry (which is widely assumed to have ties to organized crime) takes in around \$140 billion a year. Heiwa was founded in 1949 by Kenkichi Nakajima, president, now 70.

Many of the companies that make pachinko machines work closely together to fend off outsiders. But Nintendo and Sega, the videogame powers, are threatening to break into the pachinko business anyway. —J.I.

## Hattori family

The Hattori family has been making watches for over 100 years. Under Reiji Hattori, 70, their Seiko Group is making wrist radio pagers, developed jointly with AT&T, of San Francisco. Also on the market from the Hattoris are special watches for scuba divers. In addition, Seiko Epson has launched a powerful notebook-size computer. The group also sells eyeglasses and jewelry.

The family fortune is estimated at \$3.5 billion. —N.H.



## Ryoichi Jinnai

In 1962, when he founded consumer lender Promise, Jinnai legally charged over 100% annual interest on loans. In those days most of Promise's customers were middle-aged salarymen with money problems and no collateral to offer banks; the *sarakin*, or consumer lenders, were held in low esteem.

Today things are different. The maximum legal lending rate is now 40% and consumer borrowing no longer carries a stigma, especially among the younger Japanese. Promise and other *sarakin* now court. Some 28% of Promise's customers are in their 20s. Most of the money they borrow goes for travel and recreation. Japan's consumer era is in full swing.

To woo these young borrowers and burnish Promise's image, the company dabbles in new businesses: a camping club, video rental stores, a golf course in Paris. The company plans to go public in Japan's over-the-counter market in the near future. Based on current market multiples, Jinnai's stake in Promise might be worth \$1 billion now.

In March Jinnai, 65, promoted himself from chairman to honorary chairman (he is also managing director). Takahiko Ori, an establishment banker who used to be with the Long-Term Credit Bank of Japan, is president. But the smart money is on Jinnai's eldest son, Hideki, 37, rapidly moving up. —G.E.



## Kinoshita family

The Kinoshitas own Acom, another of Japan's big consumer lenders. Managing director Yoshiki Okada worries that young Japanese debtors are piling on more consumer debt than their salaries can service. Spokesmen at rivals Promise and Takefuji deny a repayment problem looms, but Okada believes they are papering over what could become a big social issue.

Okada sees other signs that Japan's once thrifty savers are becoming less disciplined. Traditionally, Japanese husbands worked and wives watched



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family finances. But now more women work, and managing budgets gets lower priority. Growing use of credit cards leads to still looser family spending controls, Okada says.

Like Promise, Acom would like to list over-the-counter next year. "In terms of financial strength, consumer finance companies get an AAA rating," says Okada. "In terms of image, we get a DDD, or maybe a C." In terms of dollars, the Kinoshita family's stake in Acom is probably worth some \$1.5 billion. —G.E.



## **Yasuo Takei**

Yasuo Takei, 61, founded Takefuji, one of Japan's largest consumer lenders, worth about \$1.6 billion. Last year Takei hired a new president from Nomura Securities, but he departed in February; sources cite—but the company denies—a flap over taking Takefuji public. Takei is back in charge, and Takefuji, which earned \$110 million last year on revenues of \$1 billion, is still private. —G.E.



## **Keizo Saji and family**

Keizo Saji and family own 90% of Suntory, Japan's premier whiskey company and a major brewery. The holding is worth around \$1.8 billion. However, whiskey sales, which account for half of Suntory's revenues, are falling in Japan; last year's heat

Akihiko Otsuka, president of Otsuka Pharmaceutical  
**Known for its strong distribution and heavy advertising.**



Robert Walley/B Pictures

wave was better for beer sales than for whiskey sales. And Suntory's beer sales aren't growing as fast as competitors'. Boosting sales will require some creative brand marketing.—H.K.



## **Masahito Otsuka and family**

The Otsuka family's Otsuka Pharmaceutical sells ethical drugs and also

markets nutritional beverages: Fibre-Mini, with dietary fiber, is a recent hit. Known for their strong distribution system and heavy advertising, the Otsukas recently became the Japanese licensee for Nestle's Nescafe canned coffee. Canned coffee is a \$5.5 billion market in Japan.

More foreign deals are possible. The family's \$1.8 billion fortune was built by Masahito Otsuka, who is now 74; since 1976 his son Akihiko, 54, has run the show. —J.I.

Masahiro Ogawa



## **Takemitsu Takizaki**

Right out of high school, Takemitsu Takizaki, now 46 and the founder and president of Japan's Keyence, worked for an American sensor firm in Osaka. He quit after only three years to start his own sensor company. That was in 1972.

Today scores of Japanese plants use thousands of Keyence's devices to measure product dimensions, humidity, pressure, vibrations—any relevant physical property. Five-year average annual growth in sales has been 35%; in profits 40%, to \$44 million on sales

Keizo Saji, chairman of Suntory  
**Last year's heat wave was better for beer sales than for whiskey sales.**



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of \$196 million in the latest fiscal year.

Most of Takizaki's sensors are proprietary, and 75% of them have almost 100% market share. This is because 60% of the employees are salesmen trained in engineering, who study customers' needs directly at their factories. The company exports to about 5,000 U.S. factories; customers include IBM and GM.

Takizaki keeps overhead down by subcontracting out most of the actual production work; he concentrates on product design, planning and sales. Japanese capital investment is expected to grow "only" 9.2% this year, but Keyence hopes to maintain its own higher growth rate.

The stock market hopes so, too. Keyence shares, public since 1987, have doubled, making the 30% holding of Takizaki and family—new to the billionaire list this year—recently worth \$1.1 billion. At its current market price, Keyence sells for over 85 times earnings.

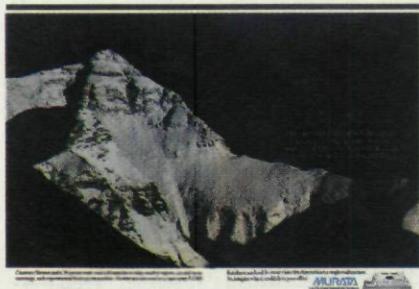
-H.K.



## Junichi Murata

Junichi Murata, 55, and his family own 89% of \$1.3 billion (sales) Murata Machinery; the stake's worth \$3 billion. Half Murata's sales come from textile machines, the other half from fax machines and other telecommunications equipment, in which Murata competes against big companies like Matsushita and Ricoh. "Major companies corner the market for engineers," complains Murata, who has added four Americans to his force of 150 engineers. Another strength: compelling advertisements for his fax machines.

-H.A.



Murata fax ad

**Battling Matsushita and Ricoh.**



## Kiyoshi Sagawa

Kiyoshi Sagawa's Sagawa Express Group is a private package delivery service that is now worth some \$2.7 billion. Sagawa, 69, pays his key employees, the delivery men, well, starting some at \$74,000 a year.

In February Japanese tax authorities nailed Sagawa for \$13 million in back taxes. The authorities may have been inspired by a 1989 exposé on the company written by Yosuke Hamada, a disgruntled former employee who was fired for failing to meet sales targets.

-G.E.



## Isono family

One of the outstanding men of Japan's Meiji era (1868-1912), Kei Isono founded Meidi-Ya, a Western style food store chain and distributor of Kirin beer. His descendants, now led by grandson Kenzo Isono, 72, still control Meidi-Ya and Tokyo real estate, and hold a large stake in Kirin Brewery. Their fortune is currently estimated at \$3 billion. This is the Isono clan's first appearance on the billionaires list.

Born in 1858 of a samurai family, Kei Isono was educated at Tokyo University. Backed with Mitsubishi money, Isono spent four years in Europe. After returning to Japan, he opened Meidi-Ya in 1886 to import Western food and liquor. He also became sole agent of Japan Brewery (now known as Kirin Brewery) and was soon exporting its beer to China, Singapore, India and Hawaii. When Isono died in 1897, at age 39, Meidi-Ya was only 11 years old. But at the funeral were Japan's prime minister and hundreds of business and political leaders.

Meidi-Ya and the Kirin distribution business survived and prospered and the Isunos continued to import and distribute Western foods and beverages. In 1919 Meidi-Ya imported and distributed Coca-Cola; in 1961 it set up, with Mitsubishi, Fuji Coca-Cola Bottling Corp., still an important part of the Isono fortune.

Today Meidi-Ya is Japan's second-

largest wholesaler of food and liquor, after Kokubu & Co. But it can ill afford to rest on its laurels. Nationwide chains like billionaire Masatoshi Ito's 7-Eleven stores are giving the established wholesalers tough competition. Under Keiichi Isono, president, a nephew of Kenzo Isono, Meidi-Ya still retails expensive imported items like fine wines and exotic fruits. Meidi-Ya outlets are mainly in Tokyo's wealthier sections, where the Isonos have become landlords of some note.

-H.A.



## Shoji Uehara and family

Here's an unusual Japanese tale: Sae Tsuchiya Uehara was a live-in housemaid for the founders of Taisho Pharmaceutical. Her husband-to-be, Shokichi, was a Taisho apprentice. They rose together to run Taisho and acquire controlling stock. When Shokichi served in parliament, from 1950-80, Sae ran the company. He died in 1983. Now 82, Sae Uehara is honorary chairwoman.

In 1934 the couple adopted their nephew, Shoji. Now 63 years old, he is Taisho's chairman and largest stockholder. He has, in turn, adopted his son-in-law, Akira, who serves as the company's president and will likely succeed his adoptive father. Taisho, whose strength is over-the-counter drugs, nutritional tonics and cold remedies, also has growing success in ethical drugs and is preparing to invest \$740 million in the next seven years in new plants and laboratories. The Ueharas' stock in the company is worth \$1.5 billion.

-J.I.



## Tadao Yoshida and family

YKK, the world's biggest zippermaker, operates in 40 countries and has \$4.4 billion sales worldwide. It was founded in 1934 by charismatic Tadao Yoshida, now 82 and in poor health.

Increasingly, Yoshida's 44-year-old son Tadahiro, who earned an M.B.A. from Northwestern University in 1972, is calling the shots, and calling them to a tune different from his father's. For example, the founder

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Tadao Yoshida (top); son Tadahiro (above)  
With Tadao in poor health, his son calls  
the shots at YKK. The company is still the  
world's biggest zipper maker (left), but  
aluminum construction materials are an  
even bigger business for the Yoshidas.

liked internal expansion. The son likes acquisitions: In 1987 YKK bought the U.S.' Universal Fasteners Inc.; earlier this year YKK's aluminum construction materials subsidiary acquired a similar Japanese building materials maker. The son is also moving YKK toward a merit-pay system and away from the traditional Japanese system of seniority-based compensation.

The Yoshidas' 28% of YKK is worth \$2.8 billion. Young Yoshida seems determined to keep the fortune growing.

—H.A.  
—J.I.

the paper's management over issues like personnel and editorial policy. Now relations seem to be improving. The privately owned paper is increasing its equity capital base, building a new headquarters building and launching *Japan Access*, a newsletter aimed at U.S. businessmen interested in Japan. The Murayamas are worth around \$1.7 billion.

have increased tenfold, to \$2 billion last year. At 80, Yamaguchi is a keen businessman and golfer. His net worth: at least \$2.9 billion. His handicap: 9.

—H.A.



### Shigekuni Kawamura and family

Shigekuni Kawamura, 62, heads a billionaire family that owns 15% of Dainippon Ink & Chemicals (revenues, \$2.9 billion, market cap, \$3.2 billion), plus Tokyo real estate and valuable art collections. At home and abroad, Kawamura is a big spender on R&D. Dainippon's U.S. arm, Reichhold Chemicals, acquired in 1987, is building a \$55 million research center in North Carolina for 300 researchers, to open early next year.

—H.K.



### Hisakichi Yamaguchi

A packaging billionaire, Hisakichi Yamaguchi founded Daiwa Can in 1950, with backing from Nippon Steel. With 30% of the Japanese can market, Daiwa relentlessly upgrades its production lines: In the past decade its work force has remained at the same level, of 3,000, while sales

### Murayama family

The Murayama family founded *Asahi Shimbun* (circulation, 8.2 million), one of Japan's big five dailies. The Murayamas used to be at odds with



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