Spring of Integrity

An Introduction to the Sumitomo Group Companies
Welcome to the Spring

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Spring of Integrity

Izumi, literally meaning “spring shop,” is the name of the original Sumitomo commercial enterprise. Like a spring from which water wells up in abundance, the Sumitomo Group is a fountainhead of trust that has flowed in rich abundance in the past and will continue to flow copiously and continuously long into the future.

Sumitomo Trademark

The Sumitomo trademark, a diamond-shaped grid-pattern well curb, derives from izumiya, literally “spring shop,” the name of the original Sumitomo commercial enterprises. According to the ancient Chinese philosopher Mencius, the character for spring (氷, pronounced “izumi”) signifies an abundant and continuous natural gushing forth of crystalline water. A well curb, being a symbol of a spring, was considered an extremely auspicious trademark — not only by Sumitomo but by merchants in general — for that reason and also because in early times the same character also featured in the word for “money.” During the Meiji period (1868-1912), trademarks came to be legally recognized in Japan as an inherent right symbolic of a shop’s “trust,” and when trademark regulations were promulgated in June 1884, Sumitomo applied to the government to register the diamond-shaped grid-pattern well curb as its corporate trademark. The application was approved in June 1885. In April 1913, the dimensional proportions of the mark were formally set, after which Sumitomo became distinguishable from one look at its trademark. Today the diamond well curb is utilized as a mark by all companies in the Sumitomo Group, a pressed symbol of the spirit of trust assiduously built up by Sumitomo predecessors during four centuries.

The Sumitomo Group

Every year large numbers of Sumitomo Group employees visit the Sumitomo Museum of History and Fine Arts in the Shishigatani area of Kyoto and the site of the Besshi Copper Mine in Niihama City, Ehime Prefecture. Sumitomo holds dear to the Confucian precept that we must all recognize the debt we owe to our predecessors, and at Sumitomo we therefore offer our gratitude to all those individuals whose endeavors brought Sumitomo the prosperity it enjoys today.

Sumitomo Masatomo (1585-1652), founder of the House of Sumitomo, started out as a Buddhist priest. The second Sumitomo patriarch, Tomomochi (1607-62), launched a copper smelting business, and during the tenure of the fourth patriarch, Tomoyoshi (1670-1720), the copper mine was discovered at Besshi. "Monjuin Shigaki," a document written by Masatomo, describes the principles for doing business honorably: they functioned as precepts for the House of Sumitomo through the Edo period and then served as the basis for Sumitomo's modernization in the Meiji era. The business philosophy delineated in "Monjuin Shigaki" was manifested through the operation of the Besshi Copper Mine, and it is from related businesses that the various companies in the present-day Sumitomo Group came into being.

In 1946 Sumitomo Headquarters disbanded by order of the General Headquarters of the Supreme Commander for the Allied Powers (GHQ), bringing an end to the financial ties between the House of Sumitomo and the various Sumitomo companies. On the occasion of their breakup, Shunnosuke Furuta, the last Director General, delivered the following message to the companies: "All Sumitomo business operations are interrelated: you are like brothers born of the same parents. Therefore, although you are to be operated independently as separate entities, I hope that you will remain united in spirit, never losing sight of the fact that you are brothers." Each company of Sumitomo Group has philosophy of the foundation in common. They are totally independent companies but in their DNA, share, maintain and pass on the precepts of the Sumitomo Business Spirit: to always act with integrity and reliability, to shun temptations of easy financial gains, to work for the public benefit and in the public’s interest, to repay their inherent debt to the nation and society to plan with a farsighted perspective, to recognize human resources as their most important asset, and to give weight to technology.

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Amid changing times, corporate enterprises are called upon to manage their business affairs based on a solid business philosophy. At Sumitomo, the Business Spirit that lies at the root of all business activities has been nurtured through four centuries. At the core of this spirit are the standards expounded by Sumitomo Masatomo, founding father of the House of Sumitomo, who spent his early years as a Buddhist priest. His precepts long served as guidelines of behavior for the House of Sumitomo, and their influence has extended to Sumitomo’s business activities down to the present day.

“Monjuin Shiigaki”

“Monjuin Shiigaki” is the name of a letter by Sumitomo Masatomo addressed to Kanjuro, a retainer, describing in concise terms the principles for doing business. The letter begins with the cautionary note that the admonitions it contains actually apply not only in matters of business but in all situations. Masatomo then lists four things one should never do: never deal in goods of uncertain provenance offered to you below the normal market price, for they are probably stolen property; never give shelter to, or take custody of goods from, anyone; never serve as a guarantor for others; never buy or sell goods on credit. These warnings reflect the unsettled social conditions of the times, and they serve to encourage soundness in all business dealings and observance of all laws and regulations. The letter then closes with a fifth admonition on how to interact with others: “never lose your temper or speak with harsh words; politely explain your position until an understanding can be reached.”

In this respect, “Monjuin Shiigaki” is not a set of principles directly targeted at the sustained continuation and expansion of the House of Sumitomo or its business operations. It is a document that advocates human diligence and sincerity and aims to promote the development of personal integrity. Through “Monjuin Shiigaki,” Masatomo’s teachings, underpinned by his unique Buddhist thinking and deep faith, have served as the underlying basis of the Sumitomo Business Spirit down to our contemporary age.

Statue of Sumitomo Masatomo

Sumitomo Masatomo hailed from Echizen-Maruoka, in what is today Fukui Prefecture. As a young man he left home and went to Kyoto, where he made the acquaintance of Kugen, the founder of a new sect of Buddhism called Nehan. Masatomo took the tonsure and adopted the priestly name Kuzen; subsequently, he also acquired the title Monjuin. For a time he served as Kugen’s closest assistant, but eventually Nehan was attacked by other sects until ultimately, by order of the Shogunate in Edo (Tokyo), it was absorbed into the Tendai sect. At that juncture Masatomo felt that remaining a member of this sect under the circumstances went against his conscience, and so he maintained his stance of being a Buddhist seeker of wisdom as a self-styled “priest outside the fold”. He opened a shop dealing in books and medicines, items then at the vanguard of commercial enterprise. Finally, in the evening of his life, he retired to Saga.

Paraphrase of “Monjuin Shiigaki”

The following precepts should be adopted not only in matters of business, but in all situations:

1. When goods are offered to you below the normal market price, under no circumstances should you ever purchase such goods, for their origins are unknown and they are probably stolen property.

2. Never give shelter to a stranger, no matter who it might be; also, never take a stranger’s goods into your custody, no matter how innocent they might appear.

3. Never act as a guarantor for anyone.

4. Never buy or sell goods on credit.

5. No matter what someone might say to you, never lose your temper or speak with harsh words; politely explain your position until an understanding can be reached.
“Rules Governing the House of Sumitomo”

Just as DNA determines who we are as individuals, an enterprise’s “spirit” is the DNA that determines its course of business. Japanese corporations in general are longer-lived than their Western counterparts, and the majority possess their own corporate culture—the core of which is their “business spirit.”

“Business Principles” (Rules Governing the House of Sumitomo)

Sumitomo’s Business Spirit was succinctly expressed in a document known as “Business Principles” drawn up in 1891 to serve as the Rules Governing the House of Sumitomo. It listed three principles: the first “placing prime importance on integrity and sound management in the conduct of its business”; the second “allowing for the fortunes of the business to be molded according to the needs of the times and economic considerations, but under no circumstances allowing for the pursuit of easy gains”; and the third averring that “operation of the Besshi Copper Mine is of vital importance to the House of Sumitomo.”

These rules were not drawn up suddenly in the late 19th century. Saihei Hirose (1828-1914), the first Director General, led the way in setting forth Rules Governing the House of Sumitomo in 1882—rules which he stated were compiled through discussions with members of the House of Sumitomo based on good rules practiced for over 250 years and modified in consideration of current trends and moral obligations. The Rules Governing the House of Sumitomo thus embody the business spirit passed down from the days of Sumitomo Masatomo, the founding father, and the “Business Principles” constitute the nucleus of their intent. In 1928, because business operations had expanded beyond their core at Besshi into various directions, the “Business Principles” were redrafted to include only the first and second of the original principles of 1891. This is the form in which they have been passed down to all Sumitomo Group companies today.

“Placing prime importance on integrity and sound management” is clearly indispensable for any business enterprise. Few, however, are the number of enterprises—which inherently exist for the purpose of pursuing profits—that espouse a vow to shun “the pursuit of easy gains.” In Sumitomo’s embrace of a moral obligation to serve society lies the quintessential core of the Sumitomo Business Spirit.