

PRELIMINARY PROSPECTUS.

A proposal was made in the early part of May last to establish in Yokohama a Brewery on a well appointed and complete yet not extravagant scale. The proposal, with the grounds upon which it was based, was submitted to a few gentlemen for examination, with the result that subscriptions to the capital to extent of about two-thirds have been promised, and it is now considered advisable to communicate the substance of the scheme to all likely to be interested in its promotion.

The promoters have acquired sufficient insight into the affairs of the late Spring Valley Brewery to enable them to form a trustworthy opinion as to its success during the first years of its establishment, the profit made, and the causes which led to its decline, failure, and eventual sale under a decree of the United States Consular-General Court; and they have come to the conclusion that the circumstances, instead of being discouraging, warrant the belief that even the Spring Valley Brewery, if it were in existence, under a new management, could be worked at considerable profit now; and at greater advantage in the future for the reasons shortly stated as follows:-

1.-The approaching revision of treaties (likely to be completed within a measurable time), will probably confer these benefits:-

- (a) Mixed residence in and out of settlements.
- (b) Permission to foreigners to travel and trade in the interior of Japan under passports.
- (c) The augmentation of the tariff which will impose on imported beer a duty of 25 to 30 per cent. ad valorem.

The first concession will remove the difficulty heretofore experienced of realizing property situate in any of the foreign settlements. The second will permit this or any other firm to establish agencies in all large cities and towns of Japan; and to keep commercial travellers in the country canvassing for orders. The third will place imported beer at a considerable disadvantage with beer of reasonably good quality produced in Japan; and must tend to reduce on a large scale the importation of beer now valued at an average sum of \$100,000 yearly on which the present duty is less than 5 per cent.

- (d) The removal of restrictions upon partnerships between Japanese and foreigners, by which, should it be advisable, Japanese may be induced to take an interest in this company to the material extension of its operations.

2.-The tendency in Japan to a radical change in diet; to the consumption of animal food and bread ; and to the almost certain large increase in the use of beer if it can be

procured sound and even in quality at prices within the reach of the majority of probable consumers.

These considerations all point to the future as full of promise for the success of an undertaking of this character ; but the promoters prefer to confine their attention to what they believe to be practicable by competent management of a respectable brewery.

- (a) They will engage a respectable practical brewer either from England, Germany or United States as may be decided upon; at a salary sufficient to enable him to maintain a suitable position.
- (b) The acquisition of the land formerly used by the Spring Valley Brewery, which from its area and formation presents many advantages, the most important of which is a spring of pure water of great, almost indispensable, value to a brewery.
- (c) The preparation of designs for buildings, suitable for the plant required, by an architect of special knowledge in London or elsewhere; and the purchase of the latest and most improved plant and steam advisable.
- (d) The disposal of the product of the brewery will be facilitated by the nomination of active agents wherever advisable.

To carry out these plans an expenditure will be incurred for land, buildings, plant, packages, carts and horses, &c., allowing a wide margin, of \$25,000. The building will be constructed here upon the home made plans, under architectural supervision, with the view of securing a moderate premium for fire insurance.

The capacity of a very ordinary plant is capable of producing in eight working months (operations suspended during June to September), 2,160 hogsheads, or 116,640 gallons net.

The cost of production of this quality of beer, based upon carefully detailed estimates, is:-

Establishment expenses, inclusive of 10% and 7 1/2% allowance for depreciation on buildings and plant respectively.....	\$11,150
Material for brewing.....	<u>17,496</u>
	<u>28,646</u>

Or \$0.2456 per gallon.

The selling prices for inferior beer in Japanese breweries may be taken at 50 sen per gallon; the Sakurada Brewery's price being 20 yen per barrel of 36 gallons, or a little over 55 sen per gallon.

Upon the assumption that sales can be effected of the whole quantity produced at 40 cents per gallon, the proceeds will be..... \$46,656

Leaving a net profit of 51 per cent. on a paid-up capital of \$35,000.

There are sufficient reasons for believing this result to be within the real outturn; and there is evidence that a larger proportionate profit was made by the Spring Valley Brewery.

Upon the foregoing grounds a Company has been proposed and supported.

CAPITAL.

350 shares at \$100 each.....\$35,000

(WITH POWER TO INCREASE TO 500 SHARES OR \$50,000.)

On application\$10 per share

On allotment\$10 " "

Balance as required in monthly calls not exceeding\$20 " "

Capital already subscribed\$25,000

" open for subscription\$10,000

This prospectus is communicated privately for the time being; and those gentlemen willing to accord support to the movement are invited to advise the undersigned on or before the 6th July next in order that notice may be given of the first meeting for the discussion in detail of the matter now presented.

Gentlemen unable to be present at the meeting may appoint proxies.

W. H. TALBOT,

Secretary pro tem.

Yokohama, June 26th , 1885