

1893 September 20thDirectors Meeting held at the Brewery officesNo.123 Bluff Yokohama at 3.30 p.m. on Wednesday 20th September 1893Present: Messrs. J. Dodds (Chairman), H. Baehr, D. Fraser, T. B. Glover,

W. Gordon, and (by invitation) M. Kirkwood.

➤ Title Deeds of Landed PropertyTitle Deeds of Landed Property

A question having arisen as to the payment of Ground Rent on Lot No. 105 B the Title Deeds were referred to and it being found that they had not been properly transferred to the Company it was determined to take the necessary steps to have them put in order.

➤ The Minutes of Meeting of 6th SeptemberThe minutes of Meeting of 6th September were read and approved.➤ Increase in Price of Beer and Keen Competition of Sales

Increase in price of Beer The Chairman read the Secretary's memorandum of interview of 8th instant with Mr. Isono and remarks thereupon by the various Directors. The Secretary's letter to Mr. Isono of 14th September and memorandum of interview with him of 19th were also read. After some remarks as to deferring the date of increase of price in Osaka having regard to the Keen Competition there and the Strong opinion among Japanese Shareholders, Mr. Baehr spoke of an idea of giving Mr. Isono an allowance in cash to make up for the increase in price at Osaka – Mr. Gordon remarked upon its being the case that in every instance of alteration as regards prices we had been compelled to give way to Mr. Isono and make a reduction in his favor. At this stage Mr. Isono presented himself, by

invitation. The Chairman addressing him, said he understood that Mr. Isono was under the impression that sufficient consideration had not been given by the Directors to his opinions. This idea the Chairman deprecated and assured Mr. Isono that every view he had expressed had received their full and repeated consideration. After speaking of the reasons which necessitated an increase in price, the Chairman asked Mr. Isono whether it was the case that he would not object to an increase in Tokyo and neighborhood if prices at Osaka were left as at present and enquired what would in Mr. Isono's opinion be the effect of having prices higher in Tokyo than at Osaka. Mr. Isono expressed regret at having been unable to make known his views sooner than he had done. Much time had been occupied in obtaining information from his Agents throughout the Country. As to raising prices here and leaving them unaltered in some other places he thought that considering the peculiar circumstances of competition, such would be quite justifiable.

In Osaka we had very formidable opponents in the Asahi Company, who were doing all they could against us. They were waiting for us to raise our prices and as soon as we did so they would certainly secure many of our customers. With the Yebisu Company in Tokyo things were different. That Company had already announced a rise of 20 cents per case and although they had not adhered to it absolutely – exceptions having been made in particular directions – they had now nearly established it, and had given notice of a further advance of 10 cents per case. Through these steps they had fallen into some disfavour with the public and were losing trade, whereas Kirin, having made no alteration, was generally more highly thought of. The Chairman, bringing the question back to Osaka asked what would be the

benefit of postponing the advance there until January. Mr. Isono said he went on the assumption that the Asahi Company must ultimately raise their prices and thought we ought to wait a little and watch their action. He felt sure it would be better for us to wait. He said we were now regaining local sales in Osaka, and that the Asahi Company worked only in the west whilst the Yebisu Company had given up their efforts in that neighborhood and confined themselves to the East and North. He wished to impress upon the Directors that though fully admitting the necessity of an advance in prices it was very desirable to consider carefully the time and manner of making it in order not to lose sales by frightening away customers. The Chairman said the Company could not forego an advance in Tokyo and Yokohama. Mr. Isono went on to say that the Directors might think an increase of one sen per bottle would make no difference to purchasers but in his opinion it would really make a great deal of difference, because many merchants handle Beer solely for the convenience of their Customers in other articles, and without any profit; and these, as soon as any increase was made would have to work at a loss when of course they would give up the business altogether. If an increase of 40 cents per case was made in Tokyo while Osaka was left unchanged business would be interfered with. Osaka people would ship to Tokyo. With a difference between the two place of 20 cents only it would not pay to do so. Mr. Dodds and Mr. Gordon said this made it appear conclusive that we could not have two prices and Mr. Gordon added that it would be better to sacrifice Osaka than Tokyo, at which latter place, after all, we had our greatest market- to which Mr. Isono said that the wideness of our field of operations was a great advantage generally and that he would not like to lose ground anywhere.

The Chairman finally asked Mr. Isono what, under all the circumstance he would propose to do – to which Mr. Isono replied vaguely that we ought to persevere as we were doing for 3 months more. The Chairman reminded Mr. Isono that it was already nearly 3 months since he had been informed of the intended increase and that we were now still in the same position as we were then. Mr. Isono said he thought we were in a better position as regards increased sales to which the Chairman replied that it was little good increasing sales unless at a profit and again asked Mr. Isono whether he could make any definite suggestion. Mr. Isono said we could raise 20cents per case in Tokyo now and a further 20 cents when possible but by all means we must keep our hold on our customers. Mr. Baehr enquired whether Mr. Isono would be willing to make good to the Company out of his Commission half the loss which would result from continuing business at Osaka at present prices. Mr. Isono replied that he would be ready to contribute towards “a sustenance fund” if he had been making a profit in Tokyo and Osaka, but he was not doing so – as witness his having to borrow money from Company in aid of his depots at those places. After being further pressed to give his opinion as to the course to be followed, Mr. Isono repeated that we might raise 20 cents per case in Tokyo now, and take time to judge when to go further. A suggestion was then made that prices be increased thus:-

<u>In Tokyo:</u>	20 cents per case from 1 st October 1893
and a further	20 " " " " 1 st January 1894
<u>In Osaka:</u>	20 " " " " 1 st January 1894
and a further	20 " " " " 1 st April 1894

and on this being propounded to Mr. Isono he at once, apparently with great

cheerfulness, stated that he could quite see his way to work on that basis, and added that if he were allowed his discretion he might be able to make the second increases sooner than on the dates mentioned. He would be quite willing to undertake that, while the different prices for Tokyo and Osaka ruled, his orders for the latter place should not be more than one third of his total purchases. Mr. Isono then withdrew, having first tendered his thanks to the Board for having invited him to the meeting and allowed him to express himself there.

Some discussion followed which resulted in the Directors deciding to adhere to the increases resolved upon at their last meeting but with the modifications mentioned above as regards date.

➤ Trouble with Heckert and Gibbs Settled

The Chairman reported that he had written to Mr. Heckert and issued notices to the staff as arranged and that the difference between Mr. Heckert and Mr. Gibbs had been satisfactorily settled.

➤ New Machinery

New Machinery

An estimate, which had previously been circulated, was submitted showing a total of \$5000.00 and after some remarks from the Chairman emphasizing the necessity of the expenditure the estimate was approved and it was decided to order the machinery forthwith.

The meeting then closed at 6 p.m.

James Dodds

Chairman