

300 Years in Gold Leaf Business Hori Metal Leaf & Powder Co.

By Toshimasa YOKOZAWA

It is said that mankind discovered gold around 6,000 B.C., and since the beginning of history mankind has been fascinated by its “mysterious brilliance” and “superior physical property.” The atomic symbol of gold, Au, is said to have derived from *aurum* in Latin, which means “shining dawn” or brilliant “aurora” (hence adjective “aureate”). The ancient Egyptians were captivated by the charm of gold, and books decorated with gold leaf have been unearthed from kings’ tombs. The history of gold in Japan began around the first century A.D. with the gold seal that is said to have been presented by Emperor Guangwu of the Han Dynasty in China to the king of the Na state in Japan. It is a royal seal in pure gold which was unearthed in 1784 on the island of Shika off Fukuoka City in southwestern Japan. It was designated as a national treasure in 1954.

Since the Nara period (710-794), gold has been mined in the northeastern part of Japan’s largest main island, Honshu. A folk song sung by cowherds in Iwate Prefecture goes, “Though in the countryside, the province of Nambu (the present Iwate Prefecture) is surrounded by mountains of gold from east to west.” This country of gold (Zipangu, from which the word Japan originated) was introduced to the West by Marco Polo through his travelog “*Il Milione*.” Christopher Columbus read this book avidly and in 1492 sailed out to find Zipangu, and instead landed in the Americas.

Supporter of Kyoto’s Traditions & Craftwork

Since the olden times, traditional arts and crafts using gold leaf have prospered in Kyoto. They include Nishijin brocades, *yuzen* dyeing for *kimono* (print silk), family Buddhist altars, Buddhist altar utensils, *byobu* (folding screens), *fusuma* (sliding doors), metal engravings, dolls, porcelains, Japanese lacquerware, paintings, sweets and artistic *kaiseki* cuisine. With a history of some 300 years, Hori Metal Leaf & Powder Co. (familiarily known as Horikin) has been involved in these arts and crafts. The company also supplied gold powder when the Kinkaku-ji (Golden Pavilion) temple in Kyoto was reconstructed in the early 1950s after it was destroyed by a fire. Today, Horikin is engaged in the manufacture and sale of various traditional metal leaf and

PHOTO 1



PHOTO 2



Photos: Hori Metal Leaf & Powder Co.

powder, and has the largest market share in edible gold powder. Its products have numerous applications, ranging from family Buddhist altars to IT devices.

History of Horikin

In Kyoto, there is a street named Ryogaemachi-dori, or money change street, established by Toyotomi Hideyoshi (1536-1598) in 1590. It runs one block west of Karasuma-dori, which traverses the center of Kyoto north to south. During the early years of the Edo period (1603-1867), gold and silver mints were established here, attracting large numbers of merchants and craftsmen engaged in financial services or gold and silver craftwork.

In 1711, Denbei Sunakoya, the founder of Horikin, came to Kyoto from Omi (Takashima City in Shiga Prefecture) to establish business at a location southwest of the gold mint, only 20 minutes on foot from the mint. At first, he was engaged in the manufacture and sale of pure gold leaf as a goldbeater attached to the gold mint under the control of the Tokugawa *shogunate* government. It was an era in which it was in fashion among the temples to decorate their Buddhist altars and paintings on *fusuma* with gold leaf. In the beginning, gold leaf was hand-beaten, but as the time went on, machinery was introduced to replace human hands. As the noise and vibrations were a nuisance to neighbors, craftsmen moved northeast to Kanazawa in Ishikawa Prefecture to form a cluster of metal leaf-making shops. Today, 99% of gold leaf in Japan is manufactured in Kanazawa.

Japan’s Technology Rated Top in the World

I visited a workshop for gold leaf and watched the production process. The Chinese character for “leaf” in gold leaf comprises a character for “bamboo” and a symbol for “water.” This is because water is added to gold, which is kneaded by hand and bamboo sticks are used to pick it up and cut it (Photos 1 & 2).

Rolling gold and beating it into thin foil is a universal process of making gold leaf. However, Japan is at the top in the world in terms of the technique of making ultrathin leaf with even thickness. Gold ingot weighing only 2 grams is beaten to make gold leaf only 1/10,000 mm thick and 1 square meter in size.



Horikin plays a pivotal role in connecting Kanazawa, the major gold-leaf manufacturing place, and Kyoto, where industries which are its major consumers are clustered. Almost 300 years after its founding and after many ups and downs, Horikin management was handed down to its 10th president, Tomoyuki Hori, in 2004 by the ninth president who is now chairman.

Many of Horikin's gold leaf users were and are national treasure-class artists and craftsmen, including Taikan Yokoyama (1868-1958) and Kaii Higashiyama (1908-1999), both masters of Japanese-style painting. Such masters demand an extremely high level of quality. Consequently, the firm takes the utmost care in purchasing materials and producing, packing and shipping products, making this a tradition that has been passed on from generation to generation. Complaints by clients give valuable hints as to what users want. Therefore, the company has always striven for maintaining good communication with users.

After the Second World War, the government lifted control on the use of gold in 1953, and demand for gold foil sharply increased, fueled by special needs for the reconstruction of the Golden Pavilion, which was lost in a fire three years earlier. At the same time, traditional art and craft industries, including Nishijin brocades and *yuzen kimono* dyeing, have been rebuilt, sharply boosting demand for gold leaf.

New businesses launched by then President Yoshiaki Hori, now the chairman, include such notable examples as the application of foil-stamping technology, developed for printing, to *yuzen kimono*, fabrics for blouses, and balance marks for automobile tires. The development of special gold leaf for use in drinks and food such as Japanese *sake*, traditional sweets and *kaiseki* cuisine is another example.

The application of gold leaf and powder is becoming increasingly diverse. Now, gold is used not only in traditional industries and craftwork, but also for high-tech devices, cosmetics, aesthetic and body-care products, and even golf equipment.

Typical Family Business in Kyoto

In recent years, family businesses have been attracting attention across the world. In Japan, the Ministry of Economy, Trade and Industry (METI) launched research in 2010 aimed at "regional revitalization through family businesses."

A. No Family Precepts But Handed Down for Generations

1) Quality first, 2) treasure suppliers, and 3) "If unprepared, it will rain," which means "think ahead well, don't engage in gold speculation, and do business with retained profits."

The sense of value and family traditions passed on at Horikin can be summarized in the following three points.

- 1) "Don't stray from the core business. Develop applications on the basis of the core business." 2) "Do business in down-to-earth style. Don't try to make money on gold market fluctuations." 3) "Know your limitations and treasure peace and harmony."

B. Business Succession & Principles Until Previous Boss

At Horikin, the family's blood line has never been interrupted from its first generation to Tomoyuki Hori, the 10th-generation president (i.e., it has never had an adopted son). From early on, the family has had its principles for succession and inheritance. They are:

- 1) In each generation, only one son engages in the metal leaf and powder business (no brother has engaged in the same line of business).
- 2) The heir and successor to the business need not be the first son (i.e., the selection is based on merit).
- 3) Shares and land are not to be divided among siblings (those siblings who do not succeed to the family business receive their shares in cash).
- 4) The successor to the business is responsible for all family rites (the second or younger son who succeeds to the family business is to be responsible for all family rites even if the first son is alive). In fact, the second son inherited the business in the current and last two generations. Family relations have generally been good partly because brothers in each generation have engaged in different lines of business.

- For generations, the family has taken good care of its employees and has promoted talented ones to its board of directors. As a result, employees tend to stay long, with the rate of turnover low and even third-generation employees are in the firm.
- Employees consider having their children take over the job mainly from the viewpoint of living and working at the same place.

Although most long-life firms are family businesses, Horikin always strives for self-innovation and self-reform with a venture business-like spirit. In this sense, it is a typical "Kyoto model" of family business. JS

Note: This is the last article in the "Japan: a Powerhouse of Long-life Firms" series, which concludes with this issue.

Toshimasa Yokozawa is professor, Faculty of Business Management, Asia University, Musashino City (a western Tokyo suburb).