

The History of Seibu in Photos (Part 1)

II Initial Period of Seibu Group Real Estate Development (1893–1969)

Part 1

In the Prosperous War Economy of the Early 20th Century, Investors Targeting Land Appear

Looking back over the long history of the Japanese economy, there are a number of events that mark a turning point. One of these is the war economy in the early 20th century.

In 1914, World War I broke out in Europe. Chaos in foreign currency markets and problems with marine transport due to the war brought the Japanese economy to a temporary standstill. Still, exports quickly increased to Europe, which had become a battleground, and to the US, with its booming wartime economy, and the situation improved in the second half of the following year. As European products began disappearing from markets in Asia, demand focused on Japanese products, and for a time Japan had the Asian export market to itself.

As Japan shifted from a surplus of imports that had continued since the Meiji Restoration toward a surplus of exports, the country enjoyed an unprecedented economic boom. This was the so-called war economy. This strong economy brought an expansion in industrial production, including shipbuilding, pharmaceuticals and other heavy industries and chemicals, and in the production of fibers, clearly marking Japan's transformation from an agricultural nation to an industrial one. This would lead to an increase in urban populations, and the rapid advance of urbanization.

Naturally, stock prices soared, and it was around this time that the number of those known as investors began to grow. While many of them invested in stocks, some real estate investors appeared who had latched onto the soaring land prices at the time. Yasujiro Tsutsumi, who later built the Seibu Group, was one of these.

Encounters with Shigenobu Okuma, Shinpei Goto and others have an enormous impact on subsequent business

Born in Echi-gun, Shiga Prefecture, the eldest son of a farming family, Tsutsumi was separated from his parents at an early age, and was raised by his grandparents. After graduating from a naval preparatory school, he worked in the county office for a time, but at age 20 left for Tokyo. After graduating from Waseda University's advanced preparatory course, he went on to study at the Waseda University School of Political Science. The story of Tsutsumi's subsequent business endeavors could not be told without mention of the personal encounters and activities of his Waseda



The magazine *Shin-Nippon*, led by Shigenobu Okuma. The photo is of the issue published January, 1913, the same year that Tsutsumi graduated from Waseda University. He later became involved in the management of Shin-Nipponsha, which took over publication of the magazine from Fuzambo.

years. A member of the Yubenkai, Waseda's debating club, Tsutsumi had expressed a strong interest in politics since his student days, and as one of the promoters behind a group supporting Shigenobu Okuma, the founder of Waseda University, assisted with election activities. He later participated in the establishment of the Rikken Doshikai, a new political party formed around Taro Katsura, who went on to become Japan's longest-serving prime minister, and it was there that he came into contact with Shinpei Goto. Goto, who following the Great Kanto Earthquake drafted a bold plan for reconstruction from his concurrent positions as Home Minister and President of the Imperial Capital Reconstruction Department, was an inspiring presence for Tsutsumi.

At one point, Tsutsumi was given the post of president of Shin-Nipponsha, a publishing company. The company's primary business was to publish the magazine *Shin-Nippon* ("New Japan"), which was also presided over by Shigenobu Okuma. The magazine struggled to raise circulation, but once he became president, Tsutsumi took a variety of steps to improve the company's management. His innovations were bold, starting with changing the magazine's mix of essayists, using numerous illustrations by Ippei Okamoto, father of later-renowned artist Taro Okamoto, and utilizing the back cover of the magazine as advertising space. While *Shin-Nippon* ceased publication in 1918, his involvement with the magazine enabled Tsutsumi to experience a significant value shift, from stocks to land.

箱根土地株式會社第二回債出賣し

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會社の現存財産は貳千八百萬圓餘、大正拾壹年貳月七日現在に於て箱根方面に參百萬坪、輕井澤方面に四萬坪の土地を所有し、此外債權等に屬する經營地は參千餘坪に達して居ります。創立以來毎期の利益金中より土地を始めて諸財産の原價償却をして居ります。其の資産状態は堅實であります。

大正十年下半年より東京市内及近郊の土地分譲を開始して到る所好果を収め、今日迄の分譲經營地は餘ク所此坪數萬餘坪にして價格壹千壹百萬圓餘に達し、最近亦道玄坂百軒店の新街街經營に邁進する予、圖を示して好評を博し居るは普く人の知る所であります。

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一、賣出價格 額面百圓に付金九拾壹圓（裸債）
一、債券ノ種類 壹百萬圓、壹千圓、壹萬圓ノ三種
一、利率 年八分
一、償還方法 大正十三年五月一日より滿三年償還以後七ヶ年二階時償還
一、利子支拂期 毎年六月一日、十二月一日ノ二回
一、元利支拂場所 株式會社高田農商銀行、箱根土地株式會社本店
一、受渡期日 即時受渡

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From an involvement with *Shin-Nihon*, foreseeing an era of land

In a discussion published in *Shin-Nippon*, a merchant by the name of Genjiro Nozawa noted that a fever for stocks was shifting to a land fever. “In the midst of a war economy, just as stock fever hits its peak, that’s an omen of a sudden shift, and investment will move to land, inviting a spike in land prices,” he emphasized, noting that yields on investments in land would outpace stock investments.

“We are entering an age of land.” While no detailed documentation remains, this is perhaps how Tsutsumi felt. In fact, at around the time this conversation appeared in the *Shin-Nippon*, he had already purchased land in Tokyo’s Shimo-Ochiai, and subsequently began adding to it a little at a time. In 1917, he also purchased land in Kutsukake, Karuizawa (currently Naka-Karuizawa). Seibu Group’s real estate development business has its roots in this period.

In 1920, Tsutsumi established Hakone Tochi. Emphasized in the prospectus was the need for a large amusement park. As one of the five major powers (along with the U.S., Great Britain, France, and Italy) at the time, Japan would see an increase in visitors from abroad; and as the peoples’ ability to earn a living improved, they would need a place for rest.



A postcard depicting Mejiro Bunkamura, which began sales in 1920. One can see how modern the homes were for the period.

These were the two major reasons given, but this was more than just a real estate business. This future-minded vision for tourism development was the product of Tsutsumi’s own unique perspective, an example of true foresight.

The innovativeness of Mejiro Bunkamura, deeply engraved in the history of residential land development

Land development subsequently split in two directions: summer homes and large amusement parks, and residential property and academic towns. While both eventually grew to become benchmark businesses in the industry, residential land development came to fruition most quickly, and by 1920, sales of properties at Mejiro Bunkamura, in Tokyo’s Shimo-Ochiai, had already begun.

At the time, people were said to be captivated by the image of streets lined with Western-style homes. With the goal of creating a Beverly Hills-style streetscape, everything from the streets to the buildings themselves were given a sense of unity, with power lines buried underground and stylish gas lamps along the streets, an early example of a practice known today as landscape design.

Mejiro Bunkamura might be considered a forerunner of what came to be known as *bunka jutaku*, literally “cultural homes,” or Japanese homes styled with Western elements. They came fully equipped with electricity, gas and indoor plumbing, and Western-style toilets were even introduced in some of them. Bunkamura itself offered a club house, sports facility, and various cultural facilities that served as social meeting places. Buyers included government officials and academics, as well as writers, painters and other cultural figures.

That progressiveness became a model for subsequent suburban housing development, and had a major impact on the housing and real estate industries. While eventually swallowed up in the fires of wartime air raids and rapid urban renewal following the war, Mejiro Bunkamura lives on as a shining memory in the history of Japan in the early part of the 20th century.