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Source Cryptonym: [] References: ZJL-333, 11 May 1950

Source, Operational Data, and Comments:

1. The attached report on KODAMA Yoshio's illegal economic activities is primarily of CE interest. The investigator representing the MITSUI interests is, of course, [] and the information is a compilation of two fragmentary reports based on his investigations. The fact that there are many gaps in the story is due primarily to the fact that his investigations and reports were unsolicited and undirected by this station.

2. [] is well-qualified for such an assignment; he knows KODAMA personally from pre-war days, and, in the course of his investigation, called on him at his home in Numazu. KODAMA told him to "lay off the case or else..." [] reply was that the investigations would be continued unless KODAMA convinced him that his activities were for the betterment of Japan, in which case [] would withdraw the investigations unconditionally.

26 January 1951

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- EXEMPTIONS Section 3(b)
- (2)(A) Privacy
- (2)(B) Methods/Sources
- (2)(C) Foreign Relations

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 Date: 2005

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Subject: JIS - Recent Activities of
KODAMA Yoshio

Report No: 2JL-540

Date of Information: Dec 50 and Jan 51

Place Acquired: Tokyo, Japan

Date Acquired: 7 Dec 50 & 4 Jan 51

Evaluation: C-3

Date of Report: 25 Jan 51

Source: ()

1. The MITSUI interests* are conducting a private investigation of KODAMA Yoshio, who has allegedly swindled MITSUI to the extent of ¥1,000,000,000 during the past five years, about ¥250,000,000 of which has been taken in the past year. A Metropolitan Police investigation was first requested by MITSUI, but was never conducted because KODAMA intimidated police officials with threats and large bribes.**

2. A huge quantity of radium, its value roughly estimated at ¥300,000,000, was recently confiscated by the Metropolitan Police and turned over to the Provost Marshal. KODAMA is also connected with this illegal transaction, which MITSUI is also having investigated. HARA Hiroyuki, chief of MITSUI's Finance Department (sic), was kidnapped by KODAMA followers, held incommunicado for two days, and his family threatened unless HARA agreed to drop the radium investigation, which he was instrumental in pressing.

3. In addition to the MITSUI swindle and radium cases, KODAMA is involved in a number of other blackmail and swindling cases, and is flooding the stock exchange with counterfeit MITSUI stock certificates. His activities seem to be designed to create economic disorder in Japan, but the wide range of his illegal actions obscures his real objectives.

4. Investigations on behalf of the MITSUI affiliate, the Hokkaido Coal Mining and Steamship Co., Ltd., disclosed that KAWAMORITA Minoru, a member of the Sapporo District Committee of the JCP, was scheduled to collect secret funds from an official (unknown) of that company's Tokyo office in late December 1950. KAWAMORITA appeared in Tokyo, but strict surveillance by HARA and his colleagues in the Hokkaido Coal Mining and Steamship Co. makes it doubtful that the money was handed over. Apparently part of the one billion yen swindled from this company in the past four or five years has been channeled to the JCP through this unknown official.

5. The following are believed to be intermediaries in the swindling activities of KODAMA:

YOSHIMIZU Masao - - - - An official of the Hokkaido Coal Mining and Steamship Co.

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OGURA Chu - - - - - An official of the Hokkaido Coal Mining and Steamship Co.

SADAKATA Fuji - - - - - Female

SATO (fnu)*** - - - - - Liberal Party Diet member

MASUDA Kaneshichi - - Construction Minister, former Governor of Hokkaido

6. Another KODAMA follower, NAKAMURA Junichi, was present at KODAMA's residence in Numazu (which is one of his operating headquarters for the Kanto area) in late December 1950, when the investigator working for MITSUI called there. At that time NAKAMURA received ¥3,000,000 from KODAMA for distribution. NAKAMURA may have been the go-between in the transfer of funds to KAWAMURITA in Tokyo, since both were present in Tokyo at the same time in December. KODAMA told the investigator that he spends about ¥300,000,000 per month. In addition to his house in Numazu, he has headquarters in Tokyo, Yokohama and Saitama.

7. KODAMA was a pupil of TOYAMA Mitsuru, the leader of the Black Dragon Society, and was an official of the Ministry of Foreign Affairs during the war. He is an ultra-rightist, but his current activities indicate that he is also involved with the JCP, and that he is helping the purged JCP leaders. Three secret CCP intelligence agents in Tokyo are known to maintain liaison with the KODAMA Kikan. KODAMA has also been linked with Gen. NEMOTO Hiroshi and the Chinese Nationalists on Taiwan. It has also been indirectly learned that KODAMA is carrying out the "X Plan," supposedly formulated by General Eichelberger. This heterogeneity suggests that there is a "big name" behind the curtain directing KODAMA and other lieutenants.

8. During the period of his successes in Manchuria, KODAMA obtained his operational funds through fraud and embezzlement, and seldom received anything from the secret funds of the Kwantung Army. Part of his success in Manchuria was due to the fact that he worked closely with the BEN Y MAN JU (sic) and other infamous Chinese secret societies. Profiting by these successes, KODAMA built his foundation in Japan during the early unstable period immediately after the occupation by penetrating the highest levels of the Japanese government and various echelons of SCAP. He was extremely successful in this endeavor, which is paying off now--KODAMA has boasted that he can get anything he desires through these contacts.

Source Comments and Field Comments:

* Field Comment: There is a lack of clarity throughout the report concerning just what is meant by "MITSUI." The report received 4 January (which has been combined with the report of 7 December) referred principally to the Hokkaido Coal Mining and Steamship Co, which is located in Mitsui Building #3, Muromachi, Tokyo. However, it is entirely possible that KODAMA's activities involve MITSUI affiliates as well.

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Source and Field Comments (Cont'd):

** Source Comment: There are other reasons why the full story of KODAMA's illegal transactions may never come to light. A number of key individuals within the MITSUI organization are connected with KODAMA and his colleagues. Furthermore, members of the YOSHIDA Cabinet maintain connections with numerous KODAMA followers who are government officials.

*** Field Comment: This could refer to any of three Liberal members of the House of Representatives:

- ~~SATO Chikahiro~~, of Tochigi Prefecture
- ~~SATO Hisaku~~, of Yamaguchi
- ~~SATO Juen~~, of Mizasaki

We hope to clear up this, and other vague portions of the report.

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26 Jan 51

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