

THE DAILY YOMIURI

Investors 'brainwashed' by Masuda scheme

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English

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Investors who were lured into overly optimistic investment schemes, which were promoted by self-styled current affairs commentator **Toshio Masuda**, were upper-class people such as company presidents and doctors. What made them admire Masuda with a religious-like fervor were his macho, patriotic attitudes and comments.

Masuda is reported to have garnered several billions of yen for investment schemes with his promise of high returns in projects such as a bank and golf course in Palau, a coffee plantation in Hawaii and an information technology company in Canada.

However, many of these schemes have failed to make profits for investors as promised by Masuda.

In late December 2002, Hibiya Hall was filled with an enthusiastic audience for a lecture by Masuda.

When he said in a strong voice, "I promise to force the U.S. president to apologize before 2005 for the atomic bombings in Hiroshima and Nagasaki," about 1,000 audience members loudly applauded.

The owner of a small construction firm in the Hokuriku region in his 50s said he became interested in Masuda when he read the book, "Nihon wa Doko Made Kuware Tsuzukeru no ka" (How Long Will Japan Continue Being Deprived?), coauthored by Masuda and a prominent management consultant. He then attended one of the lecture meetings organized by Masuda nationwide.

The man sympathized with Masuda's promise to make the U.S. president apologize for the atomic

bombings of Japan.

Masuda's claims that Japan must become a world leader and the country should not be obedient to the United States appealed to the man's patriotism.

According to the man, Masuda's lectures always drew capacity crowds.

The man began to believe Masuda's statements that stock and currency markets would move as he predicted because he was a friend of a head of a global hedge fund. He even believed Masuda would have the ability to reform the country.

Initially, he was hesitant to put his money into investment schemes recommended by Masuda. However, he made up his mind after hearing Masuda comment that the power of money was needed to increase Japan's say in the world.

After joining in a membership-based investors club, organized by Masuda with a 120,000 yen annual membership fee, the man invested a total of 8 million yen into Masuda's investment schemes.

A metropolitan area company president who invested 20 million yen said, "I felt like I was participating in a political movement organized by Masuda, rather than a moneymaking endeavor."

Most of the 800 members of Masuda's club are men and have invested more than 10 million yen on average, while some have invested in excess of 100 million yen.

Masuda returned to Japan in 1995 after being "involved in businesses in the United States" between his 30s and 50s.

With the endorsement of a high-profile management consultant, he debuted as a critic around 1997.

Masuda's 2004 book, titled "2005-nen Cho Kabudaka Dai Keiki" (Sharp Stock Price Rise, Economic Boom in 2005), was among the 10 bestselling business books in 2004.

He served as the executive editor of the monthly magazine, "Chikara no Ishi" (Will of Power). Prominent lawmakers often appeared as interview subjects.

Some investors who were lured to Masuda's schemes say that they came to believe him as a result of his relationships with prominent people.

A company employee in Kanagawa Prefecture is demanding Masuda return about 20 million yen, saying, "We might have been brainwashed by Masuda's shrewd techniques to become one of his followers."

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Bogus investment funds held in island accounts

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Part of the money collected from investors by self-styled current affairs commentator **Toshio Masuda** were transferred to the bank accounts of two companies registered in the Caribbean and in Hawaii, The Yomiuri Shimbun learned Thursday.

Two of the investors filed a criminal complaint Thursday to the Metropolitan Police Department on Masuda on suspicion he violated the Investment Deposit and Interest Rate Law, as the two investors had trouble getting Masuda to refund the money they invested in a bank he established in Palau.

Masuda collected 1.6 billion yen from the two and from other investors.

The two Caribbean and Hawaiian firms are represented by Masuda and his female acquaintance.

Masuda has failed to disclose how the collected money has been reinvested. Lawyers for the investors said the two firms were highly likely to be paper companies and it was not clear how they were managed.

According to sources, Masuda and his acquaintance encouraged the investors to invest into a diamond-cutting firm in Belgium and in unlisted stocks of an information technology company in California's Silicon Valley.

International Herald Tribune (Herald Asahi): A group of investors have filed complaints with police, saying they had been duped by executives of an investment firm linked to self-proclaimed "commentator" Toshio Masuda.

100 words

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The International Herald Tribune (Herald Asahi)

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Their attorney said **Sunra** World Corp., which is effectively run by Masuda, collected some 20 billion yen by promising high interest but did not repay the principal and interest

The company is run by a female acquaintance of Masuda

It failed to repay many of its financial products to investors even after redemption dates, according to the attorney, saying the company had violated the investment deposit law.

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THE DAILY YOMIURI

Investors to file complaint with police against critic

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English

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Self-styled current affairs comentator **Toshio Masuda** is facing financial difficulties as people who invested about 1.6 billion yen in a bank he established in Palau are complaining that despite the investments having reached maturity, most of the due money has yet to be paid out, sources said Wednesday.

Masuda advertised an annual interest rate of more than 10 percent for time deposits at the bank. But even after the license of the bank in Palau was revoked by the Palau government in January 2005, Masuda continued to accept investments without revealing this fact to investors, according to the sources.

Masuda has also attracted more than 10 billion yen in investors' money for a coffee plantation in Hawaii and other projects.

But he is now having to face up to dozens of investors who are demanding the return of the funds they invested, the sources explained.

Some of the investors plan to file a criminal complaint with the Metropolitan Police Department, possibly on Thursday, claiming that Masuda violated the Investment Deposit and Interest Rate Law.

According to a lawyer representing the investors, Masuda established Sunra International Bank & Trust Corp. in Palau in May 2005 with Masuda as chairman.

He made the investment offer to members of an 800-member investment club run by a Chuo Ward, Tokyo-based investment advisory firm, Sunra World Corp., the president of which is a female acquaintance of Masuda's, the sources said. He also called for direct investment in the bank itself.

The investors were initially paid interest on the deposits and dividends on the invested funds, the sources said.

Although he did not reveal the revocation of the banking license to the investors, many of them found out about this development via the Internet or other means.

They demanded the return of the funds they invested in December 2006, when the time deposits were due to mature. However, Masuda has kept delaying payment of the money due, and has acknowledged that he is suffering from a shortage of funds.

Masuda also lured investors into a golf course development project in Palau, but that project has already derailed. Meanwhile, dividend payments for the Hawaiian coffee plantation have been suspended, the sources said.

"Masuda has not been authorized to operate a bank in Japan and his actions violate the investment law, which prohibits the entrustment of funds from an unlimited number of members of the public," said the investors' lawyer.

"We'd like the police to start an investigation and stop these murky investments," the lawyer said, explaining the reasons for the criminal complaint.

"I can't answer any questions concerning the bank as I have to verify the facts," Masuda's lawyer said.

Masuda has written more than 20 books as a critic, including "Baburu no Sairai" (Return of the Economic Bubble), and has been giving many lectures throughout the nation.

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