

Capital punishment

Japan's yakuza vie for control of Tokyo

The Tokyo-based Sumiyoshi-kai, Japan's second-largest yakuza group, has become embroiled in turf warfare with its rival, the Yamaguchi-gumi. **Kosuke Takahashi** examines the history and recent activities of the Sumiyoshi-kai as it attempts to consolidate its position.

KEY POINTS

- Three main yakuza groups – the Yamaguchi-gumi, the Sumiyoshi-kai and the Inagawa-kai – dominate Japan's organised crime scene.
- With the Yamaguchi-gumi making inroads into the Sumiyoshi-kai's base in Tokyo, tensions are rising between the two groups, resulting in heightened violence.
- The Sumiyoshi-kai is seeking to diversify its revenue sources into business activities such as construction.

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Key facts

Name: The Sumiyoshi-kai
Level of threat: Medium
Status: Active
Founded: 1958
Group type: Centralised gang

Although Japan's economy may now be exiting recession, the country's criminal groups are continuing to suffer from the impact of falling criminal revenues, leading them to come into competition. Gang-related violence is rising in Japan, with two of the country's long-established criminal yakuza groups coming into territorial conflict. In March 2008 Hiroshige Suzuki, a gang member affiliated to the Yamiguchi-gumi group, was stabbed to death in Yashio city, near Tokyo. The following day, Atsushi Suzuki, affiliated to the Sumiyoshi-kai group, was shot dead in nearby Fujimino city, as part of what police suspect to have been a clash between the two powerful groups.

The Sumiyoshi-kai, traditionally based in and around Tokyo, is under pressure owing to a number of different factors. The country's economic downturn is squeezing the Sumiyoshi-kai's sources of revenue, such as the real estate sector or financial services. In addition, the group is still recovering from the imposition of counter-criminal legislation in 1992, which for the first time defined the yakuza in law and made it easier for the authorities to crack down on their criminal activities.

The Yamiguchi-gumi is taking advantage of these pressures on the Sumiyoshi-kai to move into its territory, provoking violent clashes. The Yamiguchi-gumi is based in Kansai, western Japan, but police believe it has begun to move into the Kanto region of eastern Japan, which includes Tokyo, bringing it into direct conflict with the Sumiyoshi-kai.

This in itself is partly a result of the 1992 legislation, which put increased pressure on all yakuza groups and therefore reduced their criminal revenues. This encouraged the Yamiguchi-gumi to begin moving into Tokyo, in an effort to secure new revenues. Previously, it had avoided establishing any offshoots in the region, to avoid conflict with the Sumiyoshi-kai and the Tokyo-based Inagawa-kai, Japan's third largest yakuza group.

However, in September 2005 the Yamiguchi-gumi absorbed the 1,060-strong Kokusui-kai, a Tokyo-based local yakuza organisation, which was active in the shopping and entertainment districts in Tokyo, such as Ginza, Shibuya and Roppongi, all lucrative turf in the capital. The Tokyo Metropolitan Police Department said Yamaguchi-gumi brought Kokusui-kai under its control by welcoming Kazuyoshi Kudo (the fourth head of the Kokusui-kai) as the Yamaguchi-gumi's supreme adviser. Kudo became sworn brothers with new Yamaguchi-gumi leader Kenichi Shinoda through a *sakazuki* (sake-sharing) ceremony in which they entered into a so-called matrimonial relationship.

According to Dai Izuishi, a writer and former gang leader affiliated with the Sumiyoshi-kai, the group used to extort approximately JPY100 million (USD1 million) a month from adult entertainment and sex-related businesses in Ginza, Shibuya and Roppongi districts. The group had to pay around 10 per cent of it as a rental fee to the Kokusui-kai, which had originally controlled those areas in the post-war period. However, after September 2005, when the Kokusui-kai affiliated with the Yamaguchi-gumi, the Kokusui-kai demanded the Sumiyoshi-kai pay rent of up to 50 per cent, further escalating tensions between the two main groups.

The Sumiyoshi-kai is also engaged in a turf war with the Inagawa-kai, resulting in further violence. In January 2003, Kenichiro Yamada, a senior member of the Yano Mutsumi-kai criminal group affiliated with the Sumiyoshi-kai, and another member of the gang, Masato Kohinata, opened fire in a bar in Maebashi city, Gunma prefecture, on 25 January 2003, killing three innocent bystanders and seriously wounding another, as well as the 60-year-old former leader of a rival group. Yamada and Kohinata were involved in the shooting under orders from Osamu Yano, the head of the Yano Mutsumi-kai. The three men were sentenced to death for these murders in 2005.

According to the court, the shooting was part of a turf war between the Sumiyoshi-kai and Inagawa-kai syndicates. The Maebashi shooting was aimed against the rival group member as a reprisal for the 2001 murders of two Sumiyoshi-kai members in a funeral house in Tokyo, according to police.

Origins

The Sumiyoshi-kai is a federation of criminal organisations in eastern Japan and centres on the Sumiyoshi family, which is based in Tokyo.

Although there are various theories about the origins of the Sumiyoshi-kai, the most commonly accepted view among Japanese yakuza-



A newly appointed boss of a Tokyo-based yakuza syndicate reads out a pledge of allegiance in front of leading yakuza figures in 1991. According to National Police Agency data released in April, the Sumiyoshi-kai has 6,100 regular gang members and 6,600 associates.

watchers is that it can be traced back to the famous gambler, Matsugoro Ito. He was born in 1846 in Sumiyoshi-cho, the central red light and commercial district of Nihonbashi in Tokyo at the end of the Edo period. Ito is now revered as the first president of the Sumiyoshi family and the founder of the Sumiyoshi-kai in the group's formal historiography. The group, like other yakuza gangs around the country, views itself as an honourable organisation consisting of men with a *ninko* (chivalrous spirit).

The Sumiyoshi-kai grew in influence during the period immediately after the Second World War, when the General Headquarters of the Allied Powers occupied Japan. During this period, a faction of the Sumiyoshi family led by Nobuyuki Uragami, calling itself 'the private Ginza police', infiltrated the commercial sector. It extorted protection money from dance halls, beer gardens, bars and small restaurants in Ginza, Tokyo, expanding their influence in Japan's capital.

In 1958, Shigesaku Abe, the third head of the Sumiyoshi family, formed the Minato-kai, the prototype of the current Sumiyoshi-kai. This group was a federation and friendship club of 28 gambling rings in the Kanto area of eastern Japan. It was not in itself illegal, as under Japanese legislation at the time membership of a

gang was not prohibited. Those gambling rings, or *bakuto*, became the forerunners of the modern Japanese criminal groups known as yakuza. Yoshimitsu Sekigami, the fourth president of the Sumiyoshi family, renamed the Minato-kai the Sumiyoshi-kai in October 1964.

The Sumiyoshi-kai was briefly dissolved in May 1965 after the government of Prime Minister Hayato Ikeda (1960-1964) launched 'First Mountain Top Operation' just before the 1964 Tokyo Olympic Games. The operation aimed to eradicate the top 10 yakuza groups, such as the Yamaguchi-gumi and the Sumiyoshi-kai. In June 1964, the police arrested Sekigami on gambling charges and took 1,021 Sumiyoshi-kai members into custody, the most among the top 10 yakuza groups.

Despite this pressure and Sekigami's death in 1967, the group was rebuilt in 1969 as a union – the Sumiyoshi Federation – by Masao Hori, the fifth president of the Sumiyoshi family. In February 1991, four months after Hori died, Shigeo Nishiguchi became the sixth president of the Sumiyoshi family and the chairman of the Sumiyoshi-kai. At that time, the Sumiyoshi Federation was again renamed, this time as the Sumiyoshi-kai. The various renamings did not signify major changes in the group's operations, but more the desire of the incoming leader to re-

shuffle personnel and rebrand the organisation.

In June 1998, Hareaki Fukuda assumed the chairmanship of the Sumiyoshi-kai, and Nishiguchi was promoted to president. Fukuda became president in 2005, with 76-year-old Nishiguchi now virtually in retirement. In one of the first instances of yakuza leaders being legally targeted, both Nishiguchi and Fukuda were in September 2007 ordered by the Tokyo District Court to pay JPY59 million (USD642,000) in damages to the family of a South Korean student killed in a botched revenge shooting between the Sumiyoshi-kai and the Yamaguchi-gumi in 2001. The civil suit was brought by the victim's family, who claimed he was the wrong target and that the two Sumiyoshi-kai leaders, in addition to the three hitmen involved in Yun's slaying, were liable for his death. The ruling found in favour of the family, stating "orders from the top were conveyed to the very bottom of the faction, and the chain of command was absolute".

Group structure

The Sumiyoshi-kai differs from its main rival, the Yamaguchi-gumi, in that it adopts a less centralised command committee. As a federation of eastern Japan's criminal groups, the Sumiyoshi-kai has a looser chain of command. In terms of leadership, each smaller group has a leader,



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Residents of Tokyo's Akasaka district gather for an emergency meeting to demand measures to prevent the Inagawa-kai, Japan's third-largest gang, from moving into a building in the area.

and day-to-day operations are often carried out autonomously. However, as was the case with the killing of the South Korean student, on occasions the Sumiyoshi-kai's subordinate bodies obey directives from Fukuda.

According to National Police Agency data released in April, the Sumiyoshi-kai has 6,100 regular gang members and 6,600 associates, comprising 15.4 per cent of the country's total 82,600 yakuza members. In May, the police estimated the Sumiyoshi-kai had a presence in 19 of the country's 47 prefectures.

Since 20 October 1972, Sumiyoshi-kai has belonged to the Kanto Hatsu-ka-kai, meaning Kanto region's 'Society of the 20th day', an association promoting good inter-group relations among the major eastern Japanese Kanto-based crime syndicates, such as Matsuba-kai. In Japan, there is no law prohibiting yakuza groups from creating such associations, meaning that the association is a legal entity that can negotiate between the different groups. The Kanto Hatsu-ka-kai excludes the Yamaguchi-gumi on geographical grounds, as it based in Kobe and not in Kanto. This means there is no negotiating body able to smooth tensions between the Yamaguchi-gumi and the Sumiyoshi-kai, providing another trigger for violence.

As well as groups involved in criminal activity, the Sumiyoshi-kai also maintains right-wing organisations such as Nihon Seinsensya and Dainihon Shukokai, which are legal organisations with an ostensibly political agenda. They serve to distract public attention from yakuza activity through the dissemination of often con-

troversial political propaganda.

Personnel and recruitment

In Japan, people excluded from society at large may tend to turn to criminal groups to make a living. Around 60 per cent of yakuza members come from *burakumin*, the descendants of a feudal outcast class, according to a 2006 speech by Mitsuhiro Suganuma, a former officer of the Public Security Intelligence Agency. He also said that approximately 30 per cent of them are Japanese-born Koreans, and only 10 per cent are from non-*burakumin* Japanese and Chinese

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ethnic groups.

As such, during the recruitment process, already existing social networks are highly influential. Kinship, friendship and 'superior-inferior type' relationships, based on social classes or groupings entrenched in junior high or high school, are often used. Previously, yakuza groups used to coerce young people into becoming yakuza, especially those who had already gained a criminal record, dropped out of school or lacked funds to go on to higher education. After the 1992 anti-gang law prohibited such action, it became harder for yakuza groups to recruit in this manner. This growing difficulty in recruiting new members is another factor

behind the consolidation of the smaller yakuza groups and the increasingly violent rivalry between the larger groups.

Regarding personnel and recruitment, the Yamaguchi-gumi, Sumiyoshi-kai and Inagawa-kai account for most of the new yakuza recruitment. According to data released by the National Police Agency, in 1990 the number of those organisations' members was 42,700, comprising 48.4 per cent of the yakuza population. By 2008, this number had reached 60,000, accounting for 72.6 per cent of the total.

Most notably, between 1990 and 2008 the number of Yamaguchi-gumi members had grown rapidly from 29,200 to 38,000, up by 30 per cent. The Yamaguchi-gumi now accounts for 46 per cent of the country's yakuza, reflecting its aggressive expansion into the Kanto area, and its policy of affiliating with smaller Kanto-based groups such as the Kokusui-kai.

Area of operation

Although the Sumiyoshi-kai operates in 19 prefectures, mostly located in the eastern part of Japan, including Saitama, Hokkaido and Miyagi, its key location remains Tokyo. According to the Tokyo Metropolitan Police Department, as of the end of 2008, the Sumiyoshi-kai had approximately 7,100 members and 260 affiliated groups, the largest among the Tokyo-based gangs. It accounts for more than 40 per cent of the yakuza in Tokyo.

Leader biography

Fukuda, the current head of the Sumiyoshi-kai, was born in 1943 in Chiba prefecture, adjoining Tokyo. In his early childhood, his family moved to Aomori prefecture, the northernmost area of Honshu, the main island of Japan.

When he was 16, during yakuza turf wars in Tokyo's Ginza district, he came across Kusuo Kobayashi, a yakuza and a right-wing activist who founded the Kobayashi-kai in

the 1960s, a group affiliated to the Sumiyoshi-kai. Fukuda joined the Kobayashi-kai and a decade later, while in his 30s he became an executive advisor to the Sumiyoshi-kai when Kobayashi died of illness in 1990, Fukuda took over as head of the Kobayashi-kai. Subsequently he became chairman of the Sumiyoshi-kai in 1998 and became the leader in 2005, succeeding Nishiguchi. Fukuda was arrested on 20 May 2001 for allegedly conspiring to obstruct compulsory seizure of assets by creditors, and was found guilty and sentenced to two years in prison with a four-year suspended sentence on 16 January 2002. He became the first chairman to be arrested in 36 years, after Sekigami was ap-

prehended in June 1964 on gambling charges.

Commercial crime

According to the White Paper on Police 2009 published by the National Police Agency, pressure on criminal revenues has meant that the Sumiyoshi-kai is having to resort not only to traditional fundraising activities such as extortion, gambling and drug trafficking, but also to diversified business activities, such as real estate, construction, financial and securities trading, by disguising itself behind legitimate private companies run by yakuza entrepreneurs. It uses its organisational power to tap profits or may use the threat of violence to gain insider information before investing money in the stock market.

Although it is difficult to provide an exact estimate on how many entertainment businesses the Sumiyoshi-kai runs, the police believe yakuza such as the Sumiyoshi-kai remain deeply involved in those businesses, especially in Tokyo's bustling entertainment districts such as Akasaka, where the Sumiyoshi-kai's headquarters are located. It is involving in eating and drinking establishments such as cabarets and bars, and entertainment businesses such as pachinko (gaming) parlours and game centres. Although it does not run those establishments directly, it extorts contributions as protection money from business owners.

In addition, the yakuza are now targeting construction companies, banks and other financial institutions, extorting money by threatening them with forcible obstruction of business. The yakuza use the threat of violence and blackmail to interfere in people's business. For example, in March 2008 the Tokyo Metropolitan Police Department arrested Hajime Takagi, the Sumiyoshi-kai's second-in-command, alongside several others, for allegedly trying to extort money from a construction company involved in a new high-rise tower in front of Tokyo Station. Takagi, who heads an affiliate group of the Sumiyoshi-kai syndicate and serves as 'vice-president' of the Sumiyoshi-kai, and his accomplices are charged with attempted extortion, and the trial is ongoing.

Counter-measures

Business operators' initiatives to eliminate yakuza groups have gained momentum since the enactment of the 1992 anti-gang law. Among these are anti-gang rallies, seminars on resisting yakuza groups and campaigns to refuse extortion attempts. In December 2006, shop owners from Kabukicho in the Shinjuku area of Tokyo – where yakuza had historically extorted money by forcing 'security' services on them – declared that they would not pay yakuza from then on, becoming the country's leading example of anti-yakuza action.



A large sign reads 'Get rid of gang syndicate' in a park in Kobe, western Japan, in 2005. Counter-criminal legislation was passed in 1992 that defined the yakuza in law and made it easier for the authorities to crack down on their criminal activities.

Furthermore, in an effort to prevent yakuza infiltration of financial institutions, Japanese banks are planning to introduce new rules by early 2010 that enable them to cancel deposits, loans and other contracts if the clients are found to be connected to criminal organisations. The Japanese Bankers Association is expected to release sample rules to spur the adoption of such policies by banks across the country.

The sample rules will include a provision that helps eliminate criminal groups from a bank's clientele. It will clearly state that services will be terminated should a customer turn out to be in a criminal group, a firm affiliated with crime

syndicates or an associate of such organisations. The new rules will also require that clients signing contracts pledge to not fall under these categories in the future. Some regional banks already adopted such rules earlier this fiscal year, and according to the association, nearly all banks plan to introduce them. Under the current system, banks cannot cancel contracts just because clients are found to have mob connections. Cancellations are only possible when the clients disrupt operations or engage in blackmailing.

THREAT ASSESSMENT

The Sumiyoshi-kai still remains strongly entrenched in Japanese society, particularly in Tokyo's bustling shopping and entertainment districts, such as Akasaka and Nishi-Azabu, and is the biggest yakuza organisation in eastern Japan. However, the ongoing negative effects of the 1992 anti-gang legislation and the current economic downturn will continue to put pressure on the group, leaving it vulnerable to attack by the Yamiguchi-gumi.

Fierce rivalry between the Sumiyoshi-kai, the Yamaguchi-gumi and the Inagawa-kai will therefore continue, increasing the potential for violent attacks involving civilians. At the same time, the Sumiyoshi-kai will continue trying to increase its revenues by setting up front companies and moving into financial crime; a tactic that

in itself may only lead to further potential conflict with other yakuza groups attempting to do the same. ■

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Kosuke Takahashi is *Jane's* correspondent in Tokyo.

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