

## 1898 February 2<sup>nd</sup>

Minutes of Directors' Meeting held at the Brewery Office at 2 p.m.

on Wednesday, 2<sup>nd</sup> February 1898

Present: Messrs. W. Gordon, J.D. Hutchison, W.R. Bennett, O. Haynemann

The Minutes of the preceding Meeting were read & confirmed.

➤ Claim on the Equitable Life Assurance Society

Claim on the Equitable Life Assurance Society The Society's forms regarding the death of Mr. Isono which had been received from Mr. Kiene and submitted to the Directors at the preceding Meeting-having been forwarded to Mr. Glover in Tokyo, that gentleman at considerable trouble obtained the statements of the Medical Attendant and the Undertaker and the signatures to these together with his own on a statement by himself were sworn to sealed and attested at the American Legation in Tokyo. The Chairman having made a similar statement on behalf of the Company-as Applicants under the Policy and proven to at the British Consulate explained that he had forwarded those under cover of a letter to the District Manager (Mr. Kiene) together with the Policy and Dr. Sewaki's Certificate of Death. – This letter & Mr.Kiene's acknowledgment as also a subsequent letter from Mr. Kiene were now read. It appeared from the latter that Mr. Kiene considered the statements unsatisfactory as not being in duplicate and as omitting to mention the fact that Isono had possessed two residences. These objections were considered by the Directors to be frivolous and vexatious in the extreme and it was resolved to apply direct to Mr. Hamilton, General Manager for the East in Shanghai – the Chairman undertaking to draft a letter to this effect.

➤ Purchase of the Lot Next to Watt's House

Purchase of the Lot next to Watt's House It being recommended and as it would be desirable to possess this lot in the event of the adoption of the Brewery Extension Scheme, enquiry was made as to how purchase could be effected. The lot, it was thought, belonged to Dr. Gert's Estate, and Mr. Bennett, who was investigating the matter, announced that some caution might be necessary – Mr. Woodruff was engaged on the matter and expected to hear in a day or two how best to proceed.

➤ Mr. Diack, Architect

Mr. Diack, architect, now entering the room, he was invited to join the Meeting. To a question put to him as to whether or not the "Germania" people had a plan of the lot under consideration he replied in the affirmative. He further added that it would be of great value to the Brewery.

➤ Question of New Cellars

Question of New Cellars In connection with the question of increased cellarage a drawing received from the "Germania" people was now laid before the Directors. It represented (1) ground plan for 3 cellars with medium-sized vats- being the same as that made out by Mr. Diack and sent home for examination, (2) ground plan of 2 cellars with larger vats- this being a new plan submitted by "Germania". A discussion arising as to their relative advantages, Mr. Diack gave his opinion that the storage capacity of the larger cellars was not to such an extent superior to that of the smaller as to warrant a departure from the original scheme and on direct enquiry by Mr. Bennett recommended adherence to original plan for 3 cellars with medium vats: he however recommended that preparations should be made in the wall of the

outward cellars for building and connecting with 2 more extra cellars if required- this being calculated greatly to lessen the expense, if such should afterwards be decided upon.

➤ Mr. Heckert. Chief Brewer

Mr. Heckert. Chief Brewer was now invited to attend. Regarding the Cellars he (Mr. Heckert) admitted that something might be said in favor of larger cellars and that he had before given an opinion in that sense, but added that on further consideration he would advise adherence to original plan. The storage capacity would not be very much greater and his men would then have two sizes of casks to handle instead of the small size they were now accustomed to. This, confirming Mr. Diack's recommendation it was resolved to carry out the original contract and first plans recommended by Messrs. Diack & Heckert. Mr. Haynemann was then instructed to telegraph "Three Cellars" to his Hamburg friends.

➤ Water-Supply

Water Supply Mr. Heckert in a letter to the Chairman dated 7<sup>th</sup> August 1897 having said that the water supply was sufficient for an annual output of 1,000,000 gallons of Beer, the question was put to him direct and he confirmed that letter and statement, and further added that he was quite convinced of the correctness of that assertion. In answer to a further question as to the possibility of handling an output of 1,000,000 gallons per annum on there being sufficient storage capacity for about 250,000 gallons, Mr. Heckert stated that such an output could easily be handled but an additional cellar would still be necessary for pitching the casks.

➤ Mr. Diack & Mr. Heckert

Mr. Diack & Mr. Heckert were here thanked for their kind attendance and then left the Meeting.

➤ Infringement of “Kirin” Trade Mark

The Chairman then said that before taking up the subject of further enlargement of the Brewery, which would be the next question before the Meeting, he would refer to a conversation he had that morning with Mr. Masujima and as it mainly had reference to further securities from the Local Agents it might be well if that matter were considered. –

Mr. Masujima first referred to a case of Infringement of “Kirin” Trade Mark and said that four men had been tried for this. Three of these were insolvent but the fourth possessed property to the amount of about Yen 200 after slight discussion it was thought that if this amount was obtainable it might be as well to take the necessary measures to get it as offering some compensation for any loss that the Company might have sustained.

➤ Masujima on the Question of Future Security

Masujima on the question of future security The Chairman in relating the conversation he had with Masujima on this subject said that Masujima was disposed to regard the present arrangement as temporary, being naturally unwilling to remain for an indefinite period security for our accounts. Isono, it seemed, had died “well off” and Mr. Yonei on behalf of his estate was prepared at once to put up \$25,000, so that the Company had no cause for alarm. As regards future securities Masujima spoke of a possible arrangement by which a part of Meidiya’s commission- which at present amounts to about \$20,000 a year might be retained by the Company &

invested in government bonds or other stock. These securities would of course be held by the Company. The Chairman gave it as his opinion that some such arrangement was practicable and might be made.

The Chairman said that Mr. Masujima further informed him that Mr. Tsuchiya of Kobe (The Agent for Meidiya there) was also willing to aid in granting some security, most probably in the shape of property and if the Directors would care to give that their consideration the Company might nominate their own trustee to hold it for them. Mr. Gordon said he had informed Mr. Masujima that the Directors were holding a meeting that afternoon and that his views would be laid before the Board and added that he thought the Directors had now some practical basis to work on.

After a short discussion it was agreed to leave the matter open for a little consideration.

➤ Brewery Extension

Brewery Extension The Plan of the proposed extension as supplied by the Germania Fabrik of Chemnitz through Messrs. Carl Rohde & Co was now laid before the Directors and the consideration of this subject was again resumed. Mr. Gordon thought that they had got to that point now when it was necessary to decide one way or the other and pointed out that some of the objections previously entertained had been either settled or laid to rest. Mr. Heckert's assurances were strong and confirmatory as to their being plenty of water. The Agent's credit has been proved to be good and there were guarantees for the present with the promise of material guarantees for the future. The business was growing and increasing and Mr. Lay had just informed him that the total sales for the month of January just closed were

27,600 gallons against about 16,000 gallons in January of the previous year.

There remained the question of Finance:- and if the Directors were now in favour of extension this could be taken up & discussed after they had come to a decision. – Mr. Bennett said that the position generally had altered considerably since the question was last before the Board and in view of that he was now prepared to vote in favor of Extension. After a short discussion on it being put to the Meeting it was unanimously agreed to adopt the proposed plans of extension.

➤ Finance

Figures were now gone into and taking the cost of New Cellars already contracted for, together with Mr. Diack's estimate of the cost of further new buildings and The Germania's statement of cost of necessary new plant and machinery with the freights duty & thereon added- it was found that the amount considerably exceed what Mr. Gordon reckoned when he made his original proposals last August. The Chairman then briefly outlined another scheme for raising the necessary funds. At present Capital & Reserve stand at \$150,000 & \$75,000 respectively and this year's profits of the Company will amount to, say, \$120,000 to \$130,000.- of this profit the Chairman proposed to plan \$75,000 in March next to Reserve and similar sum in March 1899 out of the profits of the next year- giving a total of \$225,000.- Further by the issue of 1500 new shares at \$150 each the sum of \$225,000 would be realized and by putting \$150,000 of this to Capital and \$75,000 to Reserve, the Company would then possess a Capital & Reserve each of \$300,000. Exception was taken to this scheme by Mr. Bennett on the ground that with such a Capital & Reserve our limited rights as regards issue of debentures

gave an undue advantage to the present debenture-holders: it was pointed out, however, that the Company could easily apply to have its right extended – which would very improbably be refused to a Company possessing a Capital of \$300,000 and a Reserve of the same amount. The Chairman said there might be other & better schemes or plans for raising the money but did not anticipate any trouble in getting the required amount if or when we applied to the Share-holders. After some further discussion it was thought advisable before committing themselves to any definite scheme of finance to further consider the subject and on the suggestion of Mr. Hutchison it was decided that before putting the matter before the shareholders the Directors should first agree to something definite amongst themselves.

The Chairman invited further proposals and suggested that they should be put in writing and circulated so as to give a little time for their consideration.

The Meeting then closed at 3.15 p.m.

W. Gordon

Chairman