

SPEED スピード
CHALLENGE
HUMAN 挑戦
RESOURCE ひと

Commemorating 75th Anniversary of Company Foundation



Mitsuru Kaneko

President

I would like to take this opportunity to comment on the publication of this Tohatsu history on the 75th anniversary of the company's foundation.

The 75 years since Tohatsu began with the establishment of Takata Motor, have had a history of challenges generated by our excellent predecessors to realize their dreams.

It is not exaggerating to say that Tohatsu's three - quarters of a century is a result of faithful patronage and the continuous support of all our customers.

The 75th anniversary might be just one point in the long history of Tohatsu, but we would like to pay our sincerest respects to those before us who strove so tirelessly to create what we have today. It was everything they did that makes it possible for us to celebrate this 75th anniversary. We thank them for their tremendous effort forming the foundation of Tohatsu.

"Speed", "Challenge", and "Human Resource" are the keywords for Tohatsu today. Based on the company principles of social contribution and improvement of customer satisfaction, these slogans adopted when I was appointed president, have made Tohatsu workers remember and appreciate the challenges and accomplishments of their predecessors. They also have reminded us how important it is to be flexible about change and to adapt ourselves to international society as fast as it becomes globalized.

Today, as we find ourselves at a stage where borderless social contribution and international customer satisfaction are demanded, we believe it is necessary to have a comprehensive and worldwide point of view to make a much larger contribution in the global market.

As we look at where we are on this 75th anniversary, we must also leap forward to become a responsible worldwide manufacturer with strong company fundamentals.

As we would like to make this 75th anniversary a new starting point for Tohatsu, we determine to be a group of challengers who seek greater accomplishments and to strive for higher corporate values in the worldwide market.

It is our wish that this "75 years of Tohatsu" you are holding in your hands will be a link that strengthens the bonds between you and Tohatsu, and will help you to understand the history of Tohatsu. In closing, we would like to thank you for choosing Tohatsu and ask for your continuing support in the years to come.

20 October 2007

Mitsuru Kaneko

President

Outboard Motors and Fishing Boats

Invitation to a grandblue world.

TOHATSU



TLDI
4-stroke outboard motors
A new generation lines up.
Tohatsu has met the challenge
and blend innovative technology
with traditional features.



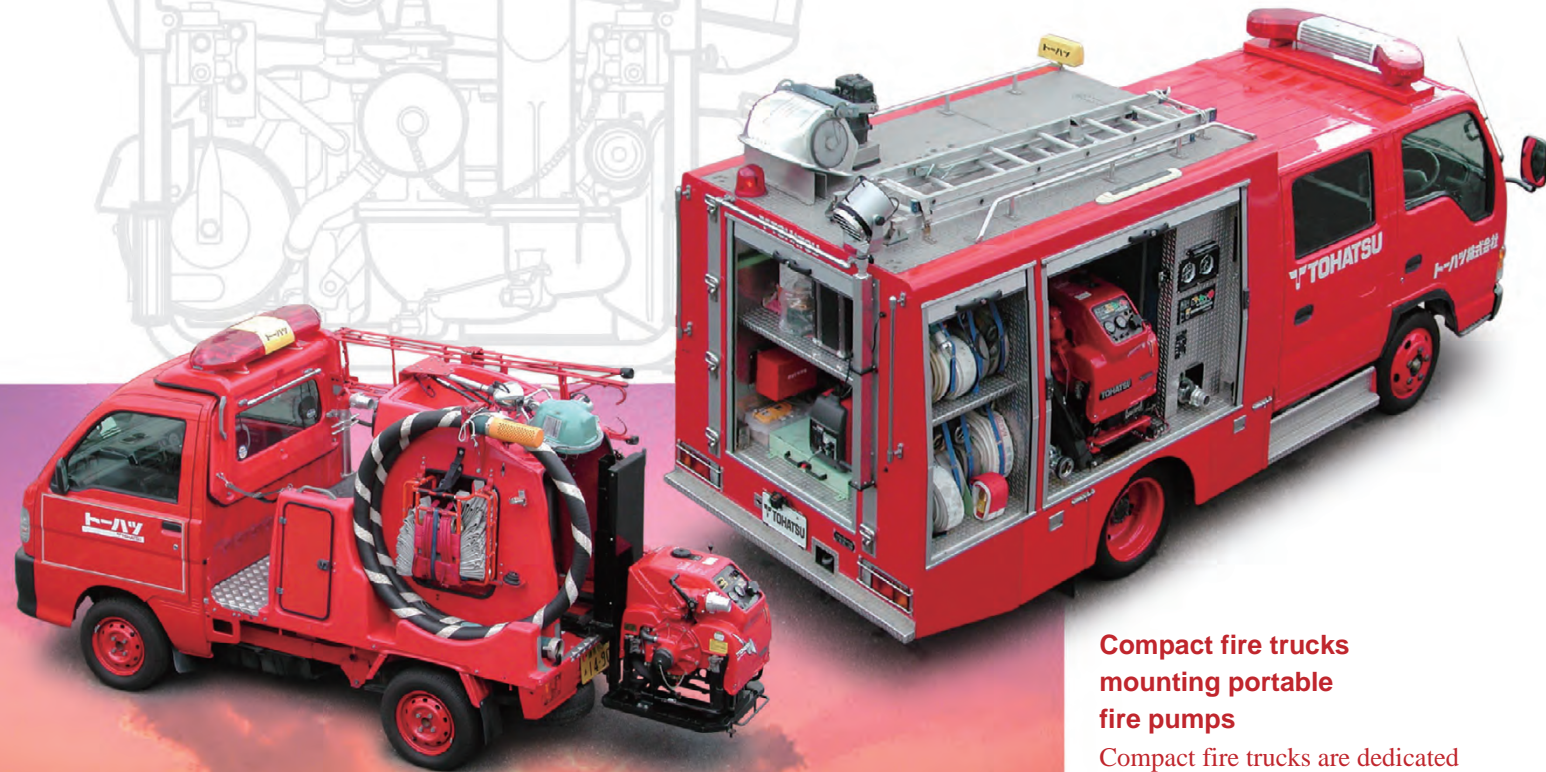
Fishing boat



Reliable and Efficient Fire Protection

Portable fire pumps and compact fire trucks

TOHATSU



Compact fire trucks mounting portable fire pumps

Compact fire trucks are dedicated to fire protection through the voluntary fire services in Japan.



VC series

A full line of portable fire pumps with a range of performance to meet the demands of global fire services.



VF series

With an increase in environment awareness, 4-stroke engine mounted portable fire pumps will play an important role in fire services in the coming decades.

Facilities



Komagane Plant (Tohatsu Marine Corporation) is equipped with latest machines and is located in a mountainous region with beautiful, green surroundings



Tohatsu Technical Development Department: ongoing research and development for the next generation



Old Tokyo Plant

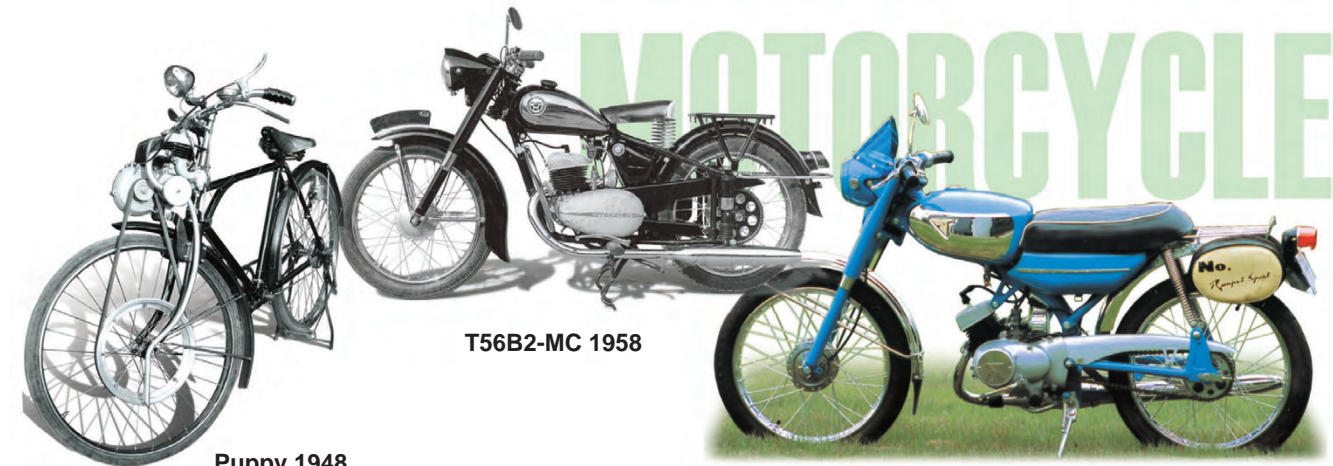


Saitama Plant



Tohatsu Headquarters: department of sale/ service/general affairs/financial affairs

Tohatsu's best sellers



Puppy 1948

T56B2-MC 1958

CA2
(Photos provided by Yaesu Publishing)



0B2B

B12A2

M16A2

M70A2

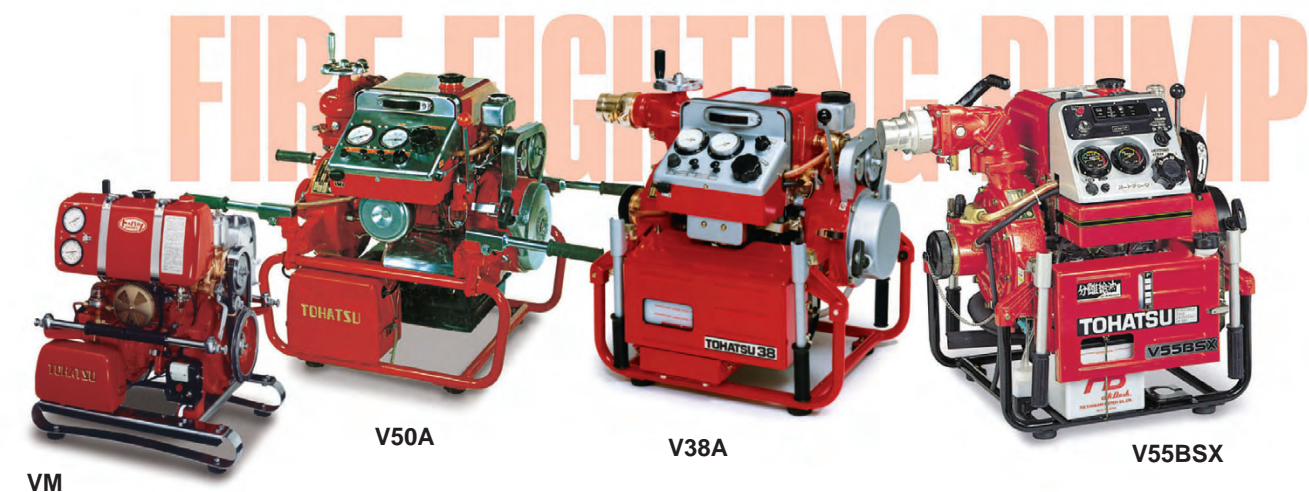
M60A2

M35C

M140A

MFS30A

MD50A



VM

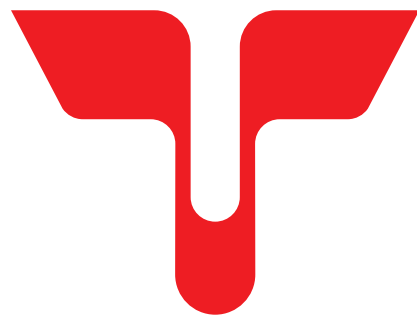
V50A

V38A

V55BSX

Our Corporate Philosophy

Based on “Customer Satisfaction”, Tohatsu has always strived to make a contribution to the society to fulfill its corporate social responsibility. Since its foundation in 1922,



Tohatsu has always believed that a social contribution is one of the most significant requirements for a company, at any time and in any place. The logo, with its winged shape, symbolizes this corporate philosophy. These wings represent, on the right, our desire for the happiness and growth of all mankind and, on the left, corporate development and contribution to the community, both soaring up into the sky, to seek boundless creativity.

75 Years of Tohatsu –A History of Reliability–

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Explanatory note: _____

1. This publication consists of a frontispiece illustration, corporate history, and references.
2. The contents refer to the period up to August 2007.



Corporate History

Chapter 1

Foundation

Dream of Manufacturing Engine, Venture Company Started

1. Masuzo Takata's ambition

■ Foundation of Takata Motor Research Institute

In April 1922, Takata Motor Research Institute, the forerunner of Tohatsu, was founded by Masuzo Takata. Takata was born in Gifu city, 300 km west of Tokyo, in 1894. Majoring in mechanical engineering at Nagoya Technical High School, he worked at a power plant in a gas company, a steel plant, and other workplaces after graduation. Making best use of those experiences, he had an opportunity to organize a "Department of Airplane Development" in Toba Shipyard in 1921. There, Takata researched and developed aircraft and designed small cars, using the latest technology. However, as a result of the Depression, Toba

Shipyard was forced into bankruptcy and, unfortunately, Takata had to leave, taking 3 co-workers with him to Tokyo. He was 28 years old by then. In Tokyo, he visited his old friend Ginji Takei. Takei was a military man who had been born in 1874 and had served as an army captain during the Japanese-Russian War. After retiring from the army, he worked on a pioneering project in Mexico and met Takata through a mutual friend. Highly impressed with Takata's technical knowledge of engines and pumps, and his strong drive to see projects through, Takei had long been waiting for an opportunity to commercialize Takata's great workmanship. As soon as he heard of Takata's unemployment, he invited Takata to Tokyo.

It was a combination of two men that founded Takata Motor Research Institute; Masuzo Takata

with a strong desire to research and introduce new technology into the world, and Ginji Takei with a willingness to support Takata and to encourage his strength.

The new institute was located in the middle of Tokyo and its main operation was researching and manufacturing engines and irrigation pumps.

■ Generator-run water pump improved the lives of people in Tokyo

On September 1st 1923, two years after its foundation, Takata Motor Research Institute was forced to move its office to Bunkyo-ku, Tokyo due to a fire caused by the Great Kanto Earthquake. Motor-run irrigation pumps were produced there and supplied to Tokyo Communications Bureau (Japan Post today), Tokyo City Hall (Tokyo Metropolitan City Hall), and Tokyo Electric (Tokyo Electric Power). These organizations provide essential services to people in Tokyo today. The 2-year-old company was praised for its technology which led to an improvement of infrastructure in Tokyo.

■ Reorganized; "Takata Motor Enterprise"

In 1925, as the company began to grow, Takata Motor Research Institute was reorganized and

renamed "Takata Motor Enterprise". As a result of a favor from Mr. Kenji Yamagata, who was the manager of an electric engineering company, its new office was located at his workplace. Takata Motor Enterprise took off at the new place. The Initial "Y" in the trademark of Takata Motor respectfully represented the Mr. Yamagata (as shown at the bottom of this page). The hexagonally-shaped trademark was used until the end of the WWII in 1945. In 1927, as Mr. Yamagata's business was in a slump, Takata Motor Enterprise, moved back to its original location.

2. Military demand in wartime

■ Releasing motored rail track car first in domestic market

In the early Showa period, everything was leading to the Pacific War. During that time, Takata Motors Enterprise was improving the lives of people in Tokyo with irrigation pumps operated by engines. As the War expanded, however, the factory lines were shifted to the manufacture of products for military use to meet the growing demand of the War.

In 1927, 1st domestic motor-driven railway car, the MF-70A, was produced for the Japanese



Takata Motor Enterprise trade mark

Government Railways, and received an award for excellent domestic merchandise. MF-70A carried 2-passengers and had 3-gears.

In 1928, a motored rail track car was produced and delivered to Japanese Government Railways for the Emperor's coronation and, later, many of this model were distributed throughout Japan. This product was also awarded as excellent domestic merchandise.

From 1928 to 1929, Takata Motors Enterprise test-produced a generator for radio communications for field battles, commissioned by army. This generator was recognized for its excellent performance by the Ministry of Arms, and mass production began. This was the beginning of military industrialization.

As the number of units produced increased, Takata Motor Enterprise moved its plant to Shinagawa-ku, Tokyo in 1930. There were 25 workers at that time. In the same year, Takata Motor Enterprise had delivered large number of portable generators to the Ministry of Rail Roads.

This Tokyo Plant was handed over to Nippon Carburetor Manufacturing Corporation (NCCM), founded in February 1932.

NCCM had started to manufacture carburetors in order to meet the large demand. Its actual

technology was provided by Takata Motor Enterprise while the manufacturing license and distributorship were given to NCCM.

■ **Manchurian Incident; Takata Motor delivered huge amount of radio generators to army**

The kick-off to the Pacific War, also as known as "The 15-year-war", was triggered by the Manchurian incident in 1931. In that year, Takata Motor Enterprise had delivered 1 kW radio generators to the Japanese Army Engineering Corps. It was the battles in the Pacific Ocean and Europe during WWII which were marked as the beginning of mechanized war. During the Manchurian Incident, as the preparation for mechanized military had been expanded, Takata Motor; whose 2-cycle engines were highly valued as one of the most excellent military equipments, received a large number of orders for motor generators and logging machines.

■ **Incorporated as joint stock venture, "Takata Motor Manufacturing Corporation" developed first outboard engine for domestic market**

On the 20th of October 1932, Takata Motor Enterprise changed its status from a private company to "Takata Motor Manufacturing Corporation", with a capital of five hundred thousand yen. Fujii Ginji was nominated as the president, and Takata became a director. Both of them were major shareholders, having 4,000 shares each. Thus the 20th of October is the founding date of today's Tohatsu Corporation.

In 1935, the first outboard motor, 2F-50, was developed. The outboard motor was called the "Sosenki" by the Imperial Army and the "Gengaiki" by the Imperial Navy. This was designed to be mounted on the stern of a small boat. 2F-50 was a 2-cylinder, 2-cycle, engine which produced 3-horsepower.

3. Renewed, "Tokyo Hatsudoki" made progress in wartime

■ **Tokyo Plant moved to Shimura-cho**

As the war deepened, the range of the products which Takata Motor manufactured gradually

increased. Needing for larger premises, a new plant was built at Shimura-cho, Itabashi (currently Azusawa) in 1937 and the whole factory had completed its relocation by the end of the year. It was an invitation from the people who lived in this undeveloped area at that time which had led Takata Motor to build a plant in their 6,281 m² ground.

■ **Renamed "Tokyo Hatsudoki Corporation"**

In May 1939, the company name was renamed "Tokyo Hatsudoki Corporation". Masuzo Takata, an executive director, was the only person who stayed as a board member; all the other members changed. Gunshiro Mochizuki, who had worked for a securities firm, was nominated as the new president, and financial giants were brought in as executive officers.

As shown by the visit of Prince Asakanomiya for looking at production lines, Tokyo Hatsudoki Corporation had grown into a top military plant in Japan. Prince Asakanomiya served as the Head of Household Division for the Upper Military House officers and also the Army General.



MF-70A



Generator for radio communication



Entrance of the old Tokyo Plant



Visit of Prince Asakanomiya

- Nominated as Army - Navy cooperative plant, Tohatsu became the sole plant for small gasoline engines in domestic market

A year before prince Asakanomiya's visit, in 1938, national mobilization law, which enabled the then government Konoe Cabinet to mobilize all manpower and material resources for the all-out war, was enforced. This was the time when everything Japan was dedicated to "the elusive victory".

In 1940, Hatsutaro Akashi was selected as new president and, in April, the plant was nominated as an Army and Navy cooperative and supply managing plant. As the sole domestic military plant for small gasoline engines, the production lines were accelerated and output greatly increased.

This was the time that Tohatsu experienced the greatest growth within in the 18 years since its inception.

The main military products at that time were vehicles, power switches for radios, power switches for anti-aircraft radios for Army aviation headquarters, power supplies for lighting in air stations, power supplies for naval radios, and 10 or

30-horsepower engines for landing craft, etc.

- New Okaya Plant built as war expanded

On 8th of December 1941, the Japanese Naval Force made a surprise attack on US Naval Pacific Fleet in Pearl Harbor, Hawaii, leading to the Pacific war. As it met rapidly increasing demands from the military, Tokyo Hatsudoki was multiplied its capital up to three million yen by February 1942.

In the following year, anticipation of aerial attacks on Tokyo had forced Tokyo Hatsudoki to move to a new location. Increasing demands for a greater volume of military products and a requirement for maintaining and delivering such products securely in wartime were other main reasons for the plant movement. Once the decision was made to build a new plant in Okaya, Nagano, approximately 200km from Tokyo, Tokyo Hatsudoki bought 99,174m² land and started its construction the same year.

One plant, two warehouses, and a temporary office were constructed. In that year, Masuzo Takata, one of the original founders, had taken over the presidential post from Hatsutaro Akashi.



Okaya Plant

Chapter 2 Growth

Appraised as Excellent Company, Tohatsu Supported Recovery of Post-war Japan

1. Tohatsu took the initiative in engine development for public use in post-war period

- War ended, military plant ceased mission

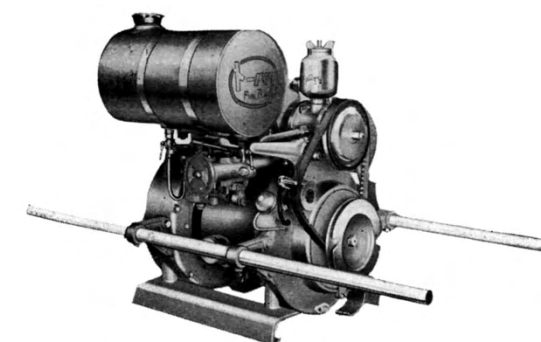
On the 15th of August, 1945, Japan surrendered unconditionally to the Allies, and the Pacific War and WWII came to an end. The damage wreaked by the atomic bombs on Hiroshima and Nagasaki was something that no-one had ever experienced before. The Great Tokyo Air Raids on the 10th of March in the same year were also devastating. U.S. had tried to wipe out the Japanese military industry by dropping fire bombs, targeting a Tokyo urban area, leaving more than 80,000 civilians dead and one-third of Tokyo burnt.

While most of central Tokyo had been razed

during the raids, fortunately Shimura, Itabashi-ward where Tohatsu's main plant was located was not damaged at all. As the War ceased, Tokyo Hatsudoki was ordered to stop manufacturing products for military uses, cancelled its nominated duty as a military plant. 1,500 employees at the plant in Tokyo, and 300 employees at Okaya Plant temporarily lost their job as a result of the cancellation. The plants were closed at the end of August, and people were left waiting for the recovery.

- Overcoming the grief of war, Tohatsu introduced motor-run rail track cars and engines for fishing boats

The recovery of Tokyo Hatsudoki was quicker than expected. As most of the Japanese people



10-horsepower pump made in around 1952

made a strong comeback from ruins of war, Tokyo Plant started to prepare for new operations by the end of 1945, and was revived by January 1946.

As soon as the reorganization of the plant and the maintenance of the manufacturing lines was complete, Tokyo Hatsudoki began to manufacture manual grinding mills to help alleviate food shortages. There was a stockpile of half-finished goods from the war, and to make use of those unassembled parts was one of the top priorities in the recovery plan.

First project was restarting the production of 15 horsepower rail track cars for Japan National Railways, which had been temporarily discontinued during the war.

This 2-cylinder (air-cooled, 4-cycles) horizontally opposed engine for motorizing the rail track cars of Japan National Railways had played a big role in the post-war reconstruction of Tokyo Hatsudoki until the orders were halted by GHQ's (General Headquarters of the Allied Forces) anti-inflation economic policy of national budget-cutting.

Another part of the project was to develop engines for fishing boats. As the sales of those engines reached 70 units per month, its great reputation was spread by word of mouth, leading

to it sometimes being out of stock. Tokyo Hatsudoki also began manufacturing a multi-purpose engine (an air-cooled, 2-cycle, 3-horsepower: TBF-60) and a water pump (VA-70).

■ Development of Nation's first portable fire pump

In 1949, Tokyo Hatsudoki developed first small portable fire pump (VC-50, engine TBF-60, 3.5-horsepower). This was made by modifying a VB-type irrigation pump and conformed to the "Standards for Engine Fire Pumps" established by National Public Safety Commission in October 1949.

As you can see from its rapid innovations, it did not take long for Tokyo Hatsudoki to recover in the post-war period.

■ Tohatsu listed on Tokyo Stock Exchange in 5 years after plant resumption

During a board meeting in 1946, Daisuke Akashi was selected as the new president of Tokyo Hatsudoki.

In 1947, Okaya Plant resumed its production lines and the headquarters were moved to Tokyo. In those days, the black market was at its peak as Japan was in post-war chaos. While most of the

leading Japanese companies encountered a lot of difficulties in their operations, Tokyo Hatsudoki, fortunately, was able to make a best use of those half made materials which had been left from the war.

The Tohatsu Industry Corporation was established as an exclusive sales distributor to organize a marketing network, and agencies were located across the country. Branches were placed in Sendai, northeast Japan, in 1948 and in Osaka, current second largest city in the country, in 1949. In September, the capital increased to 15 million yen, and Tohatsu was listed on the Tokyo Stock Exchange in January 1950.

2. Portable fire pump, motorcycles become fundamentals for further development

■ First portable fire pump in domestic market

It was the Korean War which brought first economic growth to Japanese people who up until then had been recycling left-over wartime materials for their daily survival. During the Korean War, Japan made a quick economic recovery.

It was the year between 1947 to 1949, which is actually before that war, that Tokyo Hatsudoki had

developed some remarkable products. These later became the fundamental products of Tohatsu, which would lead further growth.

The first of these products was the portable fire fighting pump which was completed its development in 1949. It was finalized by changing the design of a VB irrigation pump, decreasing the volume of water discharged, increasing its pressure, and attaching a suction vacuum pump to it. It was Dr. Kiyoshi Tomizuka, a professor emeritus at Tokyo University, known as an authority on aircraft engines in Japan, and then a member of the Fire Research Institute, who paid great attention to the portability of VB irrigation pump and recommended designing a new fire pump using it. This new pump became Japan's first portable fire pump and the first to pass the Official Standards. Since many local municipalities were still using manual fire pumps in those days, this portable fire fighting pump did not achieve immediate recognition by regional fire fighting teams. However, as soon as people started using the new pump, they came to understand how light and durable it was. Once this was recognized, sales skyrocketed.

As fire fighting pump sales also accelerated as a result of advertising and informational activities



VB-3

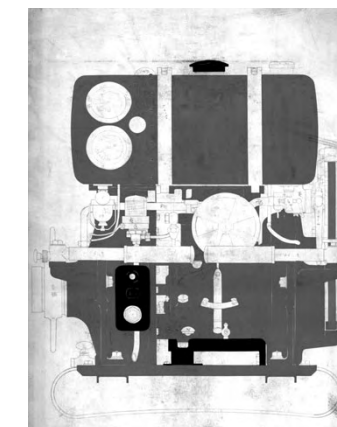


Illustration of VM pump

started in 1951, “VE-50” (in October) and “VF-50” (in November) were finalized.

As a result of their improvements, 12,677 units of these 2 models were sold as “VE Series” over 24 years until 1975, and advanced “VF Series” finally reached its sales of 13,160 units over 10 years. These 2 series played big roles for company.

■ “Tohatsu Bumble Bee” launched

The second product that had a great historical influence on Tohatsu was TFL motorcycle engine. People repaired the engines left on devastated fields after the war, and attached those engines to their bicycles. This new type of vehicle was seen in various places at that time.

At around the same time, Tokyo Hatsudoki had delivered “TFI” and “TFK” engines to the motorcycle manufacturers. These engines were made from “TFG50 78cc”, the 500 W electrical generating engine, with a small modification of removing the cooling fan and case as well as attaching clutches and valves.

Soon Tokyo Hatsudoki started manufacturing a package of products as “TFL”, a bicycle-attachable engine with a fuel tank, an exhaust pipe, brackets and cowlings.

This TFL, with its excellent durability, had

become one of the leading models and contributed greatly to the motor cycle industry.

Normal bicycles were not strong enough to hold the TFL and they were uncomfortable for the riders. Thus, Tokyo Hatsudoki produced a stronger bicycle to specifications given by the supplier, which would be robust enough to attach the engine to. Tokyo Hatsudoki packaged those tough bicycles with TFL, and started to sell them at their branches and dealers around 1950. That package, named “TFM” and called “The Tohatsu”, dominated the market.

The demand for motorcycles began to increase tremendously in the summer of 1951, and this was when the full-scale changeover from engine-attached bicycle to motorcycles. Tokyo Hatsudoki designed the new TFP, a 98cc engine with integrated transmission and a kick-start. This motorcycle with 98cc TFO 2-speed geared engine was named “Tohatsu Bumble Bee” and sold as a luxury model with a correspondingly expensive price tag.

■ Foundation of Research Laboratory;

Tohatsu welcomed Dr. Watanabe

After being listed on the Tokyo Stock Exchange Market in January 1950, “Tokyo Motor

Corporation Research Laboratory” was founded inside Tokyo Plant in May 1951. As a director of the laboratory, Ichiro Watanabe, professor at Keio University, was invited to work on fundamental research in internal combustion. Dr. Watanabe had graduated from the Department of Engineering at Tokyo University. He spent most of his time after graduation on research on the supercharger for aircraft engines during the war.

■ Improvement of facilities in Okaya Plant for post-war period

In the years around 1951, sales for two of then Tohatsu’s main products, motorcycles and portable fire pumps, gradually increased.

It was the first time since the war that the plant facilities were upgraded to meet the growing demand.

The latest equipments such as copying lathes and turret machines, etc. were introduced in the new plant. Okaya Plant, in which TH and PA-type motorcycles were made, was rebuilt and inaugurated in 1935. At that time, this plant was called a “model factory” in Nagano prefecture because of its superannuation.

Also in 1954, Okaya Plant underwent major internal reform; removing its former system of

concurrent directorship with Tokyo Plant, a new independent director for Okaya was appointed.

From that year Tokyo Hatsudoki employed graduates running into doublefigures, and the sales department was expanded.

3. Tohatsu becomes industrial leader

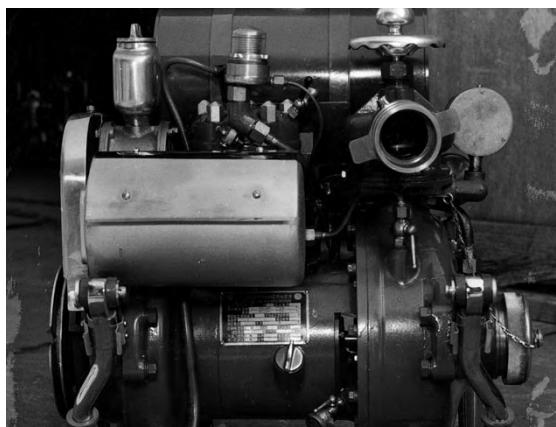
■ Tokyo Plant and Okaya Plant reinforced as preparation for greater development

Tohatsu within 2 years of planning and preparation. From 1953 to 1955, the military procurement stopped when the Korean War ended in a truce in 1953. Additionally, a tight monetary policy, followed by a decline in export goods due to a world-wide production surplus, diminished domestic demand and put the whole industrial world in a slump.

In spite of a sluggish economy, Tokyo Hatsudoki confidentially increased its capital in 1952 and 1953. It carried out an overall reconstruction and investment plan for plant buildings and installation of the latest equipment.

■ Long-awaited release of “Puppy”!

One of the main products in 1953 was “Puppy”



VF-50



TFG-50 (78cc)



Test - driving course



Puppy (58cc: TRF)

(58cc: TRF), a motor-assisted bicycle. “At last, Puppy is released! We thank all the people who waited for this release for a long time” proclaimed an exciting notice in Tohatsu News, the company’s in-house newspaper. “We have received many inquiries from abroad as well and in order to live up to the expectations of people who are waiting out there, we must push ourselves!”

Besides motorcycles, Tokyo Hatsudoki had produced a motor-driven generator of 300VA, FDB motor driven generator (4-cycle, 2.5kVA), and VH 35-horsepower fire pump for the Self-Defense Force. The small pump became the first domestic fire-fighting pump placed on an international ship. Under the Marine Safety Treaty, the pump was placed on the vessel “Koei Maru”, made by Mitsubishi Japan Heavy Industry in Yokohama Shipyard.

At that time, several offices for sales distribution were promoted to branches in Osaka, Sendai, and Fukuoka, and an office was established in Sapporo, the largest city on the big northern island. In 1954, offices were established in Nagoya and Tokyo specifically to expand.

■ Tohatsu, top maker in motorcycle industry

From 1955, Tokyo Hatsudoki had experienced

rapid growth. After the money-tightening deflation policy that influenced in the first half of the year came a consumption boom caused by a rapid increase in exports, which led Japan into a tremendous period of growth in the second half. Expressing it as a “legendary economic boom”, papers told people that “it is no longer a post-war period”.

In that year, Tokyo Hatsudoki had become the leading maker of motorcycles and fire pumps. Motorcycle industry rode the second wave of growth, and the 125cc class became new mainstream. Tohatsu’s “PK-55” with 125cc was a hit, and TH-55 with 200cc and PA-55 (80cc, with automatic variable speed drive, shown on the next page) saw a massive increase in production. The production lines could not keep up with the rapidly growing demand, so the sales department had the very difficult task of distributing stored products to the dealers. “Everyday we were so tied up with convincing dealers to wait for the next delivery” is how the sales department described the situation at that time.

In order to meet the demand, capital was increased to three hundred million yen in the October of that year. A budget of one hundred eighty million yen was allocated for the facility

expansion plan of the Tokyo and Okaya plants in spring of the following year.

The latest high-efficiency machining equipment was installed in Okaya plant, while the newest mechanic tools were provided for Tokyo Plant. A conveyer belt system had also been introduced to the assembly lines of engines and auto bodies in Tokyo Plant.

The chart below shows the annual output in units and share percentages for each manufacturer in 1956.

Manufacturer	Annual sales (units)	Market share (%)
Tokyo Hatsudoki	72,462	35.5
Honda Motor Corp., Ltd.	32,644	16.0
Toyo Motor	16,180	7.9
Mizuho Automobile	8,226	4.0
Showa Seisakusho	7,879	3.9
Others	66,986	32.7
Total	204,395	100.0

■ Going into the outboard market

It has already been mentioned in Chapter 1 that the first outboard motor in the Japanese market had been developed by Tohatsu. After the war, in 1956 OB model outboard, using recycled and modified

TTM inventorial engines from motorized sprayers, was manufactured and sold. Despite its new, stylish design, the market response was relatively quiet.

As matter of fact, there was not much public awareness of outboards at all and people believed that “paddling is faster”. It was not until 1959 that outboard motors began to fascinate people.

4. Battle for motorization

The wonderful year of 1955 did not last long. By 1957, Tokyo Hatsudoki was losing its profits as its sales of motorcycles began to dim. Because 80 percent of its sales depended on motorcycles, once they went into a downfurn, damage was enormous.

Hence, Tokyo Hatsudoki decided to lower its conventional 30 percent dividend payment to 25 percent in June 1957, and by the end of March 1960 it had been gradually lowered to 8 percent. The dividend was finally passed in 1960.

People liked the practical aspects of Tohatsu motorcycles. However, Tohatsu had failed to attract the younger generation, whose increasing demand for road sports motorcycle was on the rise. While other major manufacturers had enjoyed increasing sales by releasing road sports motorcycles, Tohatsu was left behind.



PK-55 (125cc)



TH-55 (200cc)



PA-55 (80cc)



OB (1.5-horsepower)

To catch up with the market, Tokyo Hatsudoki released Runpet CA in 1960, a 50cc road sport-model with an innovative design. This model was recognized as the first Japanese full-scale sports model in its class. Tohatsu released CA2 with a more sporty design, and that model allowed individual customers to readily tune up for the “clubman race”, a then popular motorcycle race. CA2 won almost every clubman race. About 80 percent of the riders in so-called “Scramble Off Road Race” had ridden on Runpet and its exclusive position in the market was a threat to the other competitors. No-one had expected such a great reputation for the machine.

In the 125cc class, Tokyo Hatsudoki launched the first the 2-cylinder model LD3 which with a cutting-edge design, excellent engine performance,

and a new magnesium brake system for front and rear wheels, distinguished itself in the market as soon as it was released. In 1963 an amendment to the traffic laws allowed people to ride motorcycle on the public roads. Tokyo Hatsudoki had sent Bell BC to the market, with the smallest-ever displacement of 35cc. Its unique design (shown below) gave all the ladies a chance to ride on a motorcycle while wearing a skirt. Tohatsu exhibited a lot of innovative models at Tokyo Motor Show that year.

However, even these consecutive releases of innovative models had not had enough power to bring up the company from its lowest depths.

This unfortunate circumstance did not allow Tohatsu to invest in the 4-wheel car market, which was easily predictable as the next boom.



Runpet CA2 (photos provided by Yaesu Publishing)



Bell BC (35cc)



LD3 (2 cylinder, 125cc)

Chapter 3 Recovery

Applied for Corporate Rehabilitation Act

1. Fierce competition in motorcycle market damaged Tohatsu, stock dividend down to zero. Tohatsu corporatized under Fuji Electric Manufacturing Corp.

■ Loss at bottom line, no dividend paid

In September 1960, Tohatsu closed its account with a loss and stock lost its dividend incentive completely. Since then, it had run at a series of financial losses. Despite the excellent quality of its motorcycles, the negative factors-mainly (high rising costs, fierce competition, and a fragile sales network channel) had come together to drag Tohatsu down from its highs.

The sales figures had increased by more than 20 percent in the 4 years from the “most fabulous

year” of 1955, but not only had the actual gross profits had a decline but deficit had also appeared on the bottom line in the profit and loss statement. Rising costs, one of those negative impacts, for instance had had a 10-point increase in 1960 compared with 1955.

At that time, the Japanese economy was thriving. Industry had been rapidly growing in double digits. But on the other hand, as the competition had become more and more intensified, the market had begun to request from manufacturers more than just the technical performance of high-quality engines. Various other attributes, as marketing skills, had also been increasingly recognized as significant requirements for survival in the market. A comprehensive approach to the market was, undoubtedly, imperative.

■ Former executives resigned. Fuji Electric Manufacturing Corp. took over management. Under these circumstances, in December 1960, then president of Tohatsu Akashi and his executive team handed over their management authority to Fuji Manufacturing Corp., who held 16% of the stock. Hidejiro Fukushima was appointed as the new president.

2. Hardworking products highlighted in difficult times

■ Agricultural engine

While its sluggish sales of motorcycles led to the changes in management, Tohatsu had introduced products other than 2-wheeled vehicles into the market.

As it has been mentioned previously, while Tohatsu had taken the initiative in the introduction of fire pumps and outboards domestically, agricultural engines were another of the innovative Tohatsu products that had been introduced to the market. Manufacture of agricultural engines began in 1948 almost immediately after the war. In 1956, to utilize a 2-cycle engine for mechanization in the agricultural market, Tohatsu started developing an air-cooled 2-cycle, 3-horsepower engine as a

cultivator.

In January of the following year, 1957, the micro-mini engine, T42C-2, was released and bulk order from Tohata Corporation received. Tohata Corporation was founded in 1944 in the northern districts of Japan, and it formed a capital tie-up with Tohatsu in 1957. In April of 1958, T60A, an air-cooled 2-cycle, 4 to 5-horsepower agricultural engine was released. Those 2 engines attracted farmers with their great output performance despite their small sizes.

■ Tohatsu outboards swept market

No more than 15 years after the war, outboards made by Mercury, Johnson or other foreign manufacturers were not allowed to be imported into Japan. Foreign currency was not allocated to them. Tohatsu Outboards dominated then Japanese market, as shown in the table on the next page.

All the small and mid-sized outboard manufacturers other than Tohatsu had learned the features and characteristics of foreign-made outboards, and their nice appearance was their selling point. However, a chic appearance was not a selling point for Japanese fishermen, who looked for usability and durability in their outboard motors.

After the food shortage of the early post-war

period was resolved, people started demanding higher quality in food. This necessitated fishermen increasing the speed of their fishing boats in order

Production record of outboard (1959 to 1962)

Manufacturer	1959	1960	1961	1962
Tohatsu	1,983	5,359	9,852	8,566
Yamaha Motor Corp., Ltd.			2,859	4,158
Yamato	734	931	1,042	705
Tokiwa	15	260	438	
Micro	144	31	55	
Kinuta	45	3		

Records from Department of Transportation magazine, "Future of the Outboard Industry" Ministry of Transport

to bring back fresher fish. This in turn led to a new wave of mechanization in the fishing industry. Once Tohatsu and other major manufacturers had entered the outboard market, most of the older, smaller, and mid-sized manufacturers unfortunately went out of business.

3. File for bankruptcy

In February 1964 it was resolved at a board meeting that Tohatsu would file for bankruptcy, according to the Stock Company Reorganization and Rehabilitation Act, having been unable to clear

its debts.

Tohatsu was bankrupt and was put under a court order for preservative administration by Tokyo District Court on the 28th of April.

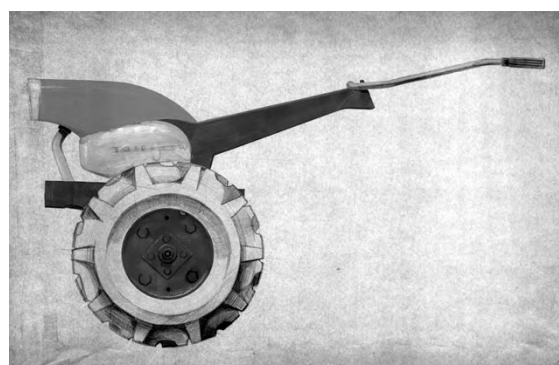
Zenzo Fujikake was appointed as a trustee in reorganization for Tokyo Hatsudoki Rehabilitation Incorporated.

The Reorganization and Rehabilitation Act was imitated U.S. laws and was introduced into Japan for the purpose of sustaining, reorganizing, and rehabilitating those companies with financial hardships which were expected to be recoverable.

4. Formation of contemporary Tohatsu Plant Labor Union

It was the inevitable decision to retain its operations in at Okaya Plant, which had mainly manufactured outboards and freezer equipment, while Tohatsu had unfortunately stopped manufacturing motorcycles and discontinued operations of several divisions in Tokyo Plant, leading to a certain number of job cuts.

This inevitable transaction also started a dispute between management and the labor union which had remained quiet until now. The company was allowed to continue the process of the Reorganization



Sketch of agricultural cultivator



T60A

and Rehabilitation Act only after a withdrawal agreement had been made. In January 1968, The Tokyo Hatsudoki Plant Labor Union was organized. It was to form a fundamental and contemporary labor - management relation. In November of that year, conciliation was made and reorganizational planning plan was started.

Chapter 4 Development

Second Challenge as Corporation with Respectable Technology

1. Preparation for reconstruction

- Tohatsu Headquarters relocated, outboard industry formed

It was a decade of high economic growth that began in 1965 in Japan. The entire Japanese industry, led especially by electronics manufacturers such as SONY, introduced a number of products into U.S. and Europe with cheaper prices but high quality, and the market was filled with “Made in Japan”.

It was a part of the reorganization plan at that time that Tohatsu move its Tokyo Plant to Azusawa, Itabashi, where the current headquarters are located.

As sales of motorcycles had stagnated, outboard motors had alternatively played a significant role

until the reorganization plan was applied.

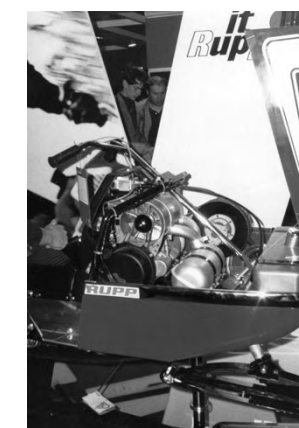
A group of companies in the marine industry had joined to hold a boat show in 1962, and it formed the Japan Boating Industry Association in 1970.

Fujikake, the Tohatsu’s reorganization trustee, became one of the founders of the association and was later appointed a permanent council member.

Meanwhile, delightful news had arrived from U.S. in 1969; Tohatsu had received a mass order of snowmobiles from Rupp Corp. U.S. .

- Bulk order by Rupp Corp., Tohatsu delivered engines for snowmobiles

It was a business negotiation of great magnitude that Tohatsu had with Rupp Corp. U.S. while still undergoing reconstruction. Then, with Mitsui & Corp., Ltd., one of the biggest trading companies in



Engine for snowmobile

Japan, Tohatsu had conducted a sales campaign by exhibiting its engines in snowmobile shows across U.S. . That campaign had tied Tohatsu to Rupp Corp. and an order agreement was signed for more than 200 thousand snowmobiles.

Tohatsu emphasized successive developments of outboards.

■ Tohatsu emphasized successive development of outboards

Although severe and continuous competition in the outboard industry had tired out every manufacturer, Tohatsu was quite affirmative in the development and launching of new products into the market. B13A (8-horsepower), for instance, had become Tohatsu's longest seller of 15 years, from 1970 up until 1986. In 1971, B10A2 with 6-horsepower and B30A with 18-horsepower were launched.

As the restriction which partially limited the importation of foreign outboard motors until then had been removed, competition in the entire outboard industry had become more aggressive. Additionally, even excellent Japanese agricultural manufacturers joined in the outboard market. They would pull out from the market later on, but they were still threatening competitors for Tohatsu under



B13A

reorganization.

■ New products exploited

Tohatsu also pioneered a new market. "Cold Jet", a refrigeration unit for transportation, for instance, had been incorporated into motor vehicles and carried fresh foods safely and delivered them to people in many places. This electric cooling system, with its environmental friendliness and quiet performance, was expected to be one of Tohatsu's main products, along with outboards and fire fighting pumps, and it has continued to be manufactured to this day.

■ Recovery completed

1971 was the year that Tohatsu was judged by the Court to be able to cease the recovery plan under the Stock Company Reorganization and Rehabilitation Act. By that time, Tohatsu workers had been "through the wringer" for 5 years and 7 months.

The experiences of that difficult time, however, brought meaningful lessons for future management. Fujikake, the trustee, had become president after the plan was completed.



Cold Jet

2. Developing technology with keen eyes

■ Renamed "Tohatsu"

It was in 1972 that a Winter Olympics was held for the first time in Japan. People were excited by the Japanese ski jumping team, which made a clean sweep of the first three places. On the other hand, in the industrial arena the "Textile War" between Japan and U.S. underway since the mid-1960s, concluded with Japan conceding. This led a huge negative influence on Japanese industry. The Japanese textile industries had played a significant role in post-war time, providing thousands of jobs, including wholesalers, dealers and retailers. The concession Japan made later led to another Japan-U.S. friction in the car and semiconductor industries. This saw the entire Japanese industry began to put a great emphasis on the miniaturization of its products. In June 1972, after its recovery, Tokyo Hatsudoki was renamed Tohatsu Corporation, and its workers took a new step with a new name.

■ Development of portable fire pump

In 1973, the Japanese government began to focus seriously on plans for the prevention of natural

disasters such as earthquakes. In Tokyo, local community fire-fighting volunteer teams were organized in many places. Under this nation-wide campaign the Department of Fire Defense requested manufacturers to develop a micro-mini portable fire pump, weighing less than 30 kg, which could be carried even by a woman or a child.

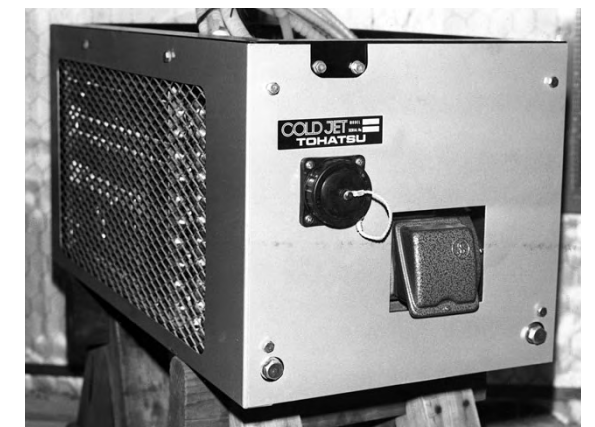
Tohatsu responded positively to that request, and designed and completed a portable fire pump. In 1973, approved by the Japan Fire Equipment Inspection Institute, the V15A with 12-horsepower and weighing 30 kg was released. It has been praised for its light weight and excellent performance by end users up to this day.

■ Development of refrigerating systems for trucks

In 1970, "New Cold Jet CJ850", the upgraded model of previous Cold Jet, was developed. During the day, this equipment was able to reserve cold air and keep the storage space cold though the night. This stable storage cooling system was highly commended among its users. In the same year, production of Cold Jet for 2-ton class trucks had started.



V15A



New Cold Jet CJ850

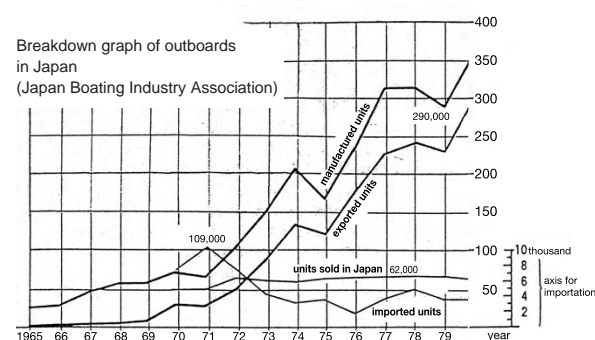
3. Production and sales took off

■ Sales of exported outboards exceeded domestic sales

Since this time, the number of exported Tohatsu outboards has exceeded that of outboards sold in the domestic market.

In 1974, the Japan Boating Industry Association had researched to find that the exported units was double the number of the units sold in domestic market. Since then, new models have been tended to be introduced in the bigger markets such as U.S. and Australia, before they are released into the Japanese market.

Taking the initiative in 500cc class outboards in the domestic market, Tohatsu launched M35A which was the first outboard model that manufactured in Tokyo Plant. It was in 1977 that



Quoted from "reminisce of Tohatsu Outboards"



M35A

M35A was first introduced into the market and it soon defeated foreign outboard motors and won championships in boat races. From then it became one of Tohatsu's greatest models, gaining an enviable reputation in domestic and foreign markets.

In the following two years, new 25-horsepower, 12 to 18-horsepower, 9.9-horsepower, and 55 to 70-horsepower were introduced.

These successive releases brought a 27.5% sales increase and an 11.8% profit increase respectively, and a dividend of 10% was paid to shareholders. The capital was increased to five hundred million yen in 1978.

■ Renovation of Tokyo Plant

As described, Tohatsu had expanded its operations around the world. It became necessary to have a total overhaul of the production system. Additionally, full modernization of old Tokyo Plant was needed for a larger and more efficient manufacturing capability. To meet these criteria, in November 1978, the most advanced and effective plant to date was completed.

In that year, an amendment to laws which required an emergency power unit in specific, designated buildings had brought a demand for



Tokyo Plant (in 1975)

automatic fire-fighting equipment and Tohatsu Fire Fighting Department had a 59% sales increase.

4. Marketing-oriented management paid off

■ Sales activities on demand

People are attracted to Tohatsu's excellent technology. Needless to say, however, even when a product is manufactured by an excellent technology, it always has been individual end-users who recognize its value.

Outboard motors and fire-fighting pumps were sold to the Metropolitan Police Department, The National Police Agency, The Ministry of Justice, The Tokyo Fire Department, The Japan Coast Guard, and to local governments.

In 1974, there was a conflagration in a shopping mall and 103 lives were lost in the fire. What people discussed after the disaster was fire risk management in shopping malls and other public places. This led to a discussion about the need for quick deployment in extinguishing fires and rescue operations to protect lives from fires in large buildings. These incidents gave Tohatsu opportunities to create public awareness of fire-related products.

■ Utilize property for firm management operation

In 1984, Isao Matsumoto was inaugurated as president of Tohatsu. The executive team started real-estate leasing operations of the land and buildings owned by Tohatsu, in addition to the two main activities of manufacturing outboard motors and fire pumps.

Tohatsu possessed acres of land with factories and warehouses in Itabashi/Shimura area (currently Azusawa), but some of them had been left unused.

In 1984, a warehouse for rent was built in the vacant space where the motorcycle production line had previously been located.

Since then, office buildings have been constructed on those areas and real estate and rentals have become Tohatsu's main businesses along with outboards and fire fighting pumps.

During that time, there was a serious trade dispute between Japan and U.S. due to the increasing exports of Japanese brands, and a raised yen rate was about to lead Japan to a bubbling economy. People had speculatively and repeatedly bought and sold land in the market. Tohatsu's real estate business, however, was not one of those speculative kinds but was for the purpose of using assets efficiently.



Buildings owned by Tohatsu for rent



Chapter 5 Progress

As Manufacturer for Next Generation

1. Tohatsu targeted global market

■ Foundation of joint venture company, “Tohatsu Marine Corporation”

In February 1988, Tohatsu established a joint venture company, “Tohatsu Marine Corporation”, with Brunswick. Matsumoto became the first president of that company.

With Nissho Iwai and Itochu, two of the Japan’s biggest trading companies, Tohatsu had introduced its outboards to U.S., the biggest market for outboard motors. Brunswick, the parent company of Mercury Marine, was seeking a Japanese partner who could supply products with advanced technology and productivity.

After fierce competition, Mercury Marine showed a great interest in Tohatsu.

Mercury Marine hoped to have a capital participation in Tohatsu in early discussion, but at last it was decided that a joint venture company would be established. This new company was located in Okaya, Nagano, a mountainous area of Japan. At the same time, Tohatsu started to reconstruct the facilities of Okaya Plant, and the first stage of the construction; a new full - scale assembly line for Outboard motors up to 120-horsepower, was completed in November 1988.

■ Outboards OEM supply to Nissan

Brunswick was not the only company to show an interest in Tohatsu outboard motors; but Nissan Motor Corp. also sought affiliation with Tohatsu, conceiving their domestic and worldwide

expansion plan.

Tohatsu’s outboard business has thrived and established a strong position, especially overseas, by collaborating with these great partners.

■ Revolutionary changes in production, sales operations

Daily works underwent revolutionary changes in Tohatsu at that time. For more efficient operation and cost reductions in the materials for products, new advanced systems and methods, called SPECS (Strategic / Sales, Planning / Performance, Evaluation & Clinic System) promoted by Japan Management Association were introduced.

While Japan was thriving in a buoyant economy, all these revolutionary changes and developments in Tohatsu were carried out in anticipation of competition in foreign markets.

2. Development of Tohatsu’s original product bore fruit

■ Development of small-size, full-automatic fire engine and low-noise fire pump

In fire fighting fields, a small-sized automatic fire fighting truck was developed. A remote-based fire pump was put on a truck with a water tank, a

searchlight and a foam extinguisher. All of this equipment could be controlled by a microcomputer. Based on data from thousands of fire fighting records, an exclusive microcomputer program was developed. It made an entirely automatic fire fighting operation possible just by pressing a “start” button.

Today, Tohatsu is the leader in market share in the domestic fire fighting pump industry.

Back then, the biggest problem with the fire fighting pump was its noise. People in residential areas had complained about the noise made by outside trainings and they requested low-noise levels in the powerful pump. To meet their request, Tohatsu rose to the challenge to produce a pump with high performance with a comprehensive noise reduction.

■ Development of fishing boats

In the past, to allow a focus on the production of outboard motors as an engine manufacturer, Tohatsu was reluctant to manufacture boats. It had found difficulties, however, in further development of outboard engines and meeting requests from end users without knowing the characteristics of boats. This led to Tohatsu making itself a boat builder by collaborating with Techno Kasei Ind. Corp.



Fire fighting truck



V46A

In 1993, the king of the Japanese fishing boat, TF series, was released by Tohatsu. Even today, this series still enjoys its popularity in the domestic market. TFW series, for professionals, attracts expert fishermen as well.

3. Changes for preservation of global environment

■ 2-stroke or 4-stroke?

As seen in the motor vehicle industry, it has always been a huge technical challenge for gasoline engine manufacturers to reduce exhaust gas emissions.

The outboard engines industry, similarly, has faced the same challenge.

2-stroke engines, still hugely popular even after emission regulations were enforced in some countries and regions, had the disadvantage of emitting a certain amount of incomplete burnt gas, while having the advantage of simple structure, light weight and fewer maintenance requirements.

This led to a big question, which would decide Tohatsu's future. The question was whether to hold on to 2-stroke line ups or to embrace new technology in 4-stroke. Eventually, Tohatsu decided to go with both 2 and 4-stroke.

■ Road to 4-stroke engines

In 1998, after the retirement of Matsumoto, Satoshi Inomata became the new president of Tohatsu and Tohatsu Marine Corporation.

Announcing the slogan, "To be a company that offer spontaneous service to society", Inomata planned to strengthen the development of two major products—Outboards and fire pumps—and contributed to many people, including stockholders, end users, client companies, and employees, etc. in different ways.

In accordance with this policy, Tohatsu, tackling environmental problems, completed the development of 4-stroke engines and launched them into the market.

Released in 2006, VF53AS was the first B-3 grade compact fire pump with a 4-stroke engine and computerized fuel injection. Compared to the traditional models, this model is very environmentally-friendly emitting much less exhaust gas.

■ Tohatsu introduced TLDI; Contract for license affiliation with Orbital Corp. Ltd. signed

At the same time, TLDI (Two-stroke, Low

pressure, Direct Injection) series was developed and released into the market in 2000. This advanced 2-stroke fuel injection technology has been made standard equipment in engines bigger than 40-horsepower.

By injecting suitable amounts of fuel and air controlled by the micro tip, TLDI overcame 2-stroke's original disadvantage of emitting incompletely burnt gas, while retaining the great advantage of a 2-stroke's inherent power. This injection system produced gas much lower emissions than those generated by regular 2-stroke engines. At the same time, it retains 2-stroke's power, lightness, and its compact shape.

In 1998 Tohatsu made an agreement with Orbital Corp. in order to develop the direct injection system. Orbital had taken out a patent on the direct injection electric control system and this was the technology which was introduced into TLDI series.

■ Completion of new Headquarters Building

On the 13th April 2000, the construction of the new headquarters Building was completed and Tohatsu celebrated this new step.

This new 4-story building is shared with the sales departments of marine and fire fighting pumps on the first and second floors, and general affairs and

the financial department in a portion of the third floor. The executive rooms are on another area of the third floor while a training room, accommodating 70 people, is on the fourth floor.

4. Strengthen company's internal structure for systematic distribution

■ Acquisition of "ISO9000 series" by Tokyo Plant and Tohatsu Marine Corp.

In August 2001, Tokyo Plant, manufacturing fire pumps, was certified according to ISO 9002, the quality assurance standard of the International Organization for Standardization.

In July 2001, Tohatsu Marine also acquired ISO 9002 certification. Moreover, Tohatsu has regarded acquisition of the ISO9001 certificate as a prerequisite in every plant and headquarters in 2004.

Meanwhile, Tohatsu has acquired ISO14001, which standardizes environmental management systems.

■ Establishment of TAC (Tohatsu America Corporation)

In May 2002, Tohatsu America Corporation



TF series



VF53AS



TLDI MD115A



MFS5A



MD50A

(TAC) was founded in, and started its distribution in, U.S., the world's biggest outboard market.

TAC has been located in Dallas in U.S., its main task being distribution and servicing of Tohatsu's marine business.

■ Tohatsu newly-established Komagane Plant

In 2003, annual output of outboard motors by TMC reached 115,785 units. In preparation for the growing demand, Tohatsu acquired a factory site in Komagane, Nagano, and on the 18th of January 2005 a ceremony was held for the completion of this new outlet for Tohatsu products for the next generation in the 21st century.

Prior to this, Okaya Plant was closed on the 18th of December 2004 after 61 years of operation. Okaya Plant had been built in anticipation of evacuation from Itabashi Tokyo, which was expected to be bombed during the war, and until its closure it had played a big role as one of Tohatsu's main outlets, together with Tokyo Plant.

Okaya Plant had scarcely been capable of meeting the growing demands from all over the world, even after rebuilding and reconstructing its main facilities several times.

“With our two main products, outboards and fire pumps, and as Tohatsu's management policy put great emphasis on seeking the higher profit and having good figures at the bottom line in 2006 fiscal year, we hit the record of 15,214,980,000 yen for our annual gross sales”, said Mitsuru Kaneko, the current president of Tohatsu, who is also playing the president of TMC since 2006.

“Despite this temporarily improved profitability, however, it is not yet at an acceptable level. The biggest reason for that is that outboard sales, 58% of Tohatsu gross sales, depend so much on the overseas market, figuring 95% of the annual sales quantity of exported units, and that leaves us at great risk from currency exchange rates and the cost of materials”, he added. “It was apparent that the great competition in the outboard market would continue, and manufacturers would be required to conform to the emission regulations in order to survive in the market. To meet these demands and to cut costs, it was inevitably necessary to build the new bigger Komagane Plant”, he concluded.

There is one big building for the new Komagane Plant. In this building, materials supply, processing, painting, assembling, operating, storage, and delivery are all take place. Cutting-edge assembly

lines have been implemented for the better streamlining of operations.

Old Okaya Plant used to be a model factory in Nagano prefecture, where many other manufacturers in other sectors have also located their plants. The new Komagane Plant is within commuting distance from Okaya-shi and skilled workers in the old factory could keep their jobs in the new plant. Besides these staff, Tohatsu Komagane Plant was also looking for new human

resources.

Today in Japan, manufacturing plants are moving to low-cost countries for their operation, leading to declining jobs in the domestic industry, which has been a very serious problem. But starting the operation in Komagane-shi by Tohatsu doubled the job vacancies in the neighboring cities in Nagano prefecture.



New Headquarters Building



Tohatsu America Corporation



Komagane Plant (Tohatsu Marine Corporation)



Chapter 6

Leap Stage

Speed, Challenge, Human Resource

1. Ideals of Tohatsu; “Speed” “Challenge” “Human resource”

Since its foundation in 1922 as Takata Motor Manufacturing Corp., Tohatsu has been through many experiences. It has seen glorious days as well as facing many obstacles and difficulties. Tohatsu is here today with people who have supported it during the difficult times. “Today we are all a part of the huge trend of globalization, and Tohatsu is no exception. Everyone is affected by globalization, where everything can be shared beyond the borders which often stand between races”, said President Kaneko.

One example of globalization is the implementation of the Japanese version of the SOX

Act in 2008. The Act requires companies to reinforce their system of internal auditing and internal control. In order to meet the requirement, a higher level of information technology is needed.

Moreover, in the process of being more competitive in the global market, every manufacturer expects to be put in really difficult and arduous position. It must seek better performance from its engines on one side and it must minimize its manufacturing cost as much as it can on the other side. In addition, the internationalization of resource procurement is also expected to expand in near future.

One of the biggest “Challenge” Tohatsu has made for future is the implementation of the enterprise resource planning system (ERP introduced by SAP) in 2006. This new system is designed to provide integrated management for the entire process of

regular work, from receiving orders through to financial settlement. All the data in SAP can be shared by the 5th of the following month.

What today’s borderless market requires for survival is to reinforce the characteristics of the company. Kaneko used 3 keywords, “Speed” “Challenge” and “Human Resource” as ideals. “Speed” is to be an energetic doer who could implement action by foreseeing coming changes. By “Challenge”, Tohatsu, showing respect to its great history on one hand, break through its traditional way of thinking on the other hand, which sometimes stands as an obstacle today, and set a higher goal to tackle with energetic vitality. Finally, “Human resource” is the talent of the people. It always is the people who are the fundamental part of a business at any stage and to strengthen the talent is one of the most significant factors today, more so than ever before.

2. Plants unified to battle in international competition

When we look toward the international market, it is inevitable for manufacturers to offer competitive products of good quality. Tohatsu is no exception and is now at the stage where minimizing

manufacturing costs by securing materials and resources from all over the world is imperative. In 2004, as part of the cost cutting project, there was a series of discussions on whether to move Tokyo Plant in which cylinder heads for bigger motors (bigger than 60-horsepower) had been made, to Komagane along with TMC which was moving there from old Okaya. Both TMC and Tohatsu have found a lot of advantages in working at the same place.

In order to move the plant from Tokyo to Nagano, where TMC would be located, a series of frank discussions had been held for more than a year to bring consultative settlement between labor unions and the management, and agreements were made with two Tohatsu labor unions in 2005 and 2006. The agreements led to the plants being unified.

The first group, including fire pumps assembly lines and the operation/inspection department was moved to the new location in January 2006. The relocation plan was completed when the second group of departments, such as the machinery department and other indirect departments, was moved there in August 2007.



The 12th President Mitsuru Kaneko



75th anniversary company trip

After the first relocation in 1937 within the capital city of Japan and its reconstruction in 1978, Tokyo Plant, which had a 70-year history, was closed.

3. Great leap into future

Tohatsu must keep growing. Looking back to its time of bankruptcy in its 75-year history, Tohatsu gives special thanks to its business partners at that time.

Also, Tohatsu would like to respectfully acknowledge our predecessors for their devotion to the company history.

Tohatsu would like to give the most special and the greatest thanks to its partners all over the world today, and to all the Tohatsu users who believe in Tohatsu's technology.

New challenges start today; winning in the international arena, overcoming obstacles. With your support, Tohatsu will celebrate its 80th and even 100th anniversaries.



Closing Ceremony of Tokyo Plant

References

Company Information

Corporate Name: Tohatsu Corporation

Corporation Foundation:

The 20th October 1932 (Organized in 1922)

Capital:

Five hundred million yen (ten million shares)

Number of Employees:

450

Offices:

Headquarters

5-4 Azusawa 3-Chome, Itabashi-ku, Tokyo 174-0051, JAPAN

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Business Contents

■ Manufacturing and sales of:

(1) Outboard motors (for small fishing boats and pleasure boats)

(2) Boats

(3) Portable fire pumps

(4) Portable automatic fire pumps

(5) Small automatic fire trucks, and trucks with remote-controlled pumps

(6) irrigation pumps, pressure pumps for construction, and portable pumps for forest fires

(7) Refrigerating units for transportation

■ Real estate management by renting properties

Associated companies

Tohatsu Marine Corporation

Tohatsu Kosan Corporation

Techno Kasei Corp. Ltd.

Yoshida Shoukai Inc.

Tohatsu America Corporation (Texas, U.S.)

Chronological Table of Tohatsu History

Year	Tohatsu History
1922	Takata Motor Research Institute was founded by Takata Masuzo and Ginji Takei.
1925	Renamed Takata Motor Enterprise.
1930	Tokyo Plant was moved to Osaki with 25 employees.
1932	Renamed Takata Motor Manufacturing Corporation and reestablished as a company.
1935	Takata Motor developed outboard motor 2F-50.
1939	Renamed Tokyo Hatsudoki Corporation.
1943	Okaya Plant was built due to the anticipation of an aerial attack in Tokyo.
1948	Production of agricultural engine was started and irrigation pump VB series was produced.
1949	VC-50, 1st small portable fire pump in the domestic market, was developed.
1950	Tokyo Hatsudoki was listed on Tokyo Stock Exchange.
1953	Puppy, 48cc motorcycle was released.
1956	Tokyo Hatsudoki started production of outboard motors. 1st models were named OB series.
1957	Micro-mini agricultural engine was released.
1960	Tokyo Hatsudoki accounted loss and dividend was cut down to zero. Runpet CA2 was introduced and won clubman races.
1961	Tokyo Hatsudoki was corporatized under Fuji Electric Manufacturing Corp. .
1962	1st Tokyo Boat Show was held.
1965	Under the Rehabilitation Act, Tokyo Hatsudoki ceased its production of motorcycles.
1966	Fire fighting pump V50A was introduced.
1968	Headquarters moved to Azusawa, Itabashi.
1969	Tokyo Hatsudoki started production of engines for snowmobiles for Rupp Corp. in U.S. .
1970	Tokyo Hatsudoki introduced B38A, Japan's 1st 25-horsepower outboard motor.
1972	Name of the company was changed to Tohatsu Corporation.

Year	Tohatsu History
1974	CJ1000, Cold Jet for 2-ton class trucks was released.
1976	Outboard motor M35A was introduced.
1980	M55A (55-horsepower) outboard motor was introduced.
1984	Tohatsu affiliated with Nissan Motors and began to supply outboards to Nissan on OEM basis.
1986	3-cylinder, 90-horsepower outboard motor M90A was introduced.
1988	Tohatsu established a joint venture company "Tohatsu Marine Corporation" with Brunswick.
1989	M140A outboard motor debuted.
1990	Low-noise fire fighting pump V46A was introduced.
1991	Small and lightweight outboards, M2.5A, M4C, and M6B were released.
1992	Outboard motors, M70B and M60B were launched.
1998	MFS5A with 1-cylinder and 123cc was introduced.
1999	4-stroke MFS9.9A, MFS15A outboard motors were released.
2000	TLDI MD50A was introduced. Portable fire fighting pump VC52A was introduced.
2001	TLDI MD90A, and 4-stroke MFS30A were launched.
2005	Tohatsu Marine Corp. relocated at the new plant in Komagane. 4-stroke EFI model MFS25/30 debuted.
2006	TLDI MD115A was released. VF53AS, portable fire fighting pump with environmentally-friendly 4-stroke engine was released.
2007	Tohatsu celebrated its 75th anniversary.

75 Years of Tohatsu

– A History of Reliability –

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75 Years of Tohatsu

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