# Seíbu Group Seibu Holdings History



Photo: Kioi Tower, seen rising behind the Akasaka Prince Classic House

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# The History of Seibu in Photos (Part 1) I The Early Days of Seibu Railway (1892–1969)



Seibu Railway, a core company of the Seibu Group, marked its 100th anniversary in 2012. While its predecessor was the Musashino Railway, founded in 1912, today, among the various Seibu Railway lines, there are some even older than that. Behind them lies the drama of the establishment and merger of a number of railway companies that helped build the Musashino Railway. This is a look back at the history of Seibu Railway, from the Meiji through the Showa era.



# The History of Seibu in Photos (Part 1) I The Early Days of Seibu Railway (1892–1969)

### Part 1

### Dawn of a New Age of Railways Four Railway Companies Operate in the Musashino Region

The Meiji Era was a time when Japanese looked up toward the mountains and "clouds at the top of the hill" beyond as they strove to build a new country. They pinned their hopes for the future on a product of a civilization originating in Europe railways. As infrastructure that dramatically improved the efficiency of transportation of people and goods, railways were essential for modernization.

It is well known that the history of Japan's railways began in 1872, when the first state-run railway line opened between Shinbashi and Yokohama. Tracks were being laid in Osaka at the same time as the Tokyo–Yokohama line and the Osaka–Kobe line opened in 1874. Amid growing calls for railway construction using private-sector capital, private companies began applying for licenses around the country, resulting in a private-sector railway boom.

The Musashino region in western Tokyo that includes southern Saitama Prefecture was especially enthusiastic about railway construction and many tracks were built in this area in the late 19th century and early 20th century. Starting with the Kobu Railway, which opened in 1889, four railway companies were founded, including the Kawagoe Railway in 1892, the Tama Railway in 1910, and the Musashino Railway in 1912. These four companies were the main players of the early days of Japan's railways in the Musashino region.

#### History of Musashino Railway and Kawagoe Railway –two tracks forming the origins of Seibu Railway

Seibu Railway has set May 7 as the date to mark anniversaries of its founding. Musashino Railway was also founded on May 7, in 1912, which can be considered the starting point of the history of Seibu Railway.

An explanation is needed here, however. Of the lines operated by the present-day Seibu Railway, the oldest is the Kokubunji to Kawagoe (currentlyHon-Kawagoe) line, which opened in 1895 as Kawagoe Railway. Thus the two strands of Seibu Railway's history are Musashino Railway and Kawagoe Railway, which eventually came together and became the Seibu Railway of today.

Kawagoe Railway was founded in 1892. Not having a direct service to Tokyo, the company faced a management crisis in the early 20th century and entered into an absorption-type merger with an electric power company in 1920. In the reorganization of the electric power industry that followed, the company underwent several changes, such as being owned by another power company and absorbing other railway lines, and became the former Seibu Railway (a different company from today's Seibu Railway) in 1922. This company opened a line between Takadanobaba and Higashi-Murayama in 1927, which is the foundation of today's Shinjuku Line.



Kawagoe Railway's Kawagoe Station. The first tracks laid in Kawagoe were those laid in 1895 for Kobu Railway (currently the JR Chuo Main Line) connecting Kawagoe and Kokubunji.

# Rivalry spurs railway network construction; owner/chief executive orchestrates merger

To recap, the history of Musashino Railway began in 1912. The Ikebukuro–Hanno Line opened three years later. It proved profitable, attracting many passengers from both central Tokyo and suburban areas. This is the original Seibu Ikebukuro Line.

From the early to mid-20th century, two major railways serviced the Musashino region. They were the former Seibu Railway and Musashino Railway. The former Seibu Railway absorbed Seibu Kido (a tram line on Ome Highway) and opened the Murayama Line, while Musashino Railway increased its transportation capacity by double-tracking and electrifying its routes.

In 1929, the Ikebukuro Line was extended from Hanno to Agano, enabling the transport of tourists and building materials. As rivals, the two companies engaged in healthy competition to build an extensive rail network in northwest Tokyo.

The two railways were well-matched in the 1920s and early 1930s, but Musashino Railway surged ahead after 1939, when the Tokyo City Streetcar (currently the Toei Streetcar) between Ikebukuro and Gokokuji opened, turning Ikebukuro into a major transport hub and sharply increasing the number of Ikebukuro Line passengers as a result.

Shortly after the end of World War II in September, 1945, the two main railways of the Musashino region in the late 19th and early 20th centuries reached a turning point. Musashino Railway absorbed the former Seibu Railway to



Musashino Railway's Ikebukuro Station. Although a steam locomotive can be seen, the railway was one of the first to be electrified, running electric trains between Ikebukuro and Tokorozawa from 1922.



form the foundation of today's Seibu Railway. Seibu Group founder Yasujiro Tsutsumi scripted and directed one of the greatest dramas in the history of Japan's railways.

# Seibu Railway moves with the times from post war chaos to a period of high economic growth

While the former Seibu Railway was competing with Musashino Railway, Yasujiro Tsutsumi was running a real estate company called Hakone Tochi, developing resorts in Karuizawa and Hakone and having success with housing development projects in suburban Tokyo. Aware as a housing developer of the importance of railway infrastructure, Tsutsumi decided to go into the railway business himself and established Tamako Railway in 1928.

The entry of newcomer Tamako Railway in a market dominated by the former Seibu Railway and Musashino Railway enabled Tsutsumi to increase his presence in the railway business. He acquired the management rights to Musashino Railway and went ahead with a merger with Tamako Railway. A few years later he was appointed president of the former Seibu Railway. Having become the owner of both major railways in a short period of time, Tsutsumi proceeded to merge the two companies.

After making a fresh start in 1945 following the end of World War II, Seibu Railway's first priority was to boost passenger capacity and pioneer tourist services. The company extended routes and built new tracks in the years of rapid economic growth that followed, steadily expanding in scale.

Seibu Railway was also well known for rolling stock development. Its rail cars were often painted in unusual, striking colors. For example, its warm gray and deep raspberry rail cars were called Akaden ("red train") and are forever imprinted in the memories of railway geeks. The 5000 series Red Arrow made its debut in 1969 as Seibu's first limited express train.

This history of Seibu Railway can be summed up as two separate tracks joining forces to become a great river. The following chapters will tell the stories of each historical period in more detail.

# The History of Seibu in Photos (Part 1) I The Early Days of Seibu Railway (1892–1969)

## Part 2

### A Story That Began in Kawagoe, Popularly Known as Koedo (Little Edo)

The first Seibu Railway route to begin operation was the Kawagoe Railway, a 29.3 km section between Kokubunji and Kawagoe (currently Hon-Kawagoe). This section comprised what is today the Kokubunji Line and a portion of the Shinjuku Line network. Let us consider the raison d'etre of Kawagoe Railway and the history of its development, including the reason for building a track starting from Kawagoe.

In the 15th century, warlord Ota Dokan built a castle in Kawagoe, which developed as a castle town. A shipping route between Edo (present-day Tokyo) and Kawagoe was established on the Shingashigawa River, which flows alongside the Arakawa River. Thus Kawagoe prospered as a shipping hub where goods produced in, or for delivery to the western Musashino region were collected. In the late 19th century, Kawagoe was the largest city in Saitama Prefecture, and popularly known as Koedo (Little Edo) because of its warehouse district. Many of these historical buildings remain today and a Seibu Railway limited express train has been named Koedo.

Nippon Railway (currently the Takasaki Line) was the first railway to open in northern Kanto in 1883, and Kobu Railway (currently the Chuo Main Line) opened in 1889. The Musashino Plain, which occupies the area between these two lines, was renowned for its silk thread, textiles, and tea. It is no surprise that a rail route between Kawagoe (a major provincial city) and Tokyo was planned in the heyday of the railways.

#### Significance of railway construction in Kawagoe, which prospered as a shipping hub in the Edo Period

The ideal solution was a direct route between Kawagoe and Tokyo, but that meant a long track that would require massive capital investment. Two options were considered. The first was a route connecting to Nippon Railway's Omiya Station, but this required the construction of a substantial rail bridge over the Arakawa River. Kawagoe Railway took the other option, which was a route heading south from Kawagoe via Iruma and Tokorozawa and connecting to Kobu Railway's Kokubunji Station.

The list of promoters makes for interesting reading. Of the 39 promoters, almost all except five wealthy men and financiers living in Tokyo were residents of Iruma or Koma-gun, and not one of them was a resident of Kawagoe. The citizens of Iruma appear to have been keen on building a railway, because it was a tea and silkworm-producing region with no access to shipping services such as in Kawagoe.

Some believe that the people of Kawagoe felt that the status of the city as a shipping hub was threatened by the railway, which would transport goods directly to Tokyo without going through Kawagoe. The city's authorities even published a newspaper advertisement stating that it did not wish to create the false impression that it was involved in Kawagoe Railway. However, it was obvious that the age of railways had arrived. Some Kawagoe citizens donated land for a rail depot, which led to a station being built near the



city center. The Kokubunji–Kumegawa section (a provisional name) opened in 1894 and the Kokubunji–Kawagoe route in the following year.

# After railway opens, a variety of opportunities explored with the goal of direct service to Tokyo

From the time of its founding, Kawagoe Railway was under the strong influence of Kobu Railway, as were its operations. Sales were outsourced to Kobu Railway. All services terminated at Kobu Railway's Iidamachi Station (near today's Iidabashi Station) and all trains were operated jointly. Thus Kawagoe Railway was essentially a branch line of Kobu Railway. When the route first opened, there were six round trips per day, with the trip from Iidamachi to Kokubunji taking about an hour, and the section from Kokubunji to Kawagoe about the same length of time.

While it is no surprise that journey times were longer than they are today, traveling from Kawagoe to central Tokyo via Kokubunji was clearly a major detour, and it was evident that a direct rail route from Kawagoe to Tokyo would put Kawagoe Railway in jeopardy. This scenario soon became reality. The Tojo Railway from Sugamomachi (currently Sugamo, Toshima Ward, Tokyo) to Shibukawamachi (currently Shibukawa) via Kawagoemachi, Matsuyamamachi (currently Higashi-Matsuyama) and Takasaki was planned. Influential citizens of Hanno also submitted a plan for Musashino Railway. If these railways were built, they would dramatically reduce travel times to Tokyo from Kawagoe and Tokorozawa.

Kawagoe Railway explored ways to shorten the travel time to Tokyo to compete with the new lines. The company applied for a license in 1912 to split the line at Higashi-Murayama and run a branch line to Nakano Station on the Chuo Main Line (the nationalized Kobu Railway), but was turned down on the grounds that it was not necessary. The company acquired a license to run a service from Hakonegasaki (in Mizuhomachi, Tokyo) to Kichijoji via Higashi-Murayama from Murayama Light Railway in 1916. The company decided on Kichijoji as a destination instead of Nakano, but could not begin construction for many years.

#### Current Shinjuku Line born along a winding path of mergers and acquisitions and the takeover of other lines

In 1905, Japan's first high-speed electric railroad started running in Kansai, featuring acceleration and deceleration performance superior to steam trains. Electrification became indispensable to survival, as having frequent stations along the line boosted sales. Unlike today, at that time there were various small and medium-sized electric utilities. Many railways were also involved in power transmission, and the



Kawagoe Electric Railway started operations in 1906 on the Kawagoe-Kubomachi–Omiya section (top photo), It was closed in 1941 with the launch of the JNR Kawagoe Line. The bottom photo shows Seibu Kido (Shinjuku Line in the former Seibu Railway era), which operated on the Ogikubo–Shinjuku section. This was subsequently transferred to the Tokyo Metropolitan Government, becoming the Toden Suginami Line.

reverse was often true of the electric power companies. Ultimately, in 1920 Kawagoe Railway was taken over by Musashi Hydroelectric, which had already brought Kawagoe Electric Railway under its ownership. Musashi Hydroelectric was on an aggressive expansion path and in the following year, 1921, it took over Seibu Kido, which was operating on the Shinjuku–Ogikubo section. Seibu Kido had a concession to lay track between Ogikubo and Tanashi, and linking up with Kawagoe Railway's concession would make a direct connection between Higashi-Murayama and Shinjuku possible. This was the aim of the merger by takeover.

However, the company was caught in the wave of electric utility consolidation, and Musashi Hydroelectric was taken over by Teikoku Electric. That company had no intention of operating railroads or tracks, and in 1922 it spun the railroad off as an independent entity. This became the former Seibu Railway.

The former Seibu Railway came into being after numerous twists and turns. There was a patchwork of railroad and track concessions, and furthermore with routes that were by no means the shortest, the company could not compete against Musashino Railway, which was already operating and carrying many passengers. The former Seibu Railway added a new section to Takadanobaba to its one from Higashi-Murayama to Tanashi, and applied for a license for the Murayama Line. The historic roots of the current Shinjuku Line are here.

# The History of Seibu in Photos (Part 1) I The Early Days of Seibu Railway (1892–1969)

## Part 3

# Railway Business Deregulation Forms Backdrop to the Establishment of Musashino Railway

In 2012, Seibu Railway held a number of events and campaigns under the title "100th year anniversary." Musashino Railway, which laid the current Ikebukuro lines, was established 100 years earlier in 1912, as mentioned above. Here we discuss the background to the birth of Musashino Railway as well as its development. First, we will turn our attention to major changes to railway administration that were happening at the time.

In 1906, the Railway Nationalization Act was promulgated. The private railways that were the core railway infrastructure came under government control. As privately owned businesses were limited to local lines, margins thinned and investors turned away from the railway business and looked for other investment options. Also, conditions for starting a business under the Private Railway Act were so onerous that new railway construction virtually disappeared.

Railways were indispensable for regional development, but the government could not use the national budget, so in trying to rectify the situation turned to what we know today as "deregulation." In 1910, construction terms were greatly loosened with the promulgation of the Light Railway Act. This sparked the spread of private railway networks nationwide.

In 1911 there was an application for a railway license originating from Sugamo Station on the Yamanote Line to Hannocho, via Shakujiimura, Kiyosemura, Tokorozawacho, and Toyookacho. At the time of the application the venture was known as Musashino Light Railway, but when founded in May the next year it became Musashino Railway.

# Expectations for direct routes to Tokyo became clear after birth of Kawagoe Railway

Leading figures in Hannocho, which had been left out of the Kawagoe Railway routes, spearheaded the plans. Previously, the closest station to the town had been Kawagoe Railway's Irumagawa (currently Sayamashi) Station, with a horsedrawn railway connecting the town and station. Amid a nationwide light rail boom, it is easy to imagine that it was only natural for a town separated from the railway to want construction. Further, in places such as Tokorozawa which already had Kawagoe Railway stations, many people had high hopes for a direct connection to Tokyo via the Musashino Railway, rather than a roundabout route via Kokubunji. As the plan started taking shape, residents of the current Tokyo areas of Nerima Ward, Hoya, Kiyose, and Higashi-Kurume joined the founders.

Incidentally, at the application stage the starting point of the Musashino Railway on the Tokyo side was Sugamo Station. Sugamo was a temple town along the Nakasendo trail, and the liveliest commercial district in the northern suburbs of Tokyo. At that time, many railway plans extending to the northwestern suburbs of Tokyo originated at Sugamo. However in December 1912, Musashino Railway applied to change the starting point to Ikebukuro and received approval the same month. Since the Yamanote Line



Route map not long after Musashino Railway began operations



station was built in 1903, a number of settlements sprang up in Ikebukuro, but there are no materials remaining which explain in detail the process of why the starting point was changed.

# Aggressive management style exemplified by first electrification in the capital region

In 1915, three years following the company's establishment, Musashino Railway opened the 43.7 km Ikebukuro-Hanno section. Stations in operation at the time included: Ikebukuro, Higashi-Nagasaki, Nerima, Shakujii, Hoya, Higashi-Kurume, Kotesashi (currently Nishi-Tokorozawa), Moto-Sayama (Mikajimamura; currently Sayamagaoka), Toyookamachi (currently Irumashi), Bushi and Hanno. There were fewer than half the number of stations that exist today. According to a timetable from September 1 the year it opened, there were just eight through train roundtrips daily over the entire line, with no local trains. From Ikebukuro the trip took 54-56 minutes to Tokorozawa and 96-129 minutes to Hanno. At the time, on Kawagoe Railway, connections varied markedly for trains on the Tokorozawa-Kokubunji-Shinjuku route, so it took between 68-106 minutes. From its first year of operation, Musashino Railway outdid Kawagoe Railway in cargo, and surpassed it in passenger numbers in its third year.

At the time of establishment, the landscape was of the typical rural variety, but urbanization proceeded as the waves of national modernization and the convenience of railways washed over. In 1920, Japan's first census revealed that the population of Nagasakimura Village (currently western Toshima Ward) was around 3,500, but this had roughly quadrupled five years later. The Great Kanto Earth-quake sparked an exodus of dwellers from the city to the suburbs, and five years later, in 1930, the population had swelled to nearly 30,000.

At that time, the suburbs had spread to as far as Nerima, but in 1922, Musashino Railway had had the foresight to be the first to electrify steam operations in the metropolitan region (the Ikebukuro–Tokorozawa section). It began runOn the left is the first electric locomotive company introduced following electrification by Musashino Railway. Three units were built in the USA by Westinghouse and imported. The No. 13 locomotive pictured was subsequently transferred to Konan Railway in Aomori Prefecture, and it remains in active duty. Below is a Musashino Railway semi express bound for Hanno.



ning a mix of electric and steam trains and extended electrification to Hanno in 1925. The number of trains grew to double that of the steam era. This clarified their role as suburban trains, which they maintain to the present day.

#### Tokorozawa Station the stage for competition between the Musashino and Kawagoe Railways

An anecdote highlights the rivalry between Musashino Railway and Kawagoe Railway (later to become the former Seibu Railway): The former Seibu Railway, contracted by Musashino Railway, operated Tokorozawa Station, where the two lines crossed. Some passengers wanted to go to Tokyo but did not specify the route. The former Seibu Railway sold its own tickets to these passengers without reservation. However some passengers used these tickets to ride Musashino Railway trains, so Musashino Railway complained to the former Seibu Railway. In the end, some employees stormed into Tokorozawa Station and started operating the station themselves.

Competition between the two had a major impact on the urbanization of Tokyo's northwest suburbs. Urbanization in turn gave birth to a new phenomenon, leisure time. Toshima Park opened in 1926, and Musashino Railway had the idea that its trains would not be used just to convey commuters and goods but thought that an increasing number of people would use the railway for leisure. In 1927, it opened a branch line between Nerima and Toshima (currently Toshimaen).

In addition, tourism development was occurring in a reservoir zone known as Tamako and Sayamako. This gave rise to competition between Musashino Railway and the former Seibu Railway. However, in 1928 Tamako Railway was launched by someone who had an eye on tourism resources in advance of these two companies. That person was Yasujiro Tsutsumi. The Early Days of Seibu Railway

# The History of Seibu in Photos (Part 1) I The Early Days of Seibu Railway (1892–1969)

## Part 4

### Competition Comes to Tourist Transit as People Gain Time and Means to Enjoy Leisure

T amako and Sayamako are both artificial lakes. As their official names "Murayama Reservoir" and "Yamaguchi Reservoir "suggest, they were built to ensure a stable supply of water for Tokyo. At a time when the very idea of artificial lakes was unusual, these two drew attention for their potential as tourist destinations—nestled as they are in valleys of the Sayama Hills with their numerous side gorges and thick stands of mixed woods. Railway operators took an interest in extending their lines to them, further evidence of how crucial rail service was when personal car ownership was still far off in the future.

The Tamako Railway was established in 1928 and launched service to its Murayama-chosuichi Station (currently Musashi-Yamato Station) in 1930, the year after the Musashino Railway started service between Nishi-Tokorozawa and Murayama-koen (currently Seibukyujo-mae Station). That year the former Seibu Railway also launched service on a branch line extending from Higashi-Murayama to a station near Murayama Reservoir (currently Seibuen Station), and the Musashino Railway renamed its Murayama-koen Station "Murayamachosuichi-giwa (Murayama Reservoir Banks)" Station to emphasize its proximity to the lake. In this way, three railroads were in effect competing to bring tourists to the lakes in an era when few people had the time and means to go on leisure excursions.

Among the leaders of these companies was one person with a different perspective: Yasujiro Tsutsumi. Tsutsumi, who had established property developer Hakone Tochi and led it to success in resort and residential land development,



In 1928, the year of its establishment, the Tamako Railway started train service between Kokubunji and Hagiyama and between Hagiyama and Moto-Kodaira. Service was extended from Hagiyama to Murayama-chosuichi (the station's initial, temporary name) two years later. The photo above shows an electric Tamako Railway train stopped at the Moto-Kodaira Station. Kodaira-gakuen Station, which was later abandoned with the opening of today's Hitotsubashi-gakuen Station, appears behind the train in the photo at right. was convinced that property development and mass transport systems were inseparable (and indispensable to one another). Thus the concept driving his building of the Tama Railway was that railroads constitute a core piece of infrastructure underpinning the emergence of new towns and communities.

# Getting into railroads as part of advancing the property development business: Yasujiro Tsutsumi's foresight

After resort development, Tsutsumi's next vision was for developing academic towns. Beginning work on his Kokubunji Academic Town Concept in Kodairamura in 1925, Hakone Tochi acquired permits for an electric railway between Higashi-Murayama and Kokubunjimura. Tsutsumi envisioned having university students make up the railway's core customer base, premised on persuading universities to set up campuses in Kokubunji, but-perhaps because his plans were a bit ahead of their time-he was unable to prompt a school that could function as an anchor to move there. In 1933 Tokyo University of Commerce (currently Hitotsubashi University) opened a school offering preparatory courses, but this was not enough to get residential subdivision sales going. It was then that Tamako caught Tsutsumi's attention, and he made a business decision: Sales of residential tracts would get on track once universities started locating to Kokubunji, but until then he would turn to Tamako to ensure the railway's survival.

Since its inception, Musashino Railway had followed an aggressive, forward-looking business strategy, but starting in the late 1920s, the tides of the times gradually engulfed the company, and the Great Depression of 1929 dealt it a decisive blow. To advance its aggressive business strategy, the company had borrowed heavily, and with the Great Depression it fell deeply into the red. Though cement interests were actually running the company at the time, Tsutsumi counted







among its shareholders through Hakone Tochi. In 1932, real power shifted to him, and from then onward he shouldered the task of rebuilding Musashino Railway.

# From tourism and academic town development to department stores: the start of today's diversified business operations

The development of the Oizumi-gakuen university town is said to have been the catalyst for Tsutsumi's involvement in Musashino Railway. Though now a well-known residential community, Tsutsumi had great difficulty getting sales of residential tracts off the ground because of slow progress persuading universities to move to the area after the land was subdivided. One issue was that of the location of a site Hakone Tochi had donated about 2km from the Higashi-Oizumi Station (currently Oizumi-gakuen Station): If Musashino Railway were to go under, Hakone Tochi's project would not survive unscathed. Events more-or-less took their own course, leading to Tsutsumi's involvement in resurrecting Musashino Railway.

Though rebuilding the company was no smooth ride, the first light at the end of the tunnel appeared in 1937, when creditors agreed to a settlement based on Tsutsumi's turnaround plans. This led to massive improvements in Musashino Railway's performance as a transport business as well as in its financial position. The reasons were numerous and included a better overall business climate and a rise in passenger numbers with the extension of the Tokyo City Streetcar tram network to Ikebukuro, but the company's recovery could never have happened without Tsutsumi's capacity for running the businesses and ability to negotiate favorably with creditors amid the toughest of situations. Once the company's recovery got on track, however, Tsutsumi was able to embark on the diversification that characterizes Seibu Holdings today, by acquiring through merger the company that ran Toshima Park in 1939, then moving into department stores in 1940 with the takeover of Musashino Department Store (currently Seibu Ikebukuro Department Store).

As we have seen so far, from 1920 onward, in the outlying areas to the north and west of central Tokyo numerous rail lines were built by the former Seibu Railway, Musashino Railway, and several other companies to compete for passengers, leisure travelers as well as commuters going to and A leaflet advertising the launch of Tamako Railway train service. At the time, passengers were transported to Tamako by car from Hagiyama because the tracks between Hagiyama and Murayamachosuichi were still under construction.

> from work and school. The railroad companies faced a hard fight for market share, with fierce turmoil breaking out that not infrequently led to battles over control of the railway businesses.

The government began to think that the time had come to bring some order to the competition among transit providers, and in 1938 a law to coordinate the activities of overland transport businesses—the Land Transport Business Coordination Act—was promulgated. In conjunction with the law, a proposal was drawn up in 1940 (the year Tsutsumi took over as president of Musashino Railway) for consolidating the railway businesses that called for breaking up suburban Tokyo into four "blocks"—evidence of just how fierce the competition for market control was.

#### Railroads in areas to Tokyo's north and west enter a new era with the merger of Musashino Railway and Kawagoe Railway

One wonders how all this appeared to Tsutsumi now that he was president of Musashino Railway. Competition is of course something that should be welcomed; but when it overheats, it can also push the whole sector into a downward spiral it might not be able to climb out of. If that were to happen to railways, which had finally taken root in society, it could undermine their progress as an industry and the use of rail services as a way of life. Thus the shift from competition to consolidation through mergers and take-overs would ultimately benefit passengers as well as the industry itself. As an entrepreneur, Tsutsumi probably saw this turn of events as a natural outcome of what had transpired to date.

Where this was all leading became clear in 1943. In addition to his duties as president of Musashino Railway, Tsutsumi began serving as president of Musashino's old rival, the former Seibu Railway, whereupon he took the first steps toward merging the two companies. The merger itself was consummated shortly after the war, in September 1945, since the Ministry of Transport intervened with an audit because of the former Seibu Railway's stake in a company involved in increasing food production. The company that resulted from the merger was named Seibu Agricultural Railroad, but "agricultural" was dropped from the name in November 1946 when the company reverted backed to Seibu Railway, the name it has carried ever since. Though the usual custom in such mergers-by-acquisition is for the surviving entity to retain its original name-in this case, Musashino Railway-Tsutsumi broke with convention: he didn't want the former Seibu Railway's employees being made to feel like second-class employees because the company they worked for had been taken over.

# The History of Seibu in Photos (Part 1) I The Early Days of Seibu Railway (1892–1969)

## Part 5

# Post War, Line Names That Continue Today Fell in Place with the Extension of the Line Between Takadanobaba and Seibu-Shinjuku

F ollowing the war, Japan's nation-building experienced a change in direction nearly as drastic as that which accompanied the Meiji Restoration. What pulled the country through reconstruction and subsequent growth was, of course, the railroads. Much countryside remained along Seibu Railway's lines, with war-related damage minimal compared to Tokyo's urban center and eastern regions, and there was thought to be ample room for development. As the post war chaos settled, Seibu Railway embarked on a more aggressive approach.

While damage was minor, stations near terminals were affected, and like many other railways, both railcars and facilities suffered from inadequate maintenance. As waves of housing encroached on the railway lines and railways transported more customers out buying provisions, some private railways for a time resorted to running wooden trains or trains that had been damaged in the war or in accidents, which they took over from the national railway. As the number of people moving from urban Tokyo to regions along its lines, Seibu Railway was said to have taken on a particularly large number of these railcars.

# Seibu-Shinjuku Station, originally intended as a temporary measure to facilitate through service to JNR's Shinjuku Station

In 1952, an epoch-making event occurred that is essential in telling the history of today's Seibu Railway: The extension of the line between Takadanobaba and Nishi-Shinjuku. At the time, Takadanobaba was just a mid-scale station on the Yamanote Line in terms of ridership, and the shopping arcade fronting the station saw less than adequate growth. However, as can be seen from the station's structure, this was never considered a permanent terminal. With the platform adjacent to the east side of the Yamanote Line, both inbound and outbound trains have to make a major detour under the Yamanote Line tracks. It is easy to imagine that access would have been much simpler if the platform had been placed to the west of the Yamanote Line. That was not done because, at the time, the builders envisioned a connection to central Tokyo.

The original plan was to extend the line from Takadanobaba toward Waseda, connecting to the municipal subway and its link to central Tokyo. Because that route was ultimately never realized, Takadanobaba was used as a terminal station, followed by the opening of the section between Takadanobaba and Seibu-Shinjuku. As of 1948, Seibu Railway had obtained a license through to JNR Shinjuku Station, so with future through service to JNR Shinjuku Station's east entrance, the station to the west of Kabukicho was intended to be temporary. While for various reasons that did not happen, it was later remodeled to include a hotel and shopping arcade, becoming the Seibu Shinjuku Building that remains today.

Until the extension to Seibu-Shinjuku Station, this line was known as the Murayama Line. With the opening of the extension, the name was reconsidered, with the section between Seibu-Shinjuku and Hon-Kawagoe called the Shinjuku Line and the section between Ikebukuro and Agano called the Ikebukuro Line.

#### Aggressive tourism development begun before the war continued during the post war reconstruction period

An aggressive approach to tourism development carried on after the war, with the first effort being the development of the Sayama Hills region encompassing Lake Tama and Lake



The photo at upper left shows the Otogi Train which began service between the Tamako Hotel and Kamientei in 1950. The line was extended to UNESCO Village the following year. In the top center photo is Seibu-Shinjuku Station around the time it opened. The bottom center photo shows the first private railway 10-car train, introduced to meet the increase in commuter transport during Japan's high economic growth period. At bottom right is the 5000 series limited express Red Arrow, which began operation with the opening of the Seibu Chichibu Line.



Sayama. In 1947, Seibu Railway acquired this tract of land, 170,000 *tsubo* (approximately 562,000 m<sup>2</sup>), and began construction of Higashi-Murayama Bunka-en. This largescale park development included, among other facilities, a wedding hall, hot springs, camp site, concert hall, dance hall, botanical garden, zoo, and a ranch, and was essentially an extension of the large-scale amusement park concept Hakone Tochi had come up with before the war. The park opened in 1950, and when UNESCO Village opened the following year, the name was changed to Seibuen.

Reorganization of the railway network in this district also progressed, with a new line starting from midway on the Chosuichi Line (between Higashi-Murayama and Murayama-chosuichi) that the former Seibu Railway had built before the war, and ending at Seibuen. At the same time, the Otogi Train connecting the Tamako Hotel and UNESCO Village began operation, and by 1952, this developed into the Yamaguchi Line. Taking on such a large-scale tourism development project prior to the period of high economic growth must have required bold management judgement. This made full use of Yasujiro Tsutsumi's foresight, and built a foundation for dramatic growth as Japan entered a period of high economic growth.

The start of that growth period saw preparation of residential property in northwestern Tokyo proceed at a feverish pitch. Characteristic of residential land development during this period were the housing estates built by the Japan Housing Corporation, Metropolitan Tokyo and the Tokyo Metropolitan Housing Supply Corporation. Large-scale housing complexes also appeared along Seibu Railway lines, and with the opening of the Hibarigaoka housing estate in 1959, Tanashimachi Station, the closest station, was renamed Hibarigaoka Station.

With expanded lines, station construction and the introduction of new railcars, aggressive management carries Seibu through the period of high economic growth To respond to growing demand for transport, Seibu worked to double-track its lines on the facilities side, while also moving to extend the length of its trains. On the Ikebukuro Line, operation of six-car trains began in 1958, and in 1961, eight-car express operations began between Ikebukuro and Tokorozawa. Further, in 1963, operation began of a 10-car express train, the first by a private railway. At the same time, station facilities evolved significantly, and were equipped to support longer trains operating at a greater frequency.

Line expansion also progressed, with the Josui Line opening between Ogawa and Tamagawa in 1950; the name was changed to the Haijima Line with the addition of the Tamagawa-Josui-Haijima section in 1968. Development took place not just in Okutama but in Chichibu as well, with the line that had gone as far as Agano prior to the war extended to Chichibu, beginning operation as the Seibu Chichibu Line in 1969. In the Chichibu region, the Bushu Railway, established after the war, had also filed for a railway license, but in the licensing process it was discovered that the railway had bribed the then-Minster of Transport, an incident that featured prominently in the news of the time as the Bushu Railway Corruption Case. Bushu Railway's plans met their natural demise, but were also seen as evidence of the attention drawn to Chichibu's potential. The Seibu Chichibu Line was designed to facilitate both mining and tourism development, based on a concept for large-scale development equal to Hakone or Karuizawa.

With the opening of the Seibu Chichibu Line, Seibu Railway also began operating its first limited express train with a separate fee and all seats reserved. This marked the introduction of the 5000 series Red Arrow, marketed with the phrase "83 Minutes to Chichibu on Seibu's Limited Express." With a concept of "Fresh & Young," the service transformed the region into a familiar tourist spot by responding to both tourism and business needs with the first limited express train to bring Chichibu within commuting distance of central Tokyo. The Red Arrow became the symbol of a new chapter in the history of Seibu Railway.

# The History of Seibu in Photos (Part 1)

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



Yasujiro Tsutsumi, founder of the Seibu Group, always believed that transportation was integral to real estate development. From the villa resorts at Karuizawa-Sengataki and Hakone, positioned as the Group's initial foray into real estate development, to the subsequent concept for academic towns, he always kept transportation in mind. This approach looked at real estate development not as a business of individual points, but of planes. Following is a history of Yasujiro's real estate development business, and its involvement with each of the Group's companies.



# The History of Seibu in Photos (Part 1)

# 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**

ooking 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 Tsutsum graduated from Waseda University. He later ecame 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.

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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 nodern 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.

## The History of Seibu in Photos (Part 1)

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

## Part 2

### A Pioneering Concept for a Large Amusement Park, Part of the Hakone Tochi Prospectus

**66 L** arge-scale facilities, accessible in a few hours by train, automobile and rickshaw; a refined place of scenic beauty with geographic variety to ensure visitors never tire of being there even for longer stays; convenient transportation from every direction and within the region; seasonal views, a moderate climate, and healthy surroundings effective for convalescing; cool abundant water and hot springs; a supply of fresh provisions from the mountains and the sea; historic sites. Given these conditions, Hakone is absolutely an ideal candidate location."

These words were contained in the prospectus for Hakone Tochi, which Yasujiro Tsutsumi established in 1920. What catches one's attention is the fact that nothing is mentioned about Karuizawa, one of two major project sites on par with Hakone. The great stock market crash that occurred the same year had much to do with that omission.

In the preparation phase prior to Hakone Tochi's establishment, the company—as the name indicates—was to intended to specialize in development of a large amusement park in Hakone, but faced a worsening economic climate. Tsutsumi then dissolved Sengataki Yuenchi, a company he had established earlier for the purpose of development in Karuizawa, and transferred its assets to Hakone Tochi, making it, at the time, a major new start-up.

Incidentally, the "large amusement park" noted here means something different from modern amusement parks. The large amusement parks being proposed at the time offered hot springs and overnight accommodations, along with gardens, boating, horseback riding, dance halls, baseball diamonds, billiards, swimming pools and a variety of other "amusement" facilities, and the term was used to refer to large resort facilities of considerable size. Tsutsumi focused on Hakone not only for its hot springs and views, but because he saw the potential for achieving a large amusement park that could include Lake Ashinoko and other features of the area.

#### Why choose barren land over an already widely-known summer home resort?

The development of summer homes took place simultaneously at Hakone and Karuizawa. The concept of a second home to escape the summer heat started sometime in the mid- to late 19th century, with the habit of visiting foreigners of spending the hot, humid summers in Japan in the highlands where it was cool. In the late 19th and early 20th century, economic development brought a greater awareness of health, and as incomes also improved, the concept of a summer home was gradually popularized.

In 1917, prior to the establishment of Hakone Tochi, Tsutsumi purchased land in Karuizawa's Kutsukake district, and the following year work began to lay the Shichiken Road between Kutsukake and Sengataki Road. He had taken the first step in developing a summer home resort. This land development in Kutsukake was an excellent example of Tsutsumi's approach.

In 1893, a cog railway employing the Abt system began operating over Usui Pass. While this brought even more active summer home development to Karuizawa, development first progressed in a district known as Kyu-Karuizawa. Streets lined with poplars were laid down, and the lots offered for sale were planted with acacia and Japanese larch



A pamphlet introducing summer home property in Sengataki, Tsutsumi's first development in Karuizawa. At left is a leaflet for the so-called ready-built homes, which were priced at 500 yen for 100 tsubo (about 330 m<sup>2</sup>) of land with a house measuring about 35 m<sup>2</sup>. Below is a pamphlet with interior and exterior photos of the Sengataki district's tourist spots and summer homes.





A postcard depicting the Green Hotel, which was built in a section of the Sengataki summer home resort. It was a three-story wooden building in a modern, Western style.

Hakone Tochi went on to expand its development from Karuizawa to the Tsumagoimura and then to Manza Onsen. In 1956 it opened a ski area. Tsutsumi is at center.



trees, creating a landscape in which the summer homes appeared scattered among the trees. Most of the properties were purchased by the so-called upper class, including members of the imperial family and other nobility, politicians and others. In contrast, the land Tsutsumi had purchased in the Kutsukake district was entirely untouched by development, in other words, barren land.

### Finding a way to offer summer homes to more people, rather than allowing them to be monopolized by the wealthy

This was Tsutsumi's strategy: He would choose relatively inexpensive land adjacent to summer home resorts that were already built and had gained a certain reputation. This was because he wanted to make summer homes more than something that just a portion of the upper classes could enjoy, making them affordable for the new middle class that had sustained the so-called "Taisho Democracy" era of the early 20th century. He also devised a new sales method: Hakone Tochi was the first to incorporate a ready-built system for summer homes, where the land was offered for sale along with the building. More precisely, it was called the "simplified fee-simple summer home sales system," and at the time was well-received under the popular moniker of the "500 yen summer home." Naturally, he did not just sell the lots, but added value to the undeveloped land by putting in infrastructure such as gas, electricity, and plumbing, establishing new roads at the same time.

He also proposed another kind of added value from the perspective of culture. In both Karuizawa and Hakone, he built clubs to serve as community centers, adding culture and sports facilities that further increased the value of the summer home resorts. In 1919, Tsutsumi purchased 100,000 *tsubo* of land (about 330,000 m<sup>2</sup>) in Gora, Hakone, which he then expanded to include Sengokuhara, Hakonemachi on the banks of Lake Ashinoko, Moto-Hakone and Yunohanazawa. While development of summer homes for the upper class was already underway in Gora, here again he chose to sell simplified summer homes to the new middle class, and worked to expand the enjoyment of spending leisure time in comfort.



This pamphlet refers to the "Karuizawa Sengataki Amusement Park," but as on the left page it describes the Sengataki summer home resort. The Japanese-style thatched roof gives a sense of the period.

#### Tsutsumi proceeds with bullish development in Hakone and Karuizawa immediately following the company's launch

Tsutsumi, who believed that transportation infrastructure was crucial to land development, looked for a number of ways to provide that infrastructure, including by dedicated expressway and air. In building toll roads in Hakone, he had numerous discussions with the (then) Ministry of Home Affairs and other relevant authorities, talks which, in part, led to revisions to the Road Act. Surprisingly, in 1926 he had already begun operating sightseeing flights by plane over Hakone's Lake Ashinoko. He also built an airfield in Karuizawa, and nearly 30,000 people came to see its maiden flight take off. While Tsutsumi had intended to offer regularly scheduled flights, there was no way to do it profitably, and he abandoned the idea.

Following its establishment in 1920, Hakone Tochi expanded its business through an aggressive management approach. That year, it acquired a tract of land in Onioshidashi, and in the following year, hot springs extraction rights and leaseholds in Tsumagoimura. Beyond that, Tsutsumi had his eye on the Manza Onsen (hot springs), and even spoke of drawing Manza's hot springs to Karuizawa to create the world's finest hot spring summer resort. The Green Hotel also opened around this time, and with its modern Western architecture, offered an elegant place for the nobility who gathered in Karuizawa to socialize.

In 1922, Hakone Tochi acquired Hakone Yusen and the Ferry Union, which operated pleasure boats and ferries on Lake Ashinoko in Hakone. This gave the company a monopoly on the Lake Ashinoko tourist business. In 1923, they also made the Sunzu Railway a subsidiary. The railway's primary lines included a railway between Shuzenji and Mishima and track between Mishima City and Numazu. It also ran bus lines between Shuzenji and Ito, Shuzenji and Yugashima, and Izu-Nagaoka and Mito. Subsequent expansion focused particularly on the bus lines, which played a significant role in the development of Izu and Hakone.

# The History of Seibu in Photos (Part 1)

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

## Part 3

### Remaining Steadfast in the Midst of Diversity, Tsutsumi Searched for Every Possible Strategy

O ne of the characteristics of Yasujiro Tsutsumi's management approach was to take advantage of lean times in business to aggressively seek an opening, missing no opportunity to expand related businesses. As sales of summer homes began showing weakness, he turned to constructing roads in Sengataki, and began operating summer bus service between Kutsukake Station and Sengataki. His approach of combining land development with road construction and bus service started here.

On a side note, Shinpei Goto was involved here as well. Tsutsumi had frequently sought his advice on land development, and during the Sengataki development had planned to build a road from Kutsukake Station about 22 meters wide. Goto advised him that 22 meters would be too narrow, and that roads from then on needed to be 36 meters wide. Subsequently, in his development in Karuizawa and in residential development, Tsutsumi built his roads 36 meters wide.

Sales of lots in Mejiro Bunkamura, mentioned earlier, were also an example of Tsutsumi's brash management approach as the summer home business lagged. A major turning point came with the Great Kanto Earthquake that hit in September of 1923. A delay in the recovery of transportation services to the Hakone area and the proliferation of residential land in Tokyo's suburbs both took place just as universities and other educational institutions were also relocating to the suburbs. Sensing this shift, Tsutsumi set forth a new concept—the academic town.

#### The academic town concept: A desire to do something for Japan's next generaton of youth



Pamphlets introducing Oizumi-gakuen (top) and Kodaira-gakuen (right), the first projects based on Tsutsumi's academic town concept. Kodaira-gakuen managed to attract the Tokyo University of Commerce (currently Hitotsubashi University), but Oizumi-gakuen was unsuccessful in attracting a university. Tsutsumi gives a passionate account of his thoughts at the time in his book "*Hito o ikasu jigyou* (Business improving the lives of people)."

"Immediately after the Great Kanto Earthquake, I drafted a concept for the construction of a large-scale academic town in what was then Tokyo Prefecture. Central Tokyo had suffered an enormous toll as a result of the earthquake. I believed the reduction of much of the land to ashes should be taken as an opportunity to move schools away from the squalidness of the city, and that students should be allowed to study in a new place with cleaner air and good public morals. That would require developing an appropriate location outside of the city, relocating schools, and building a new town around them."

True to his word, in 1924 Tsutsumi purchased one million tsubo (about 3.3 million m<sup>2</sup>) of land in a tract stretching from today's Nerima Ward into Saitama Prefecture, and installed roads, water and sewerage and electric lights. He then began developing Oizumi-gakuen City. Since there were no stations nearby, he built one and donated it, marking the start of his involvement with Musashino Railway, Seibu Railway's predecessor. Development of a similar academic town in Kodaira began at about the same time. Based on information that Shinpei Goto, now the mayor of Tokyo, would be ordering the construction of the Murayama and Yamaguchi reservoirs to ensure an adequate supply of drinking water, Tsutsumi moved to complete the Tamako Railway with the goals of developing his academic towns, selling residential land, and developing tourism. The academic town concept moved forward with deep ties to the railways.

#### "A new Japan will rise here" The passion invested in the Kunitachi Academic City

In 1926, Tsutsumi began on work on his concept for the





Kunitachi Academic Town. The three academic towns Hakone Tochi worked on in Oizumi, Kodaira and Kunitachi had a distinct character different from that of the "garden cities" being developed at the time. Four of those features include:

(1) Towns laid out in a rectangle, with square lots laid out in orderly fashion;

(2) Land for college campuses located in the middle or at one end of residential neighborhoods;

(3) Broad roads leading from the center of those campuses;

(4) Roundabouts provided here and there as accents.

Of the three academic cities, the one that most retains its townscape as originally planned is Kunitachi. While there are many stories about its design—including that it was modeled after German cities, and that it was influenced by Shinpei Goto's urban planning in Manchuria, China—Kunitachi seems to have been a special place for Tsutsumi.

In the book mentioned earlier, Tsutsumi writes that, "We purchased one million *tsubo* of land overlapping three villages, cleared the wooded areas, built Kunitachi Station, added a 43 meter-wide road extending straight out from the station with 11 meter-wide radial roads, and built a beautiful town with clearly marked divisions. We named it Kunitachi (the Chinese characters for Kunitachi imply "to establish a country") because we were convinced that here, a new Japan would be born." Kunitachi exemplified all of the spirit Tsutsumi brought to developing land always in anticipation of a new age.

The sacred peak of Mt. Fuji can be seen from Fujimi Road, the radial road extending from the roundabout in front of Kunitachi Station. This is no coincidence, but was part of Tsutsumi's plan from the beginning. Japan has an ancient tradition of "borrowed landscapes," making use of the surrounding scenery in the design of a garden, but Tsutsumi's plan was based on what might be called a "passing landscape," an endless tree-lined street stretching to the horizon, with Mt. Fuji placed where the road meets the sky. This was intended to represent the future of the students who would gather in Kunitachi, and the hopes of its residents, and is part of what enhanced the value of Kunitachi as an academic town.

#### Shinjuku, Shibuya, Azabu. Tsutsumi begin work on creative development in some of central Tokyo's prime locations



At left is another pamphlet, this one for residential lot sales in Kunitachi, another of the developments under the initial academic town concept. The photo at top shows Hitotsubashi Road Avenue (currently National Road 146, known as Daigaku Road), stretching south from Kunitachi Station. From initial construction, ample width was provided for the road.



Hakone Tochi also worked to develop commercial property in central Tokyo. *Hyakkendana*, developed along Dogenzaka in Shibuya, was one of these. It featured a movie theater and theater at its center, surrounded by many small shops.

As it was moving forward with its academic town development, around this time Hakone Tochi was also exploring a variety of potential projects in central Tokyo. In 1925, it opened a commercial facility known as Shinjukuen at what is today Shinjuku 5-chome, near the intersection of Yasukuni Road and Meiji Road avenues. It was another amusement park that featured a performing arts venue, movie theater, and even a small-scale zoo, but the concept may have been too progressive for the times, and it closed the following year. The land was offered as residential lots, which sold out immediately thanks to the good location.

In 1925, work also began on Hyakkendana, on the right about halfway up Dogenzaka in Shibuya. Tsutsumi had acquired the site of the former home of Baron Hisato Nakagawa, planning to sell it as residential lots, but with the Great Kanto Earthquake the following year, decided to change plans and build a shopping street. With shops divided among small lots in rows surrounding a theater, it presented a unique landscape and attracted lively crowds, among them the artist Yumeji Takehisa, who lived nearby and was said to be so enamored of the place that he made his way there almost daily.

It was around this time that Hakone Tochi began offering large residential lots in prime locations in central Tokyo. They started with the home of the Baron Yoshimitsu Yanagiwara, a 2,243 *tsubo* (approximately 7,400 m<sup>2</sup>) property in Azabu's Sakuradacho, which they divided into 17 lots and sold for 168 yen per *tsubo*. The company's aggressive buying and reselling of land in central Tokyo would serve as a strategic move in its post war acquisition of the former homes of imperial family members, and lead to the development of Shibuya's Shoto and other exclusive residential districts.

## The History of Seibu in Photos (Part 1)

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

## Part 4

### An Aggressive Approach, Even in the Midst of Post War Chaos. The Prince Hotel Name Goes Down in History

A fter World War II, even as a path to recovery had yet to be found, Yasujiro Tsutsumi's business focused on putting railways in place and investing capital in high-turnover ventures. His acquisition of the Sengataki, Karuizawa summer home of the Asaka-no-miya family, members of the imperial family, was an event of historical proportions. Rather than reapportioning and selling the property, he renovated parts of it and opened it as the Prince Hotel. This was the first appearance of the Prince Hotel name.

The real estate business at the time cannot be explained without describing the emerging history of this new age. In 1946, a new asset tax system was introduced, and members of the former peerage and the imperial family were forced to bear an enormous tax burden based on the size of their landholdings. With the promulgation of a new Constitution in 1947, the peerage was abolished, 11 families left the Imperial family, and many other distinguished families were forced to sell of their assets. In 1944, Hakone Tochi changed its name to Kokudo Keikaku Kogyo, becoming one of the industry's largest real estate firms. And, with its record of having acquired the Asaka-no-miya summer house, as mentioned earlier, and its opening of the Prince Hotel, it was also approached by families who had withdrawn from the imperial family about land transactions in Akasaka, Takanawa, Yokohama and elsewhere.

# Acquisition of land in central Tokyo, Shonan, and the Miura Peninsula anticipates the future

With the signing of the San Francisco Peace Treaty in 1951,

Kokudo began investing in the hotel business targeting foreign tourists to Japan. In 1953 it opened the Takanawa Prince Hotel (currently the Grand Prince Hotel Takanawa), followed by the Yokohama Prince Hotel in 1954 and the Akasaka Prince Hotel in 1955. With the opening of the Tokyo Prince Hotel in 1964, the year of the Tokyo Olympics, the Prince Hotel name was firmly established. While the Prince Hotel in Sengataki's summer home resort district was renamed the Karuizawa Prince Hotel (and later the Sengataki Prince Hotel), the hotel, in effect, became a facility used exclusively by the imperial household.

While Kokudo Keikaku Kogyo moved forward with aggressive residential development along Seibu Railway lines, its purchases of land, including homes of the former nobility in central Tokyo, and property in the coastal regions of Shonan and the Miura Peninsula, including Nishi-Kamakura, Shichirigahama and Kanazawa Bunko, were not necessarily as systematic as they had been prior to World War II. These acquisitions were part of an exploration of potential residential and resort development opportunities, but from a long-range perspective, and the company later brought its plans to reality with the development of the Prince Hotels, resort hotels and homes for sale. Aggressive land acquisition following the war thus provided an opening for the Group's subsequent growth.

# Tsutsumi brings a precise sense of balance to ending the very public "Hakoneyama Wars"

As post war recovery advanced in Hakone and Karuizawa,



Initial Period of Seibu Group Real Estate Development

centers of development for the company prior to the war, they also attracted great attention with the excitement over Japan becoming a major tourist nation in the 1950s and onward. In Hakone, the company developed the Yunohana Hotel (currently the Hakone Yunohana Prince Hotel), the Yunohana Golf Course (currently the Hakone Yunohana Golf Course), the Komagatake cable car with its mountaintop indoor skating rink, and 200,000 *tsubo* (approximately 661 million m<sup>2</sup>) along the banks of Lake Ashinoko. It also operated the Sengokuhara Golf Club (currently the Daihakone Country Club) in the Sengokuhara region, and welcomed many tourists.

Around that time, an incident known as the "Hakoneyama Wars" dominated the headlines. It was set off when Sunzu Railway applied for a bus line between Odawara and Kowakudani, in Hakone. Other companies then began operating sightseeing boats on Lake Ashinoko, previously Sunzu Railway's exclusive concession, and competition intensified. Companies later fought over the full range of businesses, including bus service and excursion boats. Writer Shishi Bunroku describes these events in his novel, "Mount Hakone."

The conflict centered on the question of whether or not other companies could legally be refused use of their buses on privately-owned expressways. Tsutsumi's position was this: "The Sounzan Line is a dedicated roadway, and legally and economically we cannot permit other companies' buses to use it. If this is forced through, either the national or prefectural government should buy up the roadway and make it a public road." Of particular note here is that rather than adamant opposition, Tsutsumi was flexible enough in his thinking to accept the idea of conversion to a public road. With the purchase of the Sounzan Line by the prefecture in 1961, the decade-long conflict came to an end. Even while asserting his position when necessary, Tsutsumi's first priority was always the advancement of development in Hakone and the convenience of users.

#### Approaching land development not as a single point, but as the enhancement of the value of an entire aspect

Tsutsumi began developing summer homes in Karuizawa prior to World War II, and after the war, expanded to other areas. He was particularly enthusiastic about the Manza region. In 1954, he opened a dedicated roadway between Ishizu and Manza Onsen, and in September of that year began bus service between Manzaguchi and Manza Onsen, followed by service between Naganohara, Mihara and Manza in 1956. The Manza Onsen Ski Area also opened that year. What was truly groundbreaking were the plans laid out



In 1906, Sunzu Electric Railway, forerunner of Izu-Hakone Railway, opened a tram line connecting Numazu and Mishima. The photo was taken in 1963, near the Mishima-Hirokoi Station



The Olympic torch relay passed in front of the Tokyo Prince Hotel along Hibiya Road.



Expressway built by Sunzu Railway

under the banner of attracting the Winter Olympics, including an expansion of facilities to create a true international ski area and the construction of international tourist hotels. While no specific progress was made in attracting the Winter Olympics, along with the opening of the Naeba International Ski Area (currently the Naeba Ski Area) in 1961, Kokudo Keikaku Kogyo's tourist and leisure businesses had a significant impact on the subsequent growth of leisure facilities in Japan.

Also in 1961, a company that had been founded prior to the war, and which post war utilized its coal and steel plant in Agano to take on reconstruction efforts and produce building materials, was renamed Seibu Construction. In addition to construction and public works projects, it was involved in many projects for affiliates, including hotels, amusement parks, railroads, tourist facilities, residential development and construction of ready-built homes, giving a significant boost to the Group's growth.

The business Tsutsumi developed starting with Hakone Tochi was characterized by residential, summer home and tourist destination development that regarded these projects not just as a series of points on the map, but as part of a wider regional development that connected those points with railways, roads and other infrastructure. In short, by developing an area as an aspect rather than a point, he believed the value of areas surrounding those developments could also be increased, and this belief continues to be passed down today.

# The History of Seibu in Photos (Part 2)

# III Business Expansion and Renewal Period (1950-2003)

	1050	1060	1070						
	<b>1950</b> s	<b>1960</b> s	<b>1970</b> s						
Seibu Railway	1959 > Sayama Ski Area opens	<ul> <li>1963 &gt; First 10-car train on a private railway begins operating between Ikebukuro and Tokorozawa (express train)</li> <li>1968 &gt; Seibu Tachikawa Station opens. The 14.3 km Kodaira-Haijima section is renamed the Haijima Line.</li> <li>1969 &gt; 101 series trains introduced</li> <li>&gt; Limited Express Red Arrow 5000 series introduced</li> <li>&gt; Seibu Chichibu Line begins operation</li> </ul>	<ul> <li>1972 &gt; Air-conditioned commuter train (101 series) introduced</li> <li>1973 &gt; Tokorozawa vehicle factory transferred from Seibu Construction</li> <li>1976 &gt; Limited Express Red Arrow begins daily operation (Ikebukuro Line)</li> <li>1977 &gt; Seibu Shinjuku Station renovated, Seibu Shinjuku Building opens</li> <li>1978 &gt; Sayamako Station moved to present location</li> </ul>						
Prince Hotels & Resorts	<ul> <li>1950 • Seizan Hotel opens</li> <li>1952 • Yunohana Golf Course opens</li> <li>1953 • Oiso Long Beach Hotel opens</li> <li>• Takanawa Prince Hotel opens</li> <li>1955 • Akasaka Prince Hotel opens</li> <li>1956 • Manza Onsen Ski Area opens</li> <li>• Seibu Railway establishes Prince Hotel</li> <li>1957 • Oiso Long Beach opens</li> </ul>	1961 • Naeba International Ski Area opens 1964 • Tokyo Prince Hotel opens Naeba International Ski Area opens (1961)	<ul> <li>1973 - Karuizawa Prince Hotel Ski Area opens</li> <li>1972 - Shinjuku Prince Hotel opens</li> <li>1978 - Shinagawa Prince Hotel opens</li> <li>1978</li></ul>						
Seibu Bus	Akasaka Prince Hotel (1955)	<ul> <li>1952 Conductorless operation begins between Tokorozawa and Shin- Tokorozawa</li> <li>1959 Company name changed to Seibu Bus</li> </ul>	Karuizawa Prince Hotel Ski Area (1973)						
Seibu Properties	1955–64 → Begins sales of properties in Honmoku (Naka Ward, Yokohama), as well as Tokyo and Tokorozawa	1965–74       > Begins sales of large-scale development properties in Kanagawa Prefecture, Tokyo, and Saitama Prefecture         Main and Saitama Prefecture       Advertisement for sales at Kamakura Reien (cemetery) and Izu Green Hill (1976)	<ul> <li>1970) &gt; (Former) Seibu Real Estate established</li> <li>1974) &gt; Seibu Lease established</li> <li>1976) &gt; Trade name changed to Seibu Shoji</li> <li>1977) &gt; Prince Promenade Pepe opens</li> <li>Prince Promenade Pepe (1977)</li> </ul>						
Seibu Construction		1961 ▶Trade name changed to Seibu Construction	<ul> <li>1974 ▶ Seibu Construction established and split off</li> <li>1977 ▶ Seibu Sogo Setsubi established</li> </ul>						
Izu-Hakone Railway	<ul> <li>1956 &gt; Hakone Jukkokutoge Cable Car opens (0.3 km)</li> <li>1957 &gt; Company name changed from Sunzu Railway to Izu-Hakone Railway</li> <li>&gt; Hakone Komagatake Cable Car opens</li> <li>Hakone Jukkokutoge Cable Car opens (1956)</li> </ul>	<ul> <li>1963 &gt; Hakone Komagatake Ropeway opens</li> <li>1964 &gt; Motorway between Hakone Pass, Jukkoku Pass and Atami Pass (Jukkoku Line) transferred to Shizuoka Prefecture Hakone Komagatake Ropeway (1963)</li> </ul>	<ul> <li>1973 • Shimoda Prince Hotel opens</li> <li>1977 • Izu Mito Sea Paradise opens</li> <li>1979 • New 3000 series trains (first stage trains) introduced on the Sunzu Line</li> <li>Izu Mito Sea Paradise (1977)</li> </ul>						
Ohmi Railway	1950 ▶Tour bus operations begin	1964 ▶Real estate division launched	1974 ▶Opens dedicated line (Taga) for Kirin Beer factory						
Seibu Lions		Seibu Lions formed (1978) (Photo: Sankei Shimbun)	1978 •October Seibu Lions formed 1979 •April 24, wins first regular-season game in 15th match against Nankai						
Seibu Holdings 10th Anniversary Book Seibu Lions win first league title and first Japan Series championship in 1982									

Japan Series championship in 1982

25 Seibu Holdings 10th Anniversary Book From post war reconstruction to rapid economic growth; from the Showa to the Heisei era. As times changed, the Seibu Group continued to create a more convenient, abundant lifestyle, from the railways and real estate that sustain everyday life, to the leisure facilities and hotels that provide special experiences. The Seibu Lions helped disseminate that image in the wider world. Here is a look back at Seibu as it continued to grow over a half-century.



# The History of Seibu in Photos (Part 2)

III Business Expansion and Renewal Period (1950–2003)

## The Expanding Leisure Business

Leisure in Japan changed, becoming a social phenomenon, and Seibu creates affluent, happy times

#### **Changes in the culture of leisure**

Until the 1940s, the majority of Japanese workers were employed in agriculture and other primary industries. Subsequently, they were overtaken by workers in secondary industries as economic growth accelerated, speeding the influx of population to urban areas and driving a rapid increase in the so-called "salaried men" population of white collar employees. Workers' disposable incomes also rose around this time, and the way people used the free time they were allotted began to change in many ways. One of those was leisure activities.

It was also around this time that golf went from being an accomplishment of a limited wealthy class to the classic pastime of the ordinary salaried men. The Seibu Group played a major role in the spread of golf's popularity, having long owned golf courses in Hakone and Karuizawa that offered a place for salaried men from the city to play.

White collar households also found themselves with relatively longer summer and winter holidays. It was in the 1950s and beyond that families got into the habit of using this time off to enjoy leisure activities together.

In 1957, the Seibu Group opened Oiso Long Beach in the Shonan district of Kanagawa Prefecture, offering families a place to enjoy their leisure time. The enormous pool by the seashore was so impressive that many people still think of it when they think of summer in Japan.

The Naeba International Ski Area (now the Naeba Ski Area), which opened in 1961, became one of Japan's most

well-known ski resorts between the 1970s and 1980s, and marked the flowering of Yoshiaki Tsutsumi's capabilities.

The Seibu Group was in part responsible for creating Japan's rich culture of leisure, and central in sustaining it. That is how deep the relationship between leisure and Seibu runs.

#### **Creating Smiles**

Leisure brings smiles to many. It not only adds color to peoples' everyday lives, but offers an incentive to work and a richness of emotion.

The Seibu Group's approach to leisure involved more than simply building new facilities, showing people how to enjoy them, and turning them into popular phenomenon. It went beyond mere recreation to incorporate suggestions for leading a healthier life.

Following the 1964 Tokyo Olympics, a greater awareness of health spread nationwide, and into the 1970s, fitness clubs opened everywhere. In 1974, the Seibu Group opened the BIG BOX Takadanobaba Seibu Sports Plaza, in Tokyo's Shinjuku Ward. With convenient, direct access to Takadanobaba Station, it played a role in creating the weekday, after-hours fitness lifestyle.

The Seibu Group continued to be sensitive to changing times as leisure activities diversified, constantly looking for the best way to pursue customer satisfaction, and remaining involved in businesses that would eventually tie into its latter-day slogan, "Smiles Ahead."



Sengokuhara Golf Course (now the Daihakone Country Club), which opened in 1954



The Manza Onsen Ski Area, which opened in 1956



Hakkeijima Sea Paradise, opened in Yokohama in 1993

### Naeba Ski Area



Naeba International Ski Area (now the Naeba Ski Area) opened for business in 1961

In 1987, the movie "Take Me Out to the Snowland" was an enormous hit. The movie was filmed at Shiga Kogen Yakebitaiyama Ski Area and Manza Onsen Ski Area, and featured the Prince hotels in both locations. The Seibu Group's ski resorts were an essential part of skiing's huge popularity at the time.

Located within easy reach of Tokyo, Naeba Ski Area was close enough to enjoy day-trip skiing, and was popular with busy white collar workers. Its many slopes, designed around the Naeba Prince Hotel and accessible by everyone from beginners to advanced skiers, were another reason for its popularity.

In 2001, Seibu installed what was then the world's longest ski lift, at 5,481 meters, between Naeba and the adjacent Kagura Ski Area. Known as the "Dragondola" (or the Naeba–Tashiro Lift), it offered access from Naeba to the ski areas at Kagura, Mitsumata and Tashiro, which were then operated collectively under the name "Mt. Naeba."

### Karuizawa 72 Golf



Beautiful white birch saplings at Karuizawa 72 Golf, around the time of its opening

In 1956, the Minami Karuizawa Golf Course (now part of the Iriyama Course) opened with nine holes. Later, in 1971 it began operating as Karuizawa 72 Golf. Today, it has expanded to 108 holes across six courses north, south, east and west, offering the enormous scale and access to nature that only Karuizawa can provide. In August of each year, it hosts the NEC Karuizawa 72 golf tournament on the LPGA of Japan tour, which has become something of a summer tradition in Karuizawa. With convenient transportation from the metropolitan Tokyo area, and access to the nearby Seizan Golf Course and Karuizawa Asama Golf course, it now forms a major golf resort.

Near the golf courses are hotels, shopping centers, ski areas, spas and other facilities, and eventually this major resort area transformed into the Prince Grand Resort Karuizawa, where three generations of families can enjoy a variety of activities throughout every season of the year.

## **Oiso Long Beach**

The Seibu Group has many facilities in Kanagawa Prefecture, and representative among them is the Oiso Prince Hotel, alongside of which is Oiso Long Beach. With its ideal location fronting the Pacific Ocean, this complex of swimming pools was often used for filming swim meets and other television programs during Japan's peak pop idol years of the 1980s. It is also well-known for its use of promotional models, a practice that began in 1979. The bold concept of offering an experience distinct from ocean swimming by placing a pool just a stone's throw from the beach captivated the young people of the time.



Oiso Long Beach in the 1960s

# The History of Seibu in Photos (Part 2)

III Business Expansion and Renewal Period (1950–2003)

## **Expansion of the Hotel Business**

Creating a new era for the hotel business, from resort to urban, then back to resort

#### Seibu Railway, separation of the hotel business

Gaining an overview of the history of the Prince Hotels may, in fact, be difficult for someone outside the Seibu Group. Yasujiro Tsutsumi, the founder of the Seibu Group, established Hakone Tochi in 1920. The name was later changed, and the development of resort areas in Hakone and Karuizawa proceeded under the aegis of Kokudo Keikaku Kogyo; the hotel business began at the same time.

The name Prince Hotels originated in 1947, when the Imperial family's Asaka-no-miya summer home, located in Karuizawa, Nagano Prefecture, was remodeled and opened as the Prince Hotel. Former Imperial lands that had been confiscated by the GHQ following World War II were returned with the signing of the San Francisco Peace Treaty in 1951. When Yasujiro Tsutsumi acquired those lands, the hotel he built there also carried the Prince name.

In 1956, Seibu Railway took the hotel business it had owned and operated independent, establishing Prince Hotels, Inc. The Prince hotel brand was built through a shared business arrangement, under which Seibu Railway continued to own the urban hotels and the land under them, while Prince Hotels was responsible for operating them.

This arrangement continued until 2006, when Prince Hotels acquired Kokudo in an M&A, with Prince Hotels as the surviving entity; at the same time, it was made a whollyowned subsidiary of Seibu Holdings.

#### **City and resort**

The former summer home of influential businessman Kaichiro Nezu was remodeled and opened as Seizan Hotel (currently Karuizawa Prince Hotel) in 1950. Just three years after the opening of this serene resort hotel, with about 80 rooms, the current Grand Prince Hotel Takanawa Kihinkan opened in Tokyo as Shinagawa Prince Hotel. This was another sedate, tasteful hotel that made use of land and buildings that had originally served as the home of the Takeda-no-miya family, also a branch of the imperial family. In 1971, the hotel constructed a new building with more than 400 rooms (currently Grand Prince Hotel Takanawa), but until then, Prince Hotels was distinct in offering a relaxing resort experience even in the midst of the city. This was true even of Akasaka Prince Hotel (the old wing of what became the Grand Prince Hotel Akasaka).

Following Japan's period of rapid economic growth came a greater focus on business use in central Tokyo, and in 1977, Shinjuku Prince Hotel opened. It was followed by the opening of Akasaka Prince Hotel's new major tower, New Takanawa Prince Hotel (currently Grand Prince Hotel New Takanawa), Shinagawa Prince Hotel, Sunshine City Prince Hotel and others.

This is how the Seibu Group's hotel business became characterized by its rich variety, offering everything from lower-priced business hotels to urban hotels with banquet and wedding facilities, as well as resort properties in more of a summer villa style.



Takanawa Prince Hotel (now Grand Prince Hotel Takanawa Kihinkan) opened in 1953





Seizan Hotel (now Karuizawa Prince Hotel) opened in 1950

Akasaka Prince Hotel, in business between 1955 and 2011

#### Urban

#### Shinjuku Prince Hotel

Shinjuku Prince Hotel, located in Kabukicho, one of central Tokyo's prime shopping and entertainment districts, opened in 1977. The hotel is popular for its convenient direct access to Seibu-Shinjuku Station.



Shinjuku Prince Hotel, located in Kabukicho

#### **Sunshine City Prince Hotel**

Ikebukuro's landmark Sunshine 60 building was completed in 1978. Two years later, in 1980, the high-rise Sunshine City Prince Hotel opened in the tower. It serves both business and leisure travelers, thanks to its convenient access from Ikebukuro Station.



Sunshine City Prince Hotel has over 1,000 guest rooms

#### Resort

#### Naeba Prince Hotel

This new wing of the Naeba Ski House opened the year after the 1961 opening of the Naeba International Ski Area (currently Naeba Ski Area). It is no exaggeration to say that in the 50 years since, the hotel has continued to serve as a leader in winter sports in Japan.



Naeba Prince Hotel, with a more than 50-year history

#### The Prince Hakone Ashinoko

Opened as the Hakone Prince Hotel in 1978. Architect Togo Murano, a recipient of the Order of Culture, worked on the design. Development in Hakone has continued over many years, since the time of the company's founder, Yasujiro Tsutsumi, and the hotel offers an especially serene atmosphere.



Hakone Prince Hotel (now The Prince Hakone Ashinoko) under construction

### **Developing Leaders in Japanese Hospitality**

The Prince Hotel School opened in 1971 as Japan's only hotel school created by a hotel. It initially started as part of Prince Hotels, intended to develop the management skills needed in hotel operations.

The school subsequently underwent several transitions, from the establishment of Japan Hotel Gakuin in 2009 to its present form as the Japan Hotel School, and in that time has developed many hotel personnel. As a professional academy specializing in hotel, restaurant and bridal operations, it dominates the industry both in name recognition and because of its long tradition.

The school's educational philosophy includes the following:

- (1) To provide courteous and hospitable service to all guests and customers, with an attitude of respect and professionalism
- (2) To learn and practice "Hospitality"
- (3) To integrate their knowledge and experience as they work in the hospitality industry and grow as hotelmen and hotelwomen
- (4) To adapt and maintain an international perspective
- (5) To make broad contributions to society

The quality of customer service, and not just in the hotel, restaurant or bridal businesses, is determined by people. By focusing on this fact early on, and by using a school to turn out new human resources, Prince Hotels contributed significantly to the development of the tourist industry in Japan.

# The History of Seibu in Photos (Part 2)

# III Business Expansion and Renewal Period (1950–2003)

### **Expansion of Real Estate Sales**

Thoughts of creating a community of individuality and culture. A business that made the dream of home ownership a reality

#### **Creating prosperous communities**

Since the time of Yasujiro Tsutsumi, the Seibu Group has used large-scale residential development to propose the creation of communities, and has continued to offer high-quality residential environments.

Tokyo, Japan's capital, lost most of its homes to fires during the war, and housing shortages were one of the city's citizens' greatest concerns. During the high economic growth period of the 1960s, there was a great influx of population from around the country into the metropolitan Tokyo area, and housing shortages grew more serious. At the same time, land prices continued to rise in the metropolitan region, increasing at double-digit rates on an annual average in the years between 1955 and 1975. Housing prices naturally soared as well.

A 1958 series in the weekly magazine *Shukan Asahi* described the life of the average salaried men in metropolitan Tokyo, unable to own his own home, as the "new *danchizoku*," or "public housing dwellers," in reference to the thousands who poured into the vast suburban apartment complexes built to address Tokyo's housing shortage. The term quickly caught on. Against this background, the salaried men household's biggest dream was to own a



Ad for Kamakura Reien (October 1976, the Kanagawa Shimbun)



Ad for Zushi Green Hill (July 1976, the Asahi Shimbun)

single-family home with a garden.

Arising out of a desire to address this need were the new housing developments that began going up in suburbs that provided good access from metropolitan Tokyo to the city. The Seibu Group had a long history in both the railway business and in land development, and that expertise in community building was fully utilized as the company began creating new residential subdivisions.

#### **Convenience and comfort**

In 1970, the Seibu Group commenced sales at Kamakura Zushi Highland. The ancient capital of Kamakura and Zushi, known as a convalescent resort area, are two well-known cities in Kanagawa Prefecture's, and the project, residential homes for sale on a vast tract measuring about 940,000 m<sup>2</sup>, straddled both of them. With convenient access to Tokyo, just about an hour away, it quickly gained attention for its location, which put ancient temples and historic spots within walking distance.

When sales began, and except for a very short period when it collaborated with a manufacturer of homes as a means of speeding the town's maturation, Seibu Real Estate (now Seibu Properties) was responsible for almost all sales of ready-built homes in the project. It should also be recalled that Seibu Real Estate offered a wide variety of ready-built models. A pamphlet of the time reflected the needs of the era, with the catchphrase, "All you need to add is your nameplate," and offered aspirational living spaces that included Western-style toilets, baths equipped with showers and stainless steel kitchens.

Aside from residential property, in 1965 the company opened Kamakura Reien, a cemetery located also located in



Initial sales pamphlet for Kamakura Zushi Highland

### The Shonan and Miura Peninsula area

Early in the 20th century, beach bathing as a leisure activity was introduced to Japan from the West, and quickly caught on. Zushi, Hayama, Shonan, Kamakura and other areas along the coast were ideally located and soon saw resort development progress.

Since its earliest days, the Seibu Group had been involved in developing tourism and accommodations in the Kamakura and Shonan areas of Kanagawa Prefecture. In its residential developments following Japan's high-growth period, it continued to expand its efforts in these regions.

Sales at Mabori Sea Heights began in 1973, and a contemporary pamphlet for the development notes it was just "38

minutes to Yokohama, 60 minutes to Shinagawa," and advertised a town that was on a "straight line from the seaside to Yokohama and Tokyo." This was a major project that took six years from initial development to completion. With an area of about 700,000 m<sup>2</sup>, it offered the latest in home design.

In Kanazawa Bunko and elsewhere, a similar appeal was made to the attractiveness of the area, with newspaper advertisements describing it as a "town colored by greenery and history."

By giving shape to the urban dweller's aspiration of living in a resort area rich in history and the elegance of an ancient capital, the Seibu Group carved out a new history for the region.





Initial sales pamphlet for Kamakura Zushi Highla

### Areas along Seibu Railway lines

Edo, the historical name for Tokyo, used to refer only to a small area surrounding Edo Castle, and did not include the surrounding regions.

Later, the Edo region developed as the Imperial capital. To take in a new influx of people, the capital of Tokyo grew its road and railway networks, expanding its influence ever outward. The Seibu Group played a role in that growth.

The Seibu Bushi New Town subdivision consisted of about 1,000 lots spread over a hill in Iruma, Saitama Prefecture. The pamphlet offered when sales commenced noted its convenience for commuters, just "48 minutes by limited express from Bushi Station to Ikebukuro Station." A similar pamphlet for the Tokorozawa Matsugaoka subdivision noted its location

"about 24 minutes from Tokorozawa Station to Ikebukuro." and the development was popular for its rich natural environment, backed by Hachikokuyama, a ridge of parkland. The Seibu Hanno-Hidaka subdivision, a major residential area encompassing 1.1 million m<sup>2</sup> straddling the cities of Hanno and Hidaka, was also developed by the Seibu Group.

As these examples show, subdivisions along Seibu Railway lines are distinguished by being a reasonable distance from central Tokyo, and for offering a rich natural environment in which people can lead a more relaxed lifestyle. All of the properties offer easy access to leisure facilities such as the Seibu Prince Dome, the Seibuen Amusement Park and the Sayama Ski Resort.



Kamakura, Kanagawa Prefecture. A pamphlet for the cemetery features a photograph of a family, blanket spread out amidst the vast grounds, enjoying their lunches. This suggested a completely new approach to visiting a grave.

Meanwhile, in 1988 Seibu began sales of homes in its Hanno-Hidaka residential subdivision, which straddled the cities of Hanno and Hidaka (formerly Hidaka-cho, Iruma) in Saitama Prefecture. The subdivision was designed to reflect Seibu's belief that, "To sell a house is to sell a community," and the sales pamphlet trumpeted how convenient the neighborhood would be for both leisure activities and shopping. Seibu was offering a town, and a community, many salaried men could be proud of, where they could turn around on their way to work and say "Hey, that's my house!"

# The History of Seibu in Photos (Part 2)

III Business Expansion and Renewal Period (1950–2003)

## Seibu Lions Established

A new leader in baseball emerges in Tokorozawa. Pro baseball team management is reformed

#### From birth to a golden age

With the reorganization of professional baseball in 1949, the Japanese Baseball League was split into two-the Central and the Pacific leagues. With that split, the Nishitetsu Clippers joined the Pacific League, marking the beginning of the Lions' history that continues today. The team, which was based in Fukuoka, changed its name to the Nishitetsu Lions in 1951. Under famed manager Osamu Mihara, players such as Futoshi Nakanishi, Yasumitsu Toyoda and Kazuhisa Inao brought the team new vitality, particularly from 1954, when the team was known for its overwhelming strength, winning four pennants in five seasons and placing second once.

In the latter half of the 1960s, however, many of the team's leading players-the so-called "baseball samurai"-left the team, and for a time, team performance sank. With subsequent management difficulties, the team went through a bewildering number of changes in ownership and sponsors, from Nishitetsu to Taiheiyo Club, then to Crown Gas Lighter, and yet still the team's record and its management failed to perform. Apprehensive about the situation, the chairman of the Pacific League at the time requested that the Seibu Group take on a rebuilding of the Lions, after seeing how passionate the Group had been over the years in its involvement in industrial baseball, including the Prince Hotel baseball club. In response, Yoshiaki Tsutsumi decided to

have Kokudo Kikaku (now Prince Hotels) acquire the team, and in October 1978, the Seibu Lions team, based in Tokorozawa, Saitama Prefecture, was born.

At the end of that year, the new home stadium-which was already under construction-was named the Seibu Lions Stadium, and the team's logo and colors chosen. The decision to use Leo, a lion character appearing in Kimba the White Lion-an animated series based on a manga by the famed comic artist Osamu Tezuka-was instrumental in telling not only baseball fans, but the public at large, that a new and different baseball club had emerged.

Although the team's performance in the three years following its first season in 1979 found them stuck with a B-class record, from their first year in operation they topped the Pacific League in attendance numbers thanks to the ideal location of their ballpark and the popularity of the animated film Ganbare!! Tabuchi-kun!!, modeled on real-life Seibu Lions player Koichi Tabuchi.

In 1982, management of the team was handed over to Tatsuro Hirooka, and that year the Seibu Lions won their first league pennant, going on to take the Japan Series championship. This striking achievement, coming in just the fourth year since the team's establishment, was major news at the time. In subsequent years through 1985, the Seibu Lions were league champions three times, and came to be recognized as the new leader in Japanese professional baseball, both in name and in reality.

#### **Becoming an Image Leader**

The Seibu Lions' brand strategy contributed to expanding professional baseball's fan base. This was in part thanks to the spread of family attendance at games, a new style of recreation that grew out of the proximity of Seibu Lions Stadium (currently Seibu Prince Dome) to the Seibuen Amusement Park.

Hisanobu Watanabe (left) and Norio Tanabe, two players who sustained the Seibu Lions in their Golden Age





pennant and its first Japan Series championship, marking the start of Seibu's first Golden Age

The "Lions News" displayed in trains to inform passengers of the team's league championship



## The Seibu Lions: Five Major Topics



Masaaki Mori, Manager

#### TOPIC 1 Famous managers who built an era

The Seibu Lions, who came to lead professional baseball and build a golden age, also produced many famous managers, starting with Tatsuro Hirooka, who led the team to its first Japan Series championship. Masaaki Mori, who commanded the Seibu Lions for nine years, left behind a record that included six Japan Series championships and eight league wins. Looking at the data, in the years between 1978 and 2007, only one of the team's six managers during that time had a total winning percentage below 50%. What is notable is that four of the six left winning records in their first year as manager.

#### **TOPIC 2** The memorable opening of a new ballpark



The game marking the opening of the Seibu Lions Stadium was held against the Nippon Ham Fighters on April 14, 1979. Fans who had managed to purchase tickets—selected by lottery from among about 200,000 entries—got a close up look at the players as they trooped onto the field via the stadium's "Victory Road," before sending them off to their first match. Incidentally, the Seibu Lions lost this first game, 1-to-7, failing to commemorate their new ballpark with a win.

Press conference in December 1978 announcing the signing of Koichi Tabuchi. Manager Rikuo Nemoto is at far left, (Photo: The Manichi Newspapers)



Seibu Dome during the second phase of construction (Photo: The Yomiuri Shimbun/Aflo)







### TOPIC 3 From Seibu Lions Stadium to Seibu Dome

The Seibu Lions Stadium was completed just prior to the start of the 1979 season. Even today, the stadium is known as a visitor-friendly facility, and even has a so-called "Victory Road" where visitors can exchange high-fives with the passing players after a successful win—something regular fans are familiar with. In 1997, construction was started to convert the stadium to a dome. In 1998, work was completed on the first phase, which put a roof over the spectator seats, and the stadium's name was changed to the Seibu Dome. The second phase of construction, a roof to cover the field, was completed in 1999.

#### **TOPIC 4** From the Seibu Lions to the Saitama Seibu Lions

In 2008, the team name was changed to the Saitama Seibu Lions, with the goal of bringing them even closer to the local community. While the Lions were always managed with the goal of becoming a beloved local team, this name change provided the opportunity to clarify the team's presence in Saitama Prefecture, and to plant even firmer roots for its activities in the community. In June of the year the name was changed, the team held its first game at Omiya Stadium, owned by the prefecture, and the team continues to move forward as a professional baseball team that is close to its fans and its community.

#### TOPIC 5 Promoting baseball, supporting children

In recent years, the Seibu Lions have also been proactively involved in contributing to the development of baseball as a whole. The team is particularly active in promoting baseball, donating equipment to emerging baseball-playing countries, and has also started working to develop the next generation of star players through its Lions Academy and Lions Baseball School, targeting elementary and middle school students. The team will continue to promote baseball and to make proactive efforts to contribute to society.

The team also maximized its advantage in being part of a group that owned a railway company. On days when an all-star game or the Japan Series was being played at Seibu Lions Stadium, Seibu would run extra trains before and after the game, ensuring smooth access to the stadium. In 1998, they also began mutual through service with the subway's Yurakucho Line, making it even easier to reach the stadium from anywhere in the Tokyo metropolitan region. The trains were also used to offer information to fans—the day after a Lions win, "Lions News" posters would go up in Seibu Railway train cars—and to further expand the fan base.

When Rikuo Nemoto, the team's first manager, also served as administrative manager and played a pivotal role, he was essentially the general manager, a management approach that garnered much attention. These and other unprecedented initiatives by the Lions also had the effect of improving the Seibu Group's overall image. Today, the Seibu Lions continue to take on the role of image leader for the entire group. Ħ

# The History of Seibu in Photos (Part 2)

# III Business Expansion and Renewal Period (1950–2003)

## Start of Mutual Through Service with the Subway's Yurakucho Line

Enhances convenience of metropolitan Tokyo's transportation network

#### **Connecting to the suburbs**

A route map of Tokyo's train lines looks as intricate as a spider's web. At first glance it appears complicated, but perhaps that is the flip side of convenience. There are stations everywhere, and the train companies maintain a system that is accurate to the second. With just a change of trains you can go anywhere, and know you'll get there on time. This is one of the features that sets Tokyo apart from other cities of the world.

Mutual through service between railway companies, a means of further enhancing convenience for passengers, first became popular during the high-growth period of the 1960s.

As moving around becomes more convenient, the city's value grows. This is because, by agreeing to work together, the railway companies increase the flow of people and goods, which in turn significantly enhances regional value.

Through service between the subways, which so intricately connect the city center, and the private railways, also connects the city center to the suburbs, and that has enormous synergistic effects.

In 1983, the Seibu-yurakucho Line was born, created on the assumption that through service between Seibu Railway and the subway's Yurakucho Line would commence via Kotake-mukaihara Station.

Subsequently, this mutual through service network with the subways would expand even further.



1983 departure ceremony for the Seibu-yurakucho Line's provisional opening between Shin-Sakuradai and Kotake-mukaihara

1994 emergency coupling test in preparation for the opening of the Seibu-yurakucho Line between Nerima and Shin-Sakuradai

#### **Reduced time to Shin-Kiba**

In 1983, the section between Shin-Sakuradai and Kotake-mukaihara opened, followed by the section between Shin-Sakuradai and Nerima in 1994. In 1998, mutual through service also began between Hanno Station on the Ikebukuro Line and Shin-kiba Station on the Eidan (now the Tokyo Metro) Yurakucho Line. With a single, straight route connecting Saitama Prefectures with the east side of Tokyo's 23 central wards, a trip of approximately 60 km could now be completed in about an hour and a half.

In recent years, this kind of arrangement has evolved into a configuration in which multiple lines intersect and connect.

In June of 2008, through service began between the Ikebukuro Line and the Tokyo Metro Fukutoshin Line, the length of which had just been completed, via the Seibu-yurakucho Line. In March of 2013, mutual through service was expanded to the Tokyu Toyoko Line and the Yokohama Minatomirai Railway's Minatomirai Line via the Fukutoshin Line's Shibuya Station. This offered shorter connection times between Tokyo and two prefectures, and immediately expanded the range of activity for people in the metropolitan Tokyo region.

This wide-ranging system of mutual through service dramatically increased convenience for passengers. In recognition of this strategy, in October 2013 Seibu Railway was named a winner of the 12th Japan Railway Award (along with Tobu Railway, Tokyo Metro, Tokyu Corporation, and Yokohama Minatomirai Railway). In March of 2016, the third year of their collaboration, the five companies held a commemorative event that made headlines, indicative of how much passengers on each line welcomed these developments.

By connecting the assets of multiple railway companies, new value is generated. This is a trend that will continue.





## Through service to the Chichibu Railway (1989 to present)



Three companies' trains fall in line at Chichibu Railway (from left, Tobu Railway, Chichibu Railway, Seibu Railway).

The Chichibu Railway operates in the Chichibu region of Saitama Prefecture. Providing access to the Nagatoro Line descent (a river boat service), which has operated since the early 20th century, the railway is popular with tourists. In 1988, the Paleo Express, a steam locomotive, began operating between Kumagaya and Mitsumineguchi, in response to strong tourism demand.

In 1989, Seibu Railway began offering through service to the Chichibu Railway. On weekdays it operates one round trip

each between Hanno and Nagatoro, and between Hanno and Mitsumineguchi. On weekends and holidays, two round trips operate from Ikebukuro Station.

At an event in May, 2016, a "meeting" was arranged at Seibu-Chichibu Station between the Paleo Express and the Limited Express Red Arrrow. For Seibu Railway, this was the first time in almost 60 years that a steam locomotive departed from one of its main line stations.

> A banner welcoming the start of through service



The Red Arrow meets the Paleo Express at Seibu-Chichibu Station.

目

# The History of Seibu in Photos (Part 2) IV The Rebuilding Period (2004–2016)

	2004	2005	2006	2007	2008
Seibu Holdings			<ul> <li>Seibu Holdings established Takashi Goto appointed President and CEO</li> <li>Group Vision formulated</li> </ul>	<b>30000 se</b>	ries (2008)
Seibu Railway	<ul> <li>Executives arrested over violations of the Commercial Code (payoffs to corporate racketeers)</li> <li>False statements discovered in securities reports</li> <li>Seibu Group Management Reform Committee established</li> <li>Company delisted</li> </ul>	<ul> <li>Takashi Goto appointed special advisor</li> <li>Seibu Group Management Reform Committee issues final report</li> <li>Seibu Railway, Kokudo and Prince Hotels decide on Group rehabilitation via the holding company method</li> </ul>	Mutual through- service begins (2008)	• The Emperor and Empress travel to Kawagoe (round- trip between Seibu Shinjuku and Hon-Kawagoe)	<ul> <li>&gt;3000 series commuter train introduced on the Shinjuku Line</li> <li>&gt;Ikebukuro Line begins mutual through-service operations with the Tokyo Metro Fukutoshin Line</li> </ul>
Prince Hotels and Resorts		<ul> <li>Epson Shinagawa Aqua Stadium opens</li> <li>Tokyo Prince Hotel Park Tower opens</li> </ul>	• Kokudo acquired and merged	• Under new branding strategy, hotels divided into three brands; use of new corporate logo begins	Unveiling of new corporate logo (2007)
Seibu Bus		▶Ten offices, including the head office, Kawagoe and Sayama sales offices obtain Green Management certification	Tokyo Prince Hotel Park Tower (2005)	Prin Hotels &	
Seibu Properties	Low-floor CNG bus manufactured by Nissan Diesel (at Kawagoe office)			Emio Nerima opens Seibu begins roll-out of in- station "Emio" retail facilities	Emio Nerima, opened in 2007
Seibu Construction					
Izu-Hakone Railway					
Ohmi Railway	The Ohmi Railway Museum, opened in 2007		▶Ohmi Railway launches You Group, begins amusement park management	▶Ohmi Railway Museum opens	<ul> <li>Begins Tsuchiyama Highway Service</li> <li>Tsuchiyama Service Area opens on the New Meishin Expressway</li> </ul>
Seibu Lions	► Take league second place, advancing to the playoffs Win the Japan Series for the 12th time (and the first time in 12 years)			►Ended the season with a B-class finish for the first time in 26 years	<ul> <li>Team name changed to the Saitama Seibu Lions</li> <li>Win league title (first time in four years), and the Japan Series for the 13th time (and the first time in four years)</li> </ul>

In 2004, the now delisted Seibu Group faced a difficult path to rebuilding. Its true value continued to be questioned through the global financial crisis, the Great East Japan Earthquake and a take-over bid by a major shareholder. Here is a look at the Seibu Group's rebirth as it worked to reorganize and strengthen its management, and aim for greater growth.

2009	2010	2011	2012	2013	2014	2015	2016–
▶90% of shares of Seibu Transport transferred outside the Group	овели Оперетор	Annou	A vortes a transmission of the second	<ul> <li>Statement of opposition issued in response to announcement of take-over bid for Seibu shares by Cerberus Group</li> <li>8th Annual General Meeting of Shareholders held; Company's proposed resolution approved as drafted</li> </ul>	<ul> <li>Company relisted on the First Section of the Tokyo Stock Exchange</li> <li>Seibu Holdings and Seibu Group get redesigned logos</li> <li>Start of TV commercials overseas</li> </ul>	Listing ceremony in 2014	52 Seats of Happiness (2016)
Sales of Shinjuku Line special "One Double" commuter passes begin	"One Double" (2009)	▶Red Arrow Classic introduced Unveiling ceremony for completion of restored E11 model	► 100th anniversary	<ul> <li>Mutual through-service operations begin with the Tokyo Metro Fukutoshin Line, the Tokyu Toyoko Line, and the Yokohama Minatomirai Line</li> <li>Shinjuku Line limited express stops at Higashi-Murayama Station, conductorless operations initiated on</li> </ul>	Mutual through- service begins (2013)	<ul> <li>Continuous grade separation and elevation project between Nerima- Takanodai and Oizumi-gakuen stations</li> <li>Continuous grade separation (2015)</li> </ul>	<ul> <li>&gt; 2016 Seibu Traveling Restaurant Train "52 Seats of Happiness" begins operation</li> <li>&gt; "Seibu Railway Makes it Happen" established as corporate slogan</li> <li>&gt; 2017 40000 series begins operation</li> </ul>
	• Christmas	restored E11 model electric locomotive in 2012 Grand Prince Hotel Akasaka		the Tamako Line between Kokubunji and Seibu-yuenchi	New model limited express (2018)	► Enters into marketing alliance	<ul> <li>2018 New model limited express train begins operation</li> <li>2016 The Prince Gallery Tokyo</li> </ul>
	Clinistinas lights decorate the Grand Prince Hotel Akasaka in 2010	<ul> <li>Instantial closes</li> <li>▶Takes in victims of the Great East Japan Earthquake</li> </ul>	Grand Prince Hotel Akasaka accepting disaster victims in 2011		Overseas television commercial (2014)	agreement with Dusit International (Bangkok, Thailand) and Jin Jiang International Hotel Management (Shanghai, China)	Kioicho and the Classic House at Akasaka Prince open 2017 Nagoya's first Prince Hotel to open
	»"Gaku-toku" student pass sold for use on all lines ▶New elementary school student pass established			Seibu Kogen Bus (2014)	Yokohama/ Haneda-Karuizawa Line Highway motorcoach begins service to Shinagawa Prince Hotel	Jin Jiang alliance (2015)	Global Gate West Tower
►Seibu Shoji and Seibu Real Estate merge businesses, creating Seibu Properties	▶Seibu Railways, Prince Hotel real estate businesses consolidated		Emio Tokorozawa opening event in 2012	<ul> <li>Construction begins on new Tokyo Garden Terrace Kioicho</li> <li>Seibu begins roll-out of "emilive" rental housing along Seibu Railway lines</li> </ul>		Construction begins on plan to rebuild former Ikebukuro headquarters	<ul> <li>▶ 2016 Tokyo Garden Terrace Kioicho mixed-use development opens</li> <li>▶ 2018 Phase I of Tokorozawa Station East Entrance Station Building to open</li> </ul>
	►Obtains Saitama Prefecture Eco-Up Certification			► Head office and Kansai branch obtain BCP certification			
		Saitama Seibu Lions take their 13th Japan Series title, the first in four years	China and		<ul> <li>▶Opens first nursing care facility, Emiizu Higashimakado</li> <li>▶Opens second nursing care facility, Emiizu Kamonomiya</li> </ul>		▶2017 100th anniversary
		"Hohoemi-en" station-front nursery school opens	Plat P	miizu Kamonomiya, pened in 2014			▶2016 120th anniversary
▶Mascot logo, team name logo changed						Shogo Akiyama sets NPB single- season record for hits (216).	

# The History of Seibu in Photos (Part 2) **IV** The Rebuilding Period (2004–2016)

## 30000 Series Trains

Symbol of the reborn Seibu. Women take an active part in creating the "Smile Train"

#### A train entrusted with a comeback

In December 2005, one year after the delisting of Seibu Railway, the Seibu Group launched a project team to develop a new train, one on which the Group would stake its comeback. More than 20 male employees were brought together from Seibu Railways various departments, and to gather a broad range of opinions from employees, requests were solicited from each department.

What changed the entire direction of the project was a comment by Takashi Goto, the Seibu Group president, who said, "How about adding some women to the project team?" That brought 11 female employees onto the project, and in February 2006, the team was re-launched. What stood out was the women's' opinion that the team needed to come up with "something that would startle people." Given Seibu Railway's corporate culture, where many of the men had come up entirely from the front lines with the basics pounded into them, this was certainly a fresh perspective.

#### 11 women

After numerous discussions, the team decided on a concept for the 30000 series train: "The 'Smile Train,' designed to be people-friendly and to make everyone smile."

The project team's mission was to create a train that would become the face of the new Seibu Railway. Debate was always heated, and arriving at the final design selection was a particularly steep climb. So many opinions needed to be brought together that it proved difficult to narrow the options down to just one. Ultimately what saved the day was the original "Smile Train" concept. This offered a bridge between the manufacturer and the project team, and unified their opinions.

Following many review meetings, in April 2008 the 30000 series train made its debut. The rounded, friendly design clearly distinguished it from existing trains of the time.

The basic interior design was the responsibility of the project team, both men and women. To gather difficult-to-quantify data on factors such as seat comfort, strap usability and the actual level of light inside the cars, project team members made repeated trips on existing trains to compare their features. This effort generated a great many new ideas, which led the team to make a number of passenger-focused improvements extending down to the finest detail.

The work focused particularly on a shift to universal design. For example, they lowered the floors from a height of 1,150 mm, standard on the 20000 series, to 1,135 mm, reducing the difference in height with the platform. By also lowering the luggage racks by about 50 mm, they made it easier for passengers to store and retrieve their baggage.

The Smile Train is also distinctly eco-friendly, with a front section and body made of lighter-weight aluminum alloy, reducing overall weight. Because many of the train's parts are made of a single alloy, they are highly recyclable.

The 30000 series train has since left the hands of its original project team, and has come to be known, even by ordinary passengers, as the "Smile Train."



Outspoken arguments continued even after the concept for the new train had been decided.



The presentation to determine a manufacturer was notable for the number of women present.



In January 2008, the development team members were introduced to the 30000 series for the first time.

## **The Smile Train** — Designed to be people-friendly and to make everyone smile





Seatbacks feature a heart-shaped decoration, making it look from a distance as though the entire seat is "smiling." This also reflects the input of the women who were primarily responsible for the train's interior. Straps in the priority seating area are a bright orange color, making it easy to identify the priority seats even from a distance. Their rounded shape makes them easy for both standing and seated passengers to grip, and the straps are shaped to provide the strength needed when pulling oneself up.

Straps are an egg shape original to Seibu Railway. The surface of the grip portion is given an antibacterial treatment. As part of universal design, the straps hanging from the luggage racks at either end of each car, and those in front of priority seating sections, are installed at a lower height than the straps above general seating.

Seibu Railway's original egg-shaped straps



The priority seats seem to be smiling.



Large sheets of reinforced glass were used for the gangway doors between train cars. Long, vertical pieces of reinforced glass were also installed in the spaces on either side of the doors, greatly improving visibility between cars, and the use of large glass connecting doors has the effect of brightening the interior of the cars. Better visibility also plays a role in crime prevention.

Glass connecting doors brighten up the entire car.

# The History of Seibu in Photos (Part 2) **W** The Rebuilding Period (2004–2016)

# **Prince Hotels Concentrates on Its Core Business**

Anticipating a changing hotel market. What the inbound market holds for the future

#### **Branding strategy**

The Seibu Group's hotel business goes back its founder, Yasujiro Tsutsumi, and his developments in Hakone and Karuizawa. The resort hotels were run by Kokudo, while the urban hotels were operated by Prince Hotels, Inc. following the spin-off of Seibu Railway's hotel division in 1956. While Prince Hotels later became a wholly owned subsidiary of Kokudo, there was no overall, unified strategy for how each hotel was run.

In the Group reorganization of 2006, Prince Hotels became a wholly owned subsidiary of Seibu Holdings, and management reforms were undertaken to concentrate on the core business. The company's 167 locations were reduced to the current 93 through sales, closings and suspensions of businesses. On the "concentration" side, in 2007 Prince Hotels divided its properties into three categories according to grade, and invested in increasing their value in response to the role expectations for each.

"The Prince" can be considered the new Prince Hotels flagship brand. It currently consists of five properties, including The Prince Park Tower Tokyo, 33 stories high and with 603 guest rooms, and The Prince Hakone Ashinoko, which stands on the banks of Lake Ashinoko.

"Grand Prince Hotels" represent an ideal of the high value-added, multipurpose urban hotel. They include properties in Tokyo's Takanawa, as well as Kyoto and Hiroshima. "Prince Hotels" can be adapted to business, resort and leisure use. Though casual, they also offer a fulfilling experience.

Prince Hotels works to maximize the potential of each of these brands, enhancing the value of each hotel's presence while enabling the three brands to develop organically.

#### **Inbound Market**

The Japanese government has established a target of increasing the number of foreign visitors to Japan from the current 19.74 million (as of 2015, per the Japan Tourism Agency), to 40.0 million by 2020. Following suit, Prince Hotels is aiming to make even greater strides.

Having an accurate grasp of what this growing number of customers from overseas is looking for will, going forward, lead to an increase in repeat visitors. As part of that effort, Prince Hotels is focusing on the hiring of non-Japanese employees and expanding the number of facilities offering free Wi-Fi, and will further strengthen steps to capture a greater share of the demand for visitors to Japan from overseas.

Partnerships with overseas hotel chains are another strategic move in developing the inbound market.

In 2013, Prince Hotels announced a partnership with global hotel chain Marriott International, based in the U.S. state of Maryland, followed by a partnership with Starwood Hotels & Resorts Worldwide, based in Connecticut. By doing so, Prince Hotels is steadily building a platform for reaching out to the world with the Prince brand.



The Prince Villa Karuizawa opened in July 2014 under the "The Prince" brand



Grand Prince Hotel Kyoto, one of the hotels under the "Grand Prince" brand



New Furano Prince Hotel is part of the "Prince" brand.

# 



The Prince Hotel Sakura Tower is a member of the "Autograph Collection."

September 2013, with the opening of the newly In renovated The Prince Sakura Tower Tokyo, Prince Hotels announced a partnership with Marriott International, a U.S.-based firm with headquarters in Maryland. The company operates worldwide, with 18 brands and hotel collections. The Prince Sakura Tower Tokyo became the first hotel in Japan to join Marriott's Autograph Collection, an exclusive group of distinctive luxury hotels.

Utilizing Marriott's global sales network, Prince Hotels is working to communicate the appeal of its "The Prince" brand worldwide.

#### Starwood



January 21, 2016 partnership signing ceremony with Starwood Hotels

January 2016, Prince Hotels partnered with Starwood Hotels & Resorts Worldwide, a U.S.-based firm with headquarters in Connecticut. The company's Luxury Collection ranks highest among its 11 brands, and includes more than 100 famous hotels with distinctive appeal in terms of their history, culture and natural surroundings. The Prince Gallery Tokyo Kioicho, opened on the site of the former Grand Prince Hotel Akasaka, has been added to this Luxury Collection, Starwood's most exalted brand category.

### An Expanding Share of the MICE Market

In 2010, Prince Hotels rolled out its PRINCE TOKYO MICE CITY PROJECT, and today continues testing ways to assist with the needs of customers across a variety of business occasions.

Urban hotels are not the only properties playing a lead role in developing the MICE market (the acronym stands for "Meetings, Incentives, Conventions and Exhibitions). Prince Hotels resort properties have also established a reputation for hosting conventions, international conferences and other business events. In 2011, the Karuizawa Prince Hotel was the focus of attention when it began offering a unique service designed for extended-stay business use, its "Stay Cool While You Work" summer resort plan.



The G7 Hiroshima Foreign Ministers' Meeting attended by Foreign Minister Kishida

An advertisement in the May 27, 2016 edition of the Nihon Keizai Shimbun also featured the G7 Hiroshima Foreign Minsters' Meeting, held at Grand Prince Hotel Hiroshima, under the headline, "With Rich Experience in International Conferences, Prince Hotels leads Japan's MICE Market."

# The History of Seibu in Photos (Part 2) **IV** The Rebuilding Period (2004–2016)

## **Development In and Near Stations**

With new value-added, stations are changing. Uncovering the hidden needs of the urban dweller

#### A station with everything

Thanks to an increase in nuclear families, working couples, and the number of single-member households, and a lower birthrate and aging society, changes have long been occurring in the way people shop in Japan's urban centers. With more people eating alone, convenience stores and small urban supermarkets have responded by offering more products to meet that need. Shoppers buying prepared foods to take home do make many of their everyday purchases in the area around the train station.

For urban dwellers, the station is a hub for their daily lives, whether for commuting to work or school, or for many other occasions. Demand for convenient shopping in and around train stations continues to increase.

To respond to those needs, Seibu Railway developed TOMONY, an in-station convenience store brand being rolled out in collaboration with FamilyMart.

In addition to the standard convenience store items such as prepackaged meals, sandwiches and drinks, the stores offer utility payment services and a full line-up of other convenient functions. There are currently 58 TOMONY stores.



Emio Sayama-shi, opened in 2011



TOMONY Nerima, the first store in the chain, opened in 2007

Everyone who commutes to work or school goes through a train station. By becoming a hub for everyday life, stations help people achieve a more convenient, stress-free lifestyle.

#### Creating a hub for everyday life

One of the businesses responsible for turning train stations from simple places to pass through into true destinations, community hubs where people spend time, are the Emio retail facilities located in Seibu Railway stations and operated by Seibu Properties.

The business began in 2007, with the opening of Emio Nerima in Nerima Station on the Ikebukuro Line. Changing the station's function brought changes to the actual lives of passengers.

Focusing on women seeking stress relief, Emio Nerima worked to attract stores offering cosmetics and spa and body treatment services, and the stations eventually became destination spaces for passengers who previously would have just passed through. Today, Emio retail facilities are available in 16 Seibu stations.

At Emio Sayama-shi, which opened in 2011, the focus is on assisting with daily life and offering just what people are looking for. The facility includes 19 stores, with everything from a supermarket and convenience store, to a drug store and dental clinic. Opened in 2012, Emio Tokorozawa positions itself as a "Smile Station," with 20 stores (of which six are inside the ticket gates) including take-out prepared foods and eat-in restaurants. In addition to these new facilities, existing retail stores in other stations are being remodeled under the Emio brand, taking on the role of a new lifestyle hub for people living along Seibu Railway lines.

mio Tokorozawa, opened in 2012





# Nicot and emilive

The Nicot child care centers located near Seibu Railway stations grew out a suggestion offered under the Seibu Group's "Smile Factory" system, through which Group employees can submit ideas to management, and are gaining attention for their convenience to transportation and other social benefits.

. . . .

restaurants targeting women

Emio Ikebukuro, which opened

in September 2015, came out of a larger renovation of

Ikebukuro Station, which is Seibu Railway's largest termi-

Matching that scale, Emio

of stores divided into four

and convenience).

convenient.

nal station and one of Tokyo's largest transportation hubs.

Ikebukuro offers a wide variety

zones (food, take-out, fashion

Together, the TOMONY and

the usefulness and importance

of the train station in making

everyday life richer and more

Emio brands are enhancing

The name "Nicot" is in part based on the Seibu Group's "Smiles Ahead" slogan (nikotto, in Japanese, also means "smile), and was created from the first letters of the words Near, Interesting, Convenience, Original and Together. The child care centers have been a hit with the younger child-rearing population, and today there are seven Nicot centers along Seibu Railway lines.

Based on the concept of offering a quality lifestyle close to a Seibu train station, the emilive brand offers rental apartments within just a few minutes' walk from the nearest station. This name again reflects the idea of a life filled with smiles (emi is another Japanese word for "smile").

There are currently three emilive facilities, all of them recognized for offering excellent convenience and quality-built homes.

Nicot Shakujii-koen (above), opened in 2014 emilive Nerima (below), opened in 2015





# The History of Seibu in Photos (Part 2) **W** The Rebuilding Period (2004–2016)

## Aid Following 3.11 Earthquake

At stake was the essence of the reborn Seibu. What could the Seibu Group do, what should it do?

#### A personal message from the President

March 11, 2011. An earthquake of unprecedented magnitude struck Japan's northeastern Tohoku region. While facilities owned by Seibu Group companies suffered no major damage, the Seibu Group, which was continuing its struggle to be re-listed, faced a difficult situation for another unexpected reason.

Following the disaster, some of the Group's hotels and ski areas were forced to take the step of shutting down winter season operations early. Prince Hotels also suffered a steady stream of cancellations, from guests both at home and abroad.

Given concerns about a power shortage due to the accident at Tokyo Electric Power Company's Fukushima No. 1 Nuclear Power Plant, rolling blackouts were instituted from the Kanto region northward, and both Seibu Railway and the Izu-Hakone Railway found themselves unable to operate on a normal schedule.

In the midst of this, Seibu Group president Takashi Goto conveyed his own message to all of the Group's employees through Seibu's various meeting structures and via his blog on the Group's intranet, "web-ism."

In that message, he broke the situation down into five essential points, explaining that the Group would respond to what he acknowledged to be an emergency situation. He closed with his fifth point, which was that everyone should press ahead, remembering to greet one another with a cheerful, upbeat attitude.

The Seibu Group's slogan is "Smiles Ahead," something it would be impossible to achieve if every employee remained downcast. That was the thinking behind Goto's message.

#### The Seibu Group's role

In addition to the five points that formed the core of his message, Goto spoke of the Seibu Group's social mission.

He began by reiterating the Group Vision. The Group Philosophy reads as follows:

"All of us at the Seibu Group work to help develop local communities, as well as society at large, to protect the environment, and to provide safe, pleasant services for memorable experiences. We also proudly and responsibly meet the challenge of creating the kind of new services that will



Messages written by those evacuees who stayed at Grand Prince Hotel Akasaka after its closing

#### move customers."

This represents a true distillation of the role of the Seibu Group.

Goto went on to declare that, "Our job now is to use our business to help the disaster-stricken regions, and Japan as a whole, heal."

The Group's employees also took concrete action. Events were also held to help support the reconstruction effort in regions affected by the disaster. Prince Hotels nationwide featured sake from the Tohoku region on their menus, and at Seibuen Amusement Park, parents and their children from disaster-stricken areas were invited to participate in the lighting ceremony for the park's annual illumination. BIG-BOX Higashiyamato held a charity auction, while at the DyDo Drinco Ice Arena, earthquake evacuees in the area were offered free ice skating lessons.

To address power shortages following the disaster, some Seibu Group companies and offices instituted their own daylight savings time hours, and at head office divisions and elsewhere, "Super Cool Biz" measures were introduced, part of a government-recommended program to encourage employees to dress casually as efforts to conserve power were introduced, including reducing use of office equipment and air conditioning to the bare minimum.

These and other efforts would be pointless if they were treated as just one-time initiatives. Seibu Group companies simultaneously began taking steps to ensure an awareness of crisis management and the need for safety measures was carried forward.

At Seibu Railway, they collected hazard maps from various

### **Individual Company Response and Reconstruction Aid**



Seibu Railway managed to resume operations seven hours after the earthquake struck.

### **1** Seibu Railways (Resumption of services)

The day of the earthquake. Tokyo's public transportation network had fallen into complete dysfunction. At the Seibu Railway's Operations Control Center the atmosphere was tense, as controllers communicated with train crews by walkie-talkie, though without the slightest hint of panic. Meanwhile, at the head office, an Emergency Response Headquarters was established, and each of these groups fulfilled their respective roles.

For Seibu Railway, it was impossible to announce a resumption of service until the safety of all tracks had been confirmed. However, every station was overflowing with bewildered crowds unable to make it home. As JR and the other railway companies abandoned any plans to resume operations the day of the disaster, at 9:55 p.m., seven hours after the earthquake, Seibu Railways decided to resume service on a portion of its Shinjuku Line, fulfilling its role as a public transportation provider.



Taking in disaster victims at Grand Prince Hotel Akasaka

### **2** Prince Hotels (Accepting evacuees)

A hurried decision was made to open up Grand Prince Hotel Akasaka, which had ended operations in preparation for the construction of Tokyo Garden Terrace Kioicho. In the approximately three-month period between April 9 and June 30, 2011, the hotel took in as many as 788 evacuees from Fukushima Prefecture.

A total of 900 Seibu Group employees participated in the effort as volunteers. The letters and messages of appreciation they received from the evacuees on the final day of their stay remain today one of the Group's most precious keepsakes.

Shizukuishi Prince Hotel also provided about 50 guest rooms to individuals affected by the disaster.



The entire Group conducted fund-raising to suppor disaster-stricken regions.



Disaster victims were invited to attend several Seibu Lions games.

### **B** Seibu Holdings (Fund-raising)

The entire Seibu Group also provided relief funds and collected donations. Seibu Holdings donated 100 million yen through the Japanese Red Cross Society, and Seibu Bus donated relief funds to the Nihon Bus Association.

At Seibu Dome (currently Seibu Prince Dome), a portion of the proceeds from the International Roses and Gardening Show was donated to aid organizations, as was money from collection boxes installed at Yokohama Hakkeijima Sea Paradise and other facilities, along with a portion of their sales.

The Seibu Lions participated in the drive for relief funds as well, with its players collecting donations on the street and engaging in other activities. In all, fund-raising was a truly Group effort.

#### Seibu Lions (Inviting evacuees to matches)

The Seibu Lions also did what they could to help as part of their contribution to the local community.

In May and June of 2011, they invited individuals affected by the disaster to attend sponsored matches held at Seibu Dome (currently Seibu Prince Dome) and at the Saitama Prefecture–run Omiya Stadium. The invitation went out to all evacuees affected by the Great East Japan Earthquake staying at municipal facilities throughout Saitama Prefecture

municipal governments and followed up by verifying locations vulnerable to possible disaster.

To ensure that these and other efforts, and the thoughts behind them, would not fade over time, the Group published a special edition of "ism," it's in-house newsletter, titled "What We Can Learn from the Great East Japan Earthquake." It offered a record of damage that resulted within the Group and how people responded on the fateful day, described the various responses, and summarized the reactions of Group employees and their families.