Historical Studies of Socialist System
ISSN 2432-8774

社会主義 体制史研究

No. 41（July 2026）

Changing Corporate Governance in Japan

Yoji Koyama
Professor Emeritus at Niigata University (Japan)

既刊リスト（past issues）

社会主義体制史研究会
The Japan Collegium for Historical Studies of Socialist System

『社会主義体制史研究』(**Historical Studies of Socialist System**)

ISSN 2432-8774

Website: https://journal-hsss.com

publisher: The Japan Collegium for Historical Studies of Socialist System
社会主義体制史研究会

size: A4

mail to journal.hsss99.com (99 = @gmail)

不定期刊(原稿があり次第発行)、文字数制限なし、無料のオンライン・ジャーナルです。

旧社会主義諸国(共産圏)の歴史(「革命」前・体制転換後を含む)と、社会主義や共産主義の思想・理論を対象に批判的検証を志しています。投稿歓迎。

編集者より:

この投稿のテーマは本誌表題から外れますが、ユーゴラビア自主管理研究の第一人者としての筆者による日本の経営管理改革への取り組みに期待しています。

From the editor:

Although the topic of the contributed paper is out of the original title of this journal, I decided to publish it in this journal. The reason is that I am interested in how the author, who is one of the leading experts in studies of self-management in former Yugoslavia, views management reforms in Japan.

cover photo The Tokyo Stock Exchange – main room
https://ja.www.jstage.jst.go.jparticlejarees2016452016_156 (CC BY-SA 4.0)

Historical Studies of Socialist System, No.41, July 2026
in: https://journal-hsss.com

Changing Corporate Governance in Japan

Yoji Koyama[1]

Abstract
This paper explains characteristics of corporate governance in Japan, based on history. It is structured as follows: First, opinions of two representative Japanese scholars in law and economics are presented. Second, after giving an overview of the history of corporate governance in Japan, US–Japan trade friction in the mid-1980s as well as bubble, its collapse and financial crisis are explained. Third, changes in corporate governance in the USA including managers' revolution and shareholders' counter-revolution are explained. Fourth, the influence of changes in corporate governance in the USA on Japan is explained. More concretely, revisions of the Companies Act were led by the Ministry of Economy, Trade and Industry (METI), the corporate governance in a considerable number of joint-stock companies has become similar to that in the USA, and a product of the METI's project, i.e. Ito Report, which put emphasis on ROE, has become very influential in management of many companies. Fifth, aims of joint-stock companies are described based on Uemura (2021). Namely, shareholder supremacy is absurd, and the aim of joint-stock companies should be maximization of the achievement of objectives prescribed in the articles of incorporation of the companies. Finally, the paper concludes.

Keywords: Corporate Governance, Joint-stock Company, Three Pillars of the Japanese Style Management, Managers' Revolution, Shareholders' Counter-Revolution,

JEL Classification: K20, G38

Introduction
Reflecting Japanese history, corporate governance in Japan was previously viewed as unique one with three pillars of the Japanese style management, cross-share holding, etc. With the collapse of the bubble and financial crisis in the second half of the 1990s as a turning point, the American way of corporate

[1] Professor Emeritus at Niigata University (Japan) E-mail: zac00343@nifty.com

governance increased its influence in Japan. Accordingly, an opinion that companies belong to shareholders is being asserted loudly, but at the same time we hear different opinions[2]. Whom companies belong to? It is said that in the USA duties of corporations' managers is to maximize shareholders' economic benefit which is measured by stock prices. Such an assertion as well as activists' actions based on such a view spread to Japan too. Among them there was an extreme action[3] which sounded a little odd to me. Such an opinion has not been a dominant opinion until recently. Looking back on the Japanese history in this area, I would like to examine this problem. To begin with, we have to discuss what is a joint-stock company.

1 Emergence of Joint-stock Company

Explanation by Professor Uemura

Historically speaking, having accepted Commenda, a general partnership company transform itself into partnership in commendam [limited partnership company], which was composed of unlimited liability partners and limited liability partners, and finally into a joint-stock company. Tatsuo Uemura (2021), a Japanese specialist on the Companies Act, explains as follows:

The forms of human connections established for joint business operations are known as 'partnerships' and 'associations'. The contributed assets of each member in a partnership become shared property among all members, and the concept of 'equity' according to their contributions exist. The distribution ratio of profits generated from joint business and the burden ratio of losses incurred are determined by the partnership contract. If there are no specific provisions, they are allocated based on contribution ratios. Regarding liability to creditors, all members share equal responsibility and bear liability with all their personal assets (unlimited liability). A partnership contract is concluded for the purpose of 'joint business operations'. The business purpose is a mandatory element that must be documented in the articles of incorporation. There is also a form of anonymous partnership in which investors contribute capital but do not participate in management (having no executive authority) and only bear responsibility up to the amount of their contributed assets. An 'association' is first of all a group entity. Its purpose and formation of the association is confirmed in articles of incorporation or regulations, and the entry and exit of individuals into the group are approved. The joint business form which has been conceptualized alongside partnership contracts is 'association'. While partnership contracts prioritize individuals with

[2] There is an opinion for corporate governance model aiming at fair distribution among stakeholders. For example, Sakurai (2024). In discussing about a severe train accident of JR West which occurred on April 25, 2005, he says that the direct cause of train derailment was an overspeed and that its indirect cause was suppressive management of human resources and too late ATS (automatic train stop) installation. The JR West was established on April 1987 as one of 7 railway companies by the privatization and separation of the Japan National Railway. In his opinion, the background of this tragic train accident was the company's excessive behavior toward the full privatization, deregulation and weak monitoring.

[3] Mr. Yoshiaki Murakami, representative of the Murakami Fund, became famous for alleged insider trading concerning a TV company's shares, and then he was arrested and convicted in June 2006. His statement in front of the media "What is wrong with making money?" became famous.

people contractually binding themselves and subsequently taking on a collective form, associations prioritize the group entity first, with its purpose sustained through articles of incorporation or regulations, allowing for the continuous entry and exit of members.

Uemura (2021) argues as follows: A civil society develops, the presence of citizens grows, and they themselves transform into key players in economic activities, there arises a need for large-scale enterprises which provide goods and services beneficial to citizen's life. Simultaneously, there is an increasing demand to utilize surplus funds (idle capital) primarily held by the middle-class citizens on a large scale to facilitate even larger-scale management. Since individuals such as sole traders or members of general partnership are requested to bear unlimited liability and must be prepared to risk all their personal assets, it was not easy for them to become financial providers. Therefore, to address this, joint-stock companies were created, composed of members with limited liability. In a joint-stock company, the assets contributed by shareholders clearly belong to the company and are not collective property shared among the shareholders (Uemura, 2021, pp. 19-21).

Uemura (2021) argues that the essence of the joint-stock company system lies in the 'theory of share'. The equity share in a partnership contract was traditionally referred to 'stock', representing the ownership stake of individual investors with colorful personality. The moment when stock, initially held as solidified equity, transformed into uniform units called "share" was the critical turning point that enabled companies, which previously could not utilize financial markets, to function as modern corporations capable of leveraging securities markets. The share, as a homogeneous unit, is purely a fractional value. This unit is nothing more than physical entity of a stock. A shareholder is merely a person who possesses stock, i.e. a 'shareholder' in the literal sense. 'The moment' in which rights initially belonging to personal identity has left it and moved to the world of things marks the historical moment when the joint-stock company system acquired a distinct, independent world (Uemura, 2021, pp. 31-32).

Uemura emphasize that this shift is crucial. The rights of shareholders, including dividend claims, distribution claims for residual assets, and voting rights, are all embodied in the form of share. As a result of acquiring and possessing shares. Being a shareholder simply means owing stocks, without carrying any inherent value judgment such as being the "owner of the company" or a member of corporate community.

Shareholders have the right to claim dividends, but according to Uemura, this is not a concrete financial claim demanding a specific amount. Rather, it is merely position which allows for the possibility of dividends being distributed if there are distributable profits and certain procedures are followed. Although the issue of shareholders' trust in management remains. Uemura asserts that even if distributable profits exist, there is no obligation to pay dividends (p. 21). A management decision to retain earnings for long-term growth is possible.

Uemura views voting rights as a 'right to participation in democracy' (p. x). In connection to the argument for shareholder supremacy, Uemura (2021) criticizes the concept of ‘one share, one vote’ as follows: ‘The concept of one share, one vote’ strongly suggests that money is granted unfounded and excessive control. Due to concerns about such excessive control, it is natural that restrictions on voting rights before and after their exercise have been carefully devised’ (p. 37).

Uemura (2021) argues that voting rights are an expression of personal rights and illustrates his point with the following example. In a shareholders' general meeting, whether a shareholder holds one share or 100,000 shares, the chairman may limit their ability to ask questions to just one or two times. In other words, right to question is given according to numbers of shareholder. This is because the act of questioning represents a human expression of will, namely an extension of personal identity. Money itself does not ask questions, and if a shareholder were allowed to ask 10,000 questions simply because he owned 10,000 shares, the meeting would never conclude (pp. 191–192). In short, Uemura maintains that shareholders may own shares, but they do not own the company itself.

Uemura (2021) states that the defining characteristic which sets the joint-stock company system apart from other corporate structures is its historical formation as an integrated mechanism with securities companies, allowing it to utilize the stock market effectively. It is quite important for a joint-stock company, which is closely tied to the stock market, a condition that shareholders and investors can ‘buy at any time’, ‘sell at any time’ and transact at ‘a universally common price’ should be met (p. 218). However, this highly convenient securities market is also ‘a hazardous entity so enormous and detached from human activity that it can crush people’ (p. 58). Given past occurrences such as massive bubbles and their bursts, European countries have accumulated valuable experiences over time and developed regulatory frameworks accordingly.

Iwai’s Explanation

Like Uemura, a theoretical economist Katsuhito Iwai also criticizes shareholder supremacy, but his explanation differs. Iwai (2003) states that a joint-stock company is structured through a ‘dual ownership system’, in which shareholders own the company as a legal entity, and that the legal entity, in turn, owns the company's assets. He describes this concept as: "A company as a legal person has two aspects: persons and at the same time things" (Iwai 2003, pp. 57–58). Iwai further explains: "Shareholders are merely owners of stocks, meaning that they are owners of the company as a thing". When the company functions as a ‘person’, it owns its assets, manages them freely, receives profits generated from them, and, upon dissolution, has the right to retain any remaining assets. On the other hand, when shareholders own the company as a ‘thing’, they do not own its assets directly. Instead, they possess the rights which the company, as a legal person, holds, specifically, voting rights in shareholders’ general meetings, claims to dividends, and claims to residual assets (Iwai 2005, p. 20).

This explanation highlights the nuanced distinction between ownership of corporate assets and ownership of corporate rights through stockholding. A representative director is an organ. A representative organ such as representative director or trustee is an entity which substitutes for organ like a brain, ears, a mouth, and hands and legs of legal person. Thereby the organ makes a legal person behave in the real society as if it is a person with flesh and blood. He is like a puppet manipulator in Ningyo Joruri, a Japanese puppet show. An important point is that manager(s) is (are) absolutely necessary for a joint-stock company. Without manager(s), a joint-stock company never function as a person in the real society (Iwai 2003, pp. 77-78). If a manager is not an agent of the shareholders on the basis of contract of commission, what is he? He is “a person entrusted fiduciary” (simply called a fiduciary). Fiduciary is a quite different concept from contract. For example, it is a relationship between a sick person in unconsciousness and a medical doctor who operates the former. Relationship between persons like infants, mentally handicapped persons or senile persons who cannot, de jure or de facto, conclude a contract, and guardians who manage property on behalf of them. Jobs of experts with highly professional expertise such as lawyer, engineer, teacher, accountant, fund manager do for others are based on fiduciary, even if they conclude contracts. Because there is a big difference in knowledge and ability between them and their clients (ibid, pp. 81-82).

As we have seen, two representative Japanese scholars in law and economics, based on their respective logics, deny the theory of shareholder supremacy.

2 Corporate Governance in Japan

History

Let us look back on the Japanese history[4]. After the Meiji Restoration the Japanese government carried out an industrial policy stimulating the economic growth known as ‘encouragement of new industry’. Entrepreneurs played important roles in adoption and adaptation of Western technology. Zaibatsu (industrial conglomerate) groups such as Mitsui, Mitsubishi, Sumitomo, etc. appeared as main industrial complexes. Capitalistic shareholders were very active in pursuit of their benefit, and they urged the management of investee companies to reorganize weaker companies and forced the management to carry out merger and acquisition. Capital market functioned to a certain extent at that time. According to Uemura (2002), in the prewar period there were many closed-type joint-stock companies. Issued shares were not dealt at stock exchanges, and closed companies of family business in which family members were shareholders and managers existed. General partnership company, limited partnership company and limited liability company were considered suitable forms of companies mentioned above. Head offices of Zaibatsu adopted forms of general partnership company or limited partnership company. Capital markets existed, but they were closed capital markets. For a while after the war, apart from limited liability companies too many ‘joint-stock companies’ of closed were established (Uemura 2002, pp. 19-20).

In a period before the Second World War and in the wartime (1931-1945) there were influences of the

---

[4] Jerzemowska (2025), begins her explanation of historical roots of corporate governance in Japan from 7th century (the Yamato era).

state control and military affairs on the economy. The government strengthened its control over main industries which supported military necessity. The national mobilization system was created in order to guarantee efficient allocation of resources for the military necessity. Major companies were restructured in order to produce military equipment and goods. Innovations, which were led by the necessity for the wartime production, brought progress in technology and production processes and changes in the supply system of industrial funds and practices of employment. In the course of these practices germinating models of main bank system and life-long employment appeared.

In a period after the second world war (1945-1955) Japan faced serious challenges such as recovery and reconstruction of infrastructure and industrial bases. In post-war reconstruction period the following economic reforms modelled after American practices were carried out. Large industrial conglomerates (Zaibatsu) were dismantled in order to democratize the economy. Agrarian reform was carried out, and the land was redistributed among tenant farmers. Labor reform was carried out in order to improve rights and conditions of workers. Wartime managerial strata were expelled, and their positions were filled by managers of new generations.

In the period high economic growth (1955-1973) there was rapid reindustrialization, technological progress and an increase in foreign trade. The government carried out policies for promotion of the economic growth including tax incentives and subsidies under the industrial policies led by the Ministry of International Trade and Industry. Development of infrastructure was given priority, necessary funds were provided, and construction of expressway, railway and ports were carried out. Many companies made investment in research and development, and introduced cutting-edge foreign technology. Industries such as automobile, electronics and machine came to have high global competitiveness. Japan adopted export-led growth strategy focusing on production of products of high quality and affordable prices.

Three Pillars of Japanese Style Management

In the period of high economic growth ‘Japanese style management’ drew worldwide attention. Abegglen (2004) presents the following three pillars as characteristics of the Japanese style management: 1) Seniority system; 2) Life-long employment; and 3) Company-wide trade union. Indeed, these pillars contributed to the enhancement of workers’ loyalty to their companies. As the Japanese economy has had a dual structure (large enterprises and small and medium-sized enterprises), this explanation did not apply to small and medium-sized enterprises, but applied to large enterprises.

Cross-shareholding

According to Okumura (1984), it was in the first half of the 1950s that concentration of shares in hands of legal entities increased remarkably. At that time, the restriction of share ownership by financial institutions and business enterprises was relaxed owing to the revision of the Antimonopoly Act. This triggered concentration of shares in hands of the legal entities. At that time reorganization of Zaibatsu to groups of companies was done on the one hand, and many companies were grouped by large companies (= organization of Keiretsu) on the other hand. From the second half of the 1960s to the first half of the 1970s concentration of shares at the second stage occurred. In response to capital liberalization, 'organization of stable shareholders' as countermeasures to it was pursued. As a result, cross-shareholding by legal entities increased, and the proportion of individual shareholders in total shares has become very small (pp. 53-61). Managers have become able to manage their companies without worrying about shareholders' interest. Their companies' dividends were always very low, and it was often lower than interest rate (ibid. p. 68).

Main Bank System

At that time direct financing, a way to raise funds from capital market, did not play a major role. City banks[5] delt with mainly large companies, and regional banks delt with mainly small and medium-sized companies. Many companies raised funds from their main banks, and both sides maintained long-term financial relationship. When a company fell into a crisis its main bank did not collect the money which the bank lent it but sent a member of the board of directors as a candidate for executive or president to it and made him turn around it. Besides, banks were under strong control of the government. Such a way of the guidance by the Ministry of Finance was called 'the convoy system'[6]. Therefore, there was almost no competition among banks, and there was almost no difference in interest rates of banks. According to Iwai (2003, p. 106), the controls over banks were done by the former Ministry of Finance through various financial regulations and administrative regulations, and after the reorganization of government ministries and agencies in 2001 a part of the role has been played by the Financial Service Agency. In this sense, it can be said that previously the ultimate exponents of the corporate governance of Japanese companies were state bureaucrats. Therefore, in the first half of the 1980s some Americans gave criticism that Japanese financial institutions increased their international competitiveness under the government's strong control.

US – Japan Trade Friction

In the mid-1980s US – Japan Trade Friction has become a political issue. Japanese exports to the USA increased at that time whereas US exports to Japan remained sluggish. The fixed exchange rate: a US dollar = 360 yen was determined in 1949, but with the rapid development of the Japanese economy the US side was becoming to view that at this rate the Japanese yen was underestimated. At that time especially Japan and West Germany recorded considerable trade surplus. In September 1985 at the meeting of ministers of finance and governors of central banks of main advanced countries including Japan an agreement (the Plaza Agreement) was reached to intervene the foreign exchange markets in

---

[5] Previously major banks were called city banks, which numbered 14 as of early 1990.
[6] It was called so because like banks ships in convoy go at a pace adjusted to the slowest ship.

order to adjust Dollar appreciation. The US government viewed that as the expansion of domestic demand was slower Japanese companies naturally launched an export offensive in the American market. Viewed from this perspective, the task to be done by the Japanese government was to correct the Yen depreciation (against the US Dollar) and decrease Japan's substantial current account surplus.

The Japanese government aimed to expand domestic demand by the monetary easing, thereby decrease the trade surplus. The money supply was increased gradually. In fact, during 4 years from 1987 through 1990 the money supply increased at a pace over 10% every year. After the Plaza Agreement the exchange rate of Japanese yen to a US dollar changed drastically from about 260 yen to about 150 yen in a half year. Many export companies in Japan made desperate efforts to decrease costs of their products through rationalization of the production processes. After all, the Japanese government succeeded in changing the exchange rate in the direction of appreciation of the yen but could not accomplish the original goal of decreasing the current account surplus (Horiuchi 1988, p. 106).

Bubble, Its Collapse and Financial Crisis

The Japanese economy experienced the so-called bubble economy from the second half of the 1980s to 1991. One of the reasons is the Japanese Government's macro-economic policy after the Plaza agreement in 1985. The tasks to be fulfilled by the Government at that time were redressing of a low value of the Yen (i.e. a relatively high value of the dollar) and reduction of the surplus in the current account balance. In order to respond these tasks, the Government tried to expand the domestic demand by easy finance policy and thereby to decrease the trade surplus. The rate of increase in the money supply was gradually raised. In fact, every year during 4 years from 1987 through 1990 the money supply increased at more than 10% annually. The total bank loans increased every year at about 10%, and among others, loans to industries related to real estate, i.e. loans to real estate brokers and construction companies increased at more than 20% annually.

Prices of assets such as shares and land increased drastically. As there were resort development, construction of golf courses, apartment houses and office building, etc., land prices[7] increased across the whole country. This was threatening the macro-economic stability. Nevertheless, the financial authority moved very slowly. It did not change its macro-economic policy until May 1989 when it raised the official bank rate. Afterwards, for 18 months until August 1990 it was raised for 5 times from 2.5% to 6%. Thus, the bubble has collapsed. The asset prices of the total shares which amounted to 91 billion yen at the end of 1989 (i.e. at the time of its peak) have decreased to 31 billion yen at the end of 2001. Also the asset prices of the total real estates which amounted to 242 billion yen at the end of 1990 (i.e. at the time of its peak) have decreased to 145 billion yen at the end of 2001. It means that asset prices of the total real estates have decreased by 40%. Compared with the peak level, the total amount of the national wealth, consisting of shares and real estates, have decreased by 43%. It means that during this

[7] At that time there was a kind of myth that land prices never decline, and someone ridiculed, "Japan has a land-based system".

period 133.9 billion yen of the national wealth was lost, in other words, the value corresponding to two and a half of years' nominal GDP have come to nothing (Takita 2002, pp. 60-62).

As a result, the banking sector came to have a huge amount of non-performing loans. It is special companies for housing loans (Juhsen) that screamed first. Unlike the Government Housing Loan Corporation, Juhsens were established by commercial banks. As these commercial banks themselves advanced to the area of housing loans after having fallen into difficulties in their own works, Juhsens were obliged to give loans in the area in which they were inexperienced, and here they suffered a huge amount of loss. In Japan there were many cases in which land was used as collateral in giving loans, but when land price fell considerably financial institutions fell into financial difficulties. In 1995 Juhsens' financial difficulties became a social issue. In the end the government was obliged to inject public funds, leading to strong negative reaction on the part of the public. In 1997 small and medium-sized banks and securities companies went bankrupt one after another. Even if they did not collapse, many banks suffered from non-performing loans. In addition, an important challenge for them was how to respond to the BIS regulation[8]. Relief measures for them became a social issue again. In March 1999, public funds were injected into 15 major banks through the Resolution and Collection Bank which was just established.

3 Changes in the USA

Managers' Revolution

Adolf. A. Berle (a specialist in Company Law) and Gardiner C. Means (an economist) published their joint study *Modern Corporation and Private Property* in 1932. In their book they clarified empirically that the number of shareholders increased along with an increase in scale of joint-stock companies, the structure of shareholders has dispersed, and that consequently about a half of business enterprises came to be controlled by professional managers who had almost no shares (Iwai 2003, p. 124; Shibata 2020, Chapter 1) This phenomenon came to be called 'Managers' Revolution).

The authors divide property of joint-stock companies into 'passive property' and 'positive property'. 'Passive property' refers to securities such as shares and corporate bonds. This makes its owners have some interest in the enterprise, but does not give him the control of the enterprise. 'Positive property' refers to elements which consist of actual enterprises such as equipment and machines, goodwill, organizations, etc. In their view this is, in most cases, controlled by individuals who have very few

[8] BIS is the Bank for International Settlement, located in Basel, Switzerland. The Basel Committee on Banking Supervision consisting of banking supervision authorities and the central banks of major 12 advanced countries decided that the proportion of equity capital to risk assets should be no less than 8% for banks which have operation bases overseas, and no less than 4% for banks which are operating on the basis of domestic standards. According to Kikuchi (2001), the hidden meaning of this regulation was to restrain unruly development of international business by Japanese banks (for example, dumping of interest rate and transaction terms, styles neglecting business practices in the West, and emphasis on quantitative expansion rather than profit). The BIS Regulation began to be applied to the account settlement of the year 1992 (accounts were settled at the end of March 1993 in Japan). This was in practice a regulation on assets and loan limit amounts, which meant that banks should not possess asset (mainly loans) over certain times as equity capital. Nevertheless, the Japanese side was late for noticing this point.

property rights of ownership of them, namely manager (Berle & Means 1932, p. 346-347; Japanese translation, p. 439).

Both of them were supporters of the New Deal. They reached the following conclusion that ‘rulers’ of a joint-stock company should not act in pursuit of shareholders’ interest and managers’ self-interest, but should change themselves into purely neutral technocrats who keep a balance among various groups’ claims concerning communities and allocate flows of income to each group, not based on their own interests but along public policies. In this way, they argue that managers, new rulers, should be under the social control. Specifically, they argue that joint-stock companies should be managed with an emphasis on communities and that programs which include fair wages, safety of employees, reasonable services to customers, and stability of business should be worked out[9]. However, reality did not advance in the direction that they expected because of various factors including a decline in the influence of supporters of the New Deal. With a relative decline in shareholders’ power, managers’ power increased further.

Owing to favorable conditions of the US economy and cozy relationship between boards of directors and trade unions, managers’ power came to the peak, and at the same time the internal control of companies became stronger. I would like to add that even a market of professional managers exists in the USA[10].

Shareholders’ Counter-revolution

Possession of shares changed from ‘dispersion’ to ‘concentration’ again because a smaller number of institutional investors (trust section of banks, life insurance companies, corporate pension funds, etc.) came to possess shares. As stock prices stagnated for a long time in the 1970s large-scale institutional investors, which increased their share in total shareholding replacing individual investors as a leader, came to express their requests strongly. They felt a strong antipathy to managers who abused companies’ assets and were unconcerned with performance (i.e. their stock prices) and came to argue shareholder supremacy with the maximization of shareholder’s value being the only one purpose of companies as can be seen in Milton Friedman’s doctrine. Afterwards, neoliberalism increased its influence under the Reagan Administration in the USA (1981-1989) and Thatcher government in the UK (1979-1990). From the 1980s to 1990s there was active swingback in company’s power from managers to shareholders which was called ‘shareholders’ counter-revolution. In giant companies such as General Motors and IBM, which had represented strong America, dismissal of CEOs by members of the board of directors

[9] Such an argument reminds us a later discussion of stakeholder-oriented corporate governance.

[10] In Japan president and executives of a joint-stock company are usually former employees of the company, and they have promoted to assume the positions whereas in the USA there is even a market of professional managers exists. There are business schools where people who aim to become professional managers are trained. Typically, after graduation a young people at the age of around 28 becomes vice president of a company, and then after having accumulated results the people move to another company with better compensation and finally becomes CEO of a different company somewhere.

occurred. Such events were called 'rebel of members of the board of directors' (Ohta, 2023, pp. 42-43).

According to Shibata (2020), however, the structure of managers' advantage remains unchanged. The number of companies, which pay them remuneration in the form of bonuses and stock options linked to stock prices, increased[11]. Enormous amounts of retirement allowance were paid to managers. Shibata explains the reason for such a change in companies' behavior. First, 'financialization of economy' can[12] be mentioned. Mergers and acquisition of companies (M&A) increased. Since managers of companies were likely to be targets of M&A
which were likely to be targets of M&A strived to raise stock prices and maintain high stock prices in order to avoid M&A the stock prices gained importance. Thus, dividend of non-financial companies was raised, and purchase of shares of their own companies increased. Also institutional investors utilize money, which are entrusted by their clients, in investment linked to index (a kind of passive fund). They possess huge amounts of shares to secure their voice. However, there is a limit in shareholders' proposals. Dismissal of CEOs of companies has seldom occurred because CEOs of companies have decisive influence in nomination committees of their companies (Shibata 2020, pp. 86-98). Shibata mentions significant consequences: 1) an increase in the number of poor families; 2) a declining rate of wage increase; 3) an increase in unemployment; 4) a decline in quality of employment (employment in manufacturing which had paid higher wages was lost due to restructuring, and domestic employment outflow overseas); and 5) a widening gap in income. In connection with the last point Gini coefficient increased from 0.397 in 1967 to 0.486 in 2018 (Shibata 2020, pp. 100-106).

4 Influence on Japan

The first action requesting Japan to open capital market was case of Koito Manufacturing Co., Ltd (a supplier of automobile components) in 1990. At that time a request by an American investor was rejected at the shareholders assembly[13]. Later the Tokyo Stock Exchange was opened to foreign investors. Such

---

[11] Iwai explains that it is based on simple and clear way of thinking as follows: If 'separation of ownership and management' melted 'shareholders supremacy' we had better get rid of 'separation of ownership and separation'. Namely, if we made managers shareholders then 'shareholders supremacy' would automatically revive, alternatively, if managers' compensations were linked to stock prices managers would pursue not only their own benefit but also shareholders' benefit. If they received compensation in the form of stock options, they would endeavor wholeheartedly to raise stock prices. As a result, a gap between managers' compensations and employees' wages have expanded. The gap was about 20 times in the 1950s, but it expanded to 85 times in 1990 and jumped to 531 times in 2000 (Iwai 2003, pp. 91-92).

[12] According to Shibata (2020), 'financialization of economy' refers to phenomena such as, firstly, an increase in profitability of the economy and importance of financial section in the economy, and secondly, an increase in income based on financial investment by non-financial companies and an increase in payment from companies' profit to the financial market (p. 80).

[13] In 1990 Thomas Boone Pickens Jr., Chairman of a US hedge fund BP Capital Management, which possessed 20.2% of Koito Manufacturing Co., Ltd., requested Koito to three people from BP as members of the of the Board of Directors, an increase in dividend, and cancellation of Keiretsu transaction. His behavior like a greenmailer gave rise to opposition and was rejected at the shareholders' general meeting (the Japanese government suggested Koito not to accept him as a member of the Board of Directors).

a change was caused not only by pressure from the USA but also the necessity for overcoming a critical situation in the Japanese economy including the banking sector which was suffering from a huge amount of non-performing loans.

Financial Big Ban began in 1998 on the initiative of Prime Minister Ryutaro Hashimoto. The financial Big Ban was 'a reform placing the capital market in the center of the financial system' (Kishimoto 1998, p. 3). Its aim was to reinstate Tokyo as an international financial center comparable to New York and London, attract money from all over the world to Tokyo capital and financial market and at the same time intend to liberalize new entry and encourage mutual entry of banking, securities and insurance companies (ibid, pp. 11-14).

In the second half of 1990s Keidanren (Japan Business Federation) recognized necessity for changes in the structure of supply such as excessive equipment, excessive employment and excessive borrowing and requested the Government deregulation. At the same time, pressure for deregulation came from the US government. The mainstream of Japanese business circles chose a concession in the investment friction in order to avoid the trade friction with the USA. Based on the Japan and US Agreement on Financial Services in 1995, entry of investment consulting companies (managed by investment funds) in asset management of the National Pension Fund, the Postal Savings and Postal Life Insurance, etc. was approved, entry of foreign investment consulting companies (with their head offices being located in Japan) in these areas was approved, and regulations of investment in the Employees' Pension Insurance and the Employees' Health Insurance were deregulated or abolished (Kunishima 2022, p. 31). Requests by the USA continued further. The so-called 'Annual US Request for Reforms to Japan' requested facilitation of merger and acquisition and 'mobility of real estate and employment' for promotion of restructuring after M&A. After Keidanren published 'Japanese Style Management in New Era' in 1995, the number of irregular workers who could be easily fired increased, and mobility of labor led by capital increased. Based on 'Financial Rebirth Plan' (Takenaka Plan) in 2002, foreign investment funds including funds aiming at M&A, real estate and hedge funds came to Japan and took roots (Kunii 2022, p. 32).

Previously, revisions of the Commercial Law and the Companies Act was led by the Ministry of Justice through discussions with scholars and resolutions by the Parliament. Since around 2000, however, this process has been led by the Ministry of Economy, Trade and Industry (METI). In 2005 the Companies Act was revised. In fact, the Companies Act, which was included in the Commercial Law till then, became an independent law, i.e. the Companies Act. According to Uemura (2021), new Companies Act was worked out on the basis of American way of thinking such as 'law and economics' which insisted that the Companies Act should be an aggregate of transaction rules and voluntary regulations. As a result, new Companies Act approved the system of joint-stock companies which had no precedent in the world, namely old limited liability company is now called joint-stock company, consequently 2.54 million joint-stock companies exist in Japan[14] (p. 146).

According to Shibata (2020), by the revision of Commercial Law in 2002 joint-stock companies have become able to establish a company with Nomination Committees, etc. management structure. This type of a joint-stock companies has three kinds of committees, i.e. nomination committee, Director/Audit Committee and Compensation Committee. These members are elected among members of the board of directors by a decision of the board of directors. These committees are comprised of three or more members each, and a majority of each committee must be outside directors (namely, when a committee is comprised of three, two must be outside directors). In a conventional joint-stock company the board of directors was a decision-making body and at the same time an execution body. In a company with Nomination Committees, etc. management structure, a body called executive officer, who is supervised by the board of directors, is to be established (Nakajima, 2015, pp. 82-83). It is mainly large companies that have become a new type of joint-stock company, and overwhelmingly many joint-stock companies remain a conventional type of companies.

According to Shibata (2020), the revision of the Companies Act in 2014 made it possible for companies to adopt a type of company called a company with Audit and Supervisory Committee. With this type, companies have become able to adopt a system which delegates business execution to members of the board of directors, facilitating speedier management. In the case of this type, if majority of members of the board of directors are outside directors or the number of members of the board of directors is prescribed in the article of incorporation, decisions on important execution can be delegated to executive directors. Since unlike the above-mentioned companies with Nomination Committees, etc., this committee (Audit and Supervisory Committee)

can only 'express opinions', thereby limitation on managers has become looser, many joint-stock companies adopted this type. An important role of the board of directors in this type of company is to show directions such as companies' strategies, etc., and practical business execution is to be entrusted to a part of the management (p. 157-158). Audit & Supervisory board members are elected by the shareholders assembly, but prior to the election this proposal is made by Representative Director and President. However, Audit & Supervisory board members sometimes play decisive roles[15].

After a period of low economic growth and deflation, which is called 'the lost two decades' after the collapse of bubble, the second Abe administration started in 2012. This government launched the so-called Abenomics which consisted of 'three arrows', namely, daring financial policy, flexible fiscal policy and growth strategy stimulating private investment. However, this policy was severely criticized by a famous Japanese economist Mitsuharu Itoh (2014), saying "Abenomics, based on neoliberal

---

[14] In order to make the launch of a business much easier the Companies Act enables people to establish a joint-stock company even with a starting capital of only a yen.

[15] According to Ohta (Professor at Showa Women's University), in critical situations the role of Audit & Supervisory board members is important. When shareholders ask 'who made a serious mistake?', for example, Audit & Supervisory board member must answer the question. Discussion with him on September 19, 2024.

thought, weakened the previously-existing protection of workers for the sake of creation of an environment in which companies can operate most comfortably in the world" (pp. 62-63). The zero interest rate policy did not cause any expansion of investment by private companies. The flexible fiscal policy has simply caused a long-term economic stagnation instead of growth. In fact, the Bank of Japan purchased government bond, and budgetary deficit simply accumulated.

In July 2013 the METI formed a project 'Competitiveness and Incentive for Sustainable Growth: Establishment of Desirable Relationship between Enterprises and Investors'. About 40 people including company managers, investors and researchers had thorough discussions on this topic for about one year with Professor Kunio Itoh (Hitotsubashi University), a specialist on accounting, as chairman. It is said that its report (commonly known as 'Ito Report') 'has become the starting point of reform of corporate governance' (Saijo, 2024). Based on awareness that in order for Japanese companies to generate innovation, which is a source of competitiveness, Japan needs inflow of long-term funds, the report requested Japanese companies to have ROE (Return On Equity) more than 8%.

In 2014 daring reforms were implemented as follows:

1. Asset possessing funds (institutional investors) such as pension funds, investment trusts, insurance companies, universities, independent administrative agencies were requested to entrust asset management to investment funds.
2. Principles of a Japanese version of stewardship cord ('responsible institutional investors') were prescribed. Company managers were requested to do 'aggressive' management of business to raise stock prices. Consequently, hedge funds as shareholders who actively weigh in with their opinions about the management of companies gained power.
3. The Financial Agency and the Tokyo Stock Exchange prescribed and published the Corporate Governance Cord. Based on it, investment funds requested company managers to increase their profit and raise stock prices. Uemura (2021) critically mentions this, saying that the corporate governance cord, which was originally an attachment to the listing regulations of the Tokyo Stock Exchange, came to be attached importance very much as a soft law (p. 177).

Since then, many Japanese companies have been pursuing high ROE and shareholder return policy. But we should not overlook the other side of this issue. The percentage of irregular employment increased further. The number of freelance, which sounds nice but has uncertain legal status, is increasing. In recent years job-focused employment is increasing[16]. According to Shibata (2020), in the 2000s growth rates of dividend and net profit increased further while wages are decreasing. Compared with 1991, in 2018 net profit increased by 5.13 times, current profit by about three times and dividend by 6.28 times whereas wages increased only by 1.1 times (p. 111)

[16] In his lecture Uemura (2024) says, "job-focused employment is often mentioned, but cutting off only value of a job from people's personality, only that part is made an object of employment and paid. This is a talk of low dignity. Job-focused employment seems to be similar to traffic in internal organ (p. 186).

5 Purpose of Joint-stock Company

Shareholder Supremacy

The American way of 'Law and Economics' was introduced to Japan about 40 years ago, and the situation in which 'Law and Economics' had involved and swept judiciary in the USA spread to Japan. This school grasps a relationship between a client and an agent, or between an owner and an executer as a relationship of principal-agency. Considering it most efficient to minimize the agency cost which occurs, this school thinks that a rule design should be based on efficiency. A representative book is *Economics of the Company Act*, ed. by Miwa, Kanda and Yanagawa (1998), which takes it for granted the idea that owners of a company are shareholders. As this book was so influential that it gave great influence on scholars, business person and judicial world[17].

Since the negative effects of greedy capitalism have become too much to tolerate, the UN summit in 2015 proposed '2030 Agenda for sustainable development' and SDGs (sustainable development goals). Even in the USA in September 2019 the Business Round Table (BRT) amended many years' principle of shareholder supremacy and advocated a business principle to create a long-lasting value by treating stakeholders (person concerned, i.e. business counterparts, employees, customers and local communities) equally with shareholders[18].

However, it seems that Japanese Government and business circles do not have such an awareness of the issues yet. Ohta (2023) says that what is occurring now in Japan is 'shareholders counterrevolution' 30 years after the USA. Uemura (2021) says as follows: Since people are not interested in how the institutions have been formed historically the direction of discussion is one-sidedly inclined only toward deregulation. Recent discussions in Japan which seems to spend important property of the Japanese jurisprudence, which had respected comparative law, has in fact opened a road to deregulation policies (p. 48).

Maximum Realization of Purposes Specified in Articles of Incorporation

Uemura (2021) criticizes conventional wisdom that the purpose of company management is maximization of shareholder value and that 'shareholders common benefit' is the most valuable for the system of joint-stock company. He argues as follows: The purpose of company management is maximum realization of purposes and missions specified in Articles of Incorporation, and corporate value means an evaluation of the attainment level of the corporate purposes and missions. Mentioning the so-called activists, he criticizes a currently prevalent view that a company belongs to shareholders and that shareholders are owners of the company and argues that shareholders are simply owners of

---

[17] Uemura (2021), pp. 46-52.

[18] Shibata (2022) put an emphasis on an aspect that the managers' side puts forth the importance of stakeholders in order to turn down requests by activists such hedge funds (p. 15).

'shares'.

As for a conventional wisdom that a shareholder's general assembly is the highest decision-making organ of a joint-stock company, he criticizes it as follows: many shareholders who possessed the shares for a moment and sold off on the record date of name change and therefore are listed in the shareholder registry. Shareholders' general assembly is only a meeting where many such shareholders attend and questions and resolutions are almost decided before the assembly. A shareholders' general assembly is only an organ which takes a part in the organizational structure of a joint-stock company. If citizen is shareholder, he or she should be always esteemed as a human being. There is a problem on a temporal axis: a shareholder who obtained shares by ultrafast stock transaction where every ten-thousandth of a second counts is far from the world of natural persons. In a highly mobile capital market a shareholders' general assembly is only a meeting like a still picture of a capital market in a moment with several months delay.

Pointing out a limit of the equal treatment of shareholders, Uemura (2021) says as follows: "So far even when the reason d'etre of the principle of equal treatment was argued it was based on norm consciousness as common shareholders being equal. The present principle of equal treatment of shareholder which has been codified without such a premise has become an argument for formal equality neglecting attributes of shareholders. It means equality of common shareholders and shareholders who cannot be common shareholders. Here appears a situation in which the issue of property right and the issue of voting rights, i.e. the right to participate in governance cannot be distinguished" (p. 148). He further says, "Hedge fund shareholders who obtained shares only by power of money and almost do not smell human being, instant shareholders who obtained shares by ultrafast stock transaction, dictatorship shareholders, underground money shareholders, borrowed shareholders who have not paid legitimate compensation, equity derivative shareholders, etc. We should not approve an idea of equal treatment of two types of shareholders: one who do not deserve to be called 'shareholders' and citizen shareholders who have truly human bases" (p. 148).

Among legal persons there are those full of human smell and those which have almost no human smell (only smell of money). Uemura is indignant and resentful over such a present situation. He criticizes a common idea (and put into practice in the USA) that it is desirable to link executive compensation with the company's stock price. Achievements of managers who contribute to the realization of company's purpose and mission cannot be evaluated by the company's stock price. Instead, governance, which enables the evaluation of company's performance, is required (Uemura, 2021, p. 18).

In Uemura's opinion, in Japan which lacks norm consciousness an erroneous idea that 'a company belongs to its shareholders' has gotten out of control, and spread of human alienation has been allowed (Uemura 2021, p.x). Shareholder supremacy in Europe is based on the norm consciousness that individuals and citizens as sovereigns of the society are shareholders, but this was adapted to make another norm consciousness that if people buy shares with a huge amount of money people can become sovereigns, and such an poor ideology has made people believe that rule of people by money is legitimate, leading wars over economic hegemony to a one-sided victory (pp. 66-67).

Difference from Europe

Uemura (2021) gives an overview of the European legal history since the Roman law. There were the French Revolution and the Napoleon Code, etc. in modern history. Leaders in the Meiji era understood well or endeavored to understand that legal culture in the Western countries was based on the history since the Roman law (p. 118). After having learned that China and other Asian countries were colonized by European great power, Japanese leaders in the Meiji era had a sense of crisis and strong will that Japan should become a modern state in order not to be colonized. For this purpose the Japanese government invited foreign scholars even by paying very high salaries and introduced foreign sciences. In the area of law, for example, Karl Friedrich Hermann Roesler (Germany) and Gustave Emile Boissonade de Fontarable (France) were invited. Japanese scholars studied European laws and translated the European laws into Japanese, and in case corresponding words did not exist in Japanese language they coined new Japanese words. In this way they introduced the European laws into Japan. China and Korea, countries which use Chinese characters, inherited the European laws by reading law books written in Japanese. In this way Japan, China and Korea have inherited European laws, but they have not inherited common customs and rules which have supported these statutory laws, namely, ploughing the field and forgetting the seeds.

Uemura (2021) explains legal education in Japan. In addition to Compendium of the six codes (Constitution, Civil Law, Criminal Law, Commercial Code including Company Act, Code of Civil Procedure and Code of Criminal Procedure), students have opportunities to study history (Japanese legal history, western legal history, Chinese legal history, the Roman Law, etc.), sociology (sociology of law), philosophy (philosophy of law, legal thought), comparative law (Anglo-American law, German law, French law, etc.), foreign languages, etc. The aim of legal education in Japan has been to make students to study these subjects equally to grasp the overall picture of law.

In contrast, however, in the USA there is no faculty of law, but exist only law schools. Previously there was competition for invitation of companies among states to secure tax revenue, and at that time competition for deregulation of the Company Act was held. Strangely enough, many companies in the USA have their addresses in the state of Delaware because the Companies Act of this state has been the loosest. In this way 'competition to the bottom' (Uemura 2021, p. 49) was held. Such a practice in the USA have had influence on other countries. Such an influence spread also over the UK, France and Germany, but in these countries the influence was not so serious as in Japan because there has been the legal culture since the Renaissance.

European people show strong dislike toward robots which are working like human being and artificial faces which change as if real human being do (Uemura 2021, p 57). In Europe a notion that not only statutory laws but also customs and rules which support the former are also laws has been prevalent among ordinary people. In the UK, for example, at the time of inspection by the FSA (Financial Services Authority) a Japanese financial professional working in the City (financial district in London) was told in a brief lecture before inspection "in the worst case you, person in charge, shall be expelled from the City, so, you should be present with caution in the inspection" (Sanpei and Uemura, 2024, p. 3).

In Germany it is understood that corporate governance is a problem concerning a political aspect of the enterprise system and that the present challenge is restriction of hypertrophied power of CEO as a business executor (Futagami 1987, p. 16). In Germany there is a system called Co-determination. This system was created in the 1950s when labor disputes occurred frequently. In German joint-stock companies, different from Japanese counterpart, the supervisory board, which is the highest decision-making organ and has the power to appoint members of the board of directors as an executive organ and monitors them, is playing an important role (Iio 1987, p. 16). The supervisory board consists of the same numbers of members from labor and management. In decision-making of a company, co-determination by both employees and management is made. The board member in charge of labor management is to be elected by a board member from labor. Alongside the supervisory board at a company level, at a lower level there are joint management councils where co-determination is made. In this way, both co-determination at a company level and co-determination at lower levels plays mutually complementary roles.

Societé in French can be translated into 'Kumiai' (a Union) in Japanese, but it also can be translated into 'Kaisha' (a Company). A joint-stock company is called societé anonyme in France. If this word is translated literally it is 'anonymous company', but it is translated into 'joint-stock company' in Japan. Societé is an important conception in France. Historically it derives from societas contract in the Roman law. The starting point of societas contract is 'brothers communism', i.e. joint ownership of property within a family. At that time after the death of the head of a family heirs did not divide his property and they as community continued to possess it. It is said that from here emerged a societas for a civil purpose, and on its basis emerged a societas for a commercial purpose (Ishikawa 2024, p. 14). In order for a societas contract to be effective the following four requirements should be met: 1) investment by signatories should exist; 2) common interests should exist; 3) intentions to establish a company should exist; and 4) legitimacy of the purpose. The civil code of 1804 inherited societas contract from the Roman law. Members of the societé is associé. Its voting rights are used by associé. The concept shareholder exists. Uemura (2021) put emphasis on the thought which has been

embedded in a word associé (thought that even a joint-stock company is a member of people's community) which the French law uses (p. 34). According to Ishikawa (2024), in France the revision of the law on growth and reform of companies (PACTE law) was made in May 2019. The PACTE law keeps a distance from the idea of shareholders' supremacy and urges reconsideration of the current state of companies' activities through the specification of reason d'etre of themselves in articles of incorporation of the companies[19] (pp. 189-196).

As mentioned above, as advanced European countries such as the UK, France and Germany have traditions of the Roman Law as well as the Civic Law, the Commercial Code and the Companies Act since Renaissance they have not so easily accepted reforms based on the American way of 'shareholders supremacy' as Japan. Uemura stresses, "In Europe American companies have behaved with respect to European systems. They have not shown such an arrogant attitude to Europe as shown to the Japanese government by the US government when it requested to have Structural Impediments Initiative" (Uemura 2021, p. 219).

American way of company management is spreading in Japan, but it does not seem that Japanese companies will go in that direction entirely. Traditional customs such as internal promotion and long-term employment are still continuing, albeit they have weakened. These have connection with the Japanese culture[20]. Although having weakened, Confucianism and Shinto are still determining human relations in Japan. Even if highly-qualified workers are offered higher salaries by other companies, not so many of them seem to accept the offers. As they have acquired company-specific skills which are not effective in other companies, many of them will stay in the same companies. In the long run, corporate governance will become hybrid[21].

Conclusion

First, the government and lawyers in Japan have studied the European law hard and adopted it in practice. Reflecting the Japanese culture and tradition, corporate governance in Japan has had unique characteristics symbolized by three pillars of the Japanese style management. Since the end of the 1990s it has been changing toward the American way of corporate governance based on 'shareholder supremacy'. However, the historical tradition still remains with a custom such as managers' promotion from within the same company being maintained.

Second, after 'shareholders counter-revolution companies' net profit, current profit and dividend has been increasing substantially while wages have been stagnating for a long time. Employees, who have a large proportion in total population are at the same time consumers. If managers side counted employees' wages only as cost of production and endeavored to decrease them, it would give negative influence on development of the economy as a whole. It cannot be said that this is a stable and long-lasting mechanism.

Third, I cannot support corporate governance based on the principle of shareholder supremacy. I think that corporate governance in Japan should be structured taking into account stakeholders.

---

[19] Uemura (2022) says, "Based on an opinion that Japan has become 'a playground' for funds, in France reports examining how to treat activists in order not to end up like Japan were published in succession" (p. 116).
[20] Also Professor Masayuki Tanimoto and Professor Megumi Sutoh mentioned this point.
[21] This point was Professor Tanimoto's reply to Professor Jerzmowska's inquiry.

Acknowledgement

This paper was written on the basis of interview surveys jointly conducted with Professor Magdalena Jerzemowska (Faculty of Business Management, University of Gdansk in Poland) in 2024 as well as several books and papers which I read in preparation for the interview surveys. Among them I learned quite a lot from works of Professor Tatsuo Uemura (Professor Emeritus at Waseda University). In the interview surveys conducted from September 14 through September 20, 2024 we discussed with 8 researchers: Tatsuo Uemura, Nobuyuki Demise (Professor at Meiji University), Nobutaka Kazama (Professor Emeritus at Meiji University), Megumi Suto (Professor Emeritus at Waseda University), Yumiko Miwa (Professor at Meiji University), Masayuki Tanimoto (Professor at the University of Tokyo), Toru Sakurai (Professor Emeritus at Nihon University) and Yukinobu Ohta (Professor at Showa Women's University). We would like to express our gratitude to them for precious information and useful suggestion provided at the interviews

Literature

Japanese Literature

Abegglen, James Christian (2004) *The Japanese Management*, revised version, translated by Yoich Yamaoka, Tokyo: The Nikkei.

Futagami, Kyoichi (1995), Management Co-determination System, in Takahashi ed. (1995).

Horiuchi, Akiyoshi (1998), Future of Financial System: Problems of Non-performing Loans and the Big Ban, Iwanami Shinsho.

Iimura, Shin'ichi (1999), About Injection of Public Funds and Management of Banks, *Capital Market Quarterly*, Spring 1999.

Ishikawa, Mai (2024), *Association, Company and Society: Concept of Societe in French Companies Act*, Tokyo: Iwanami Shoten.

Itami, Hiroyuki (1987), *Human-centered Capitalism*, Tokyo: Chikuma Shobo.

Iwai, Katsuhito (2003), *What will Happen to the Company from now on?*, Tokyo: Heibonsha.

Iwai, Katsuhito (2005), *To Whom Companies Belong?,* Tokyo: Heibonsha.

Japanese Business Federation (2014), Background and Aim of 'Ito Report', *Keidanren Times* (Policy Action) No. 3197. https://www.keidanren.or.jp/journal/times/2014/1023_07.html

Kikuchi, Hidehiro (2001), Japan's Strategic Countermeasures against new BIS Regulation: Emancipation from the Spell of BIS Regulation, *Business Review* (Bunkyo Gakuin University), Vol. 11, No. 1.

Kishimoto, Shigenobu (1998), *The Financial Big Ban: What is going to happen to Japanese Economy, What should Middle-class Citizens do?,* Iwanami Booklet, No. 453.

Kunishima, Hiroyuki (2022), Shareholder (Fund) Capitalism and Transformation of Corporate

Management in Japan, *Comparative Studies of Management*, No. 46.

Ministry of Economy, Trade and Industry of the Japanese Government (2014), *Final Report of the Project Competitiveness and Incentive toward Sustainable Growth: Building Desirable Relationship between Companies and Investors* (Ito Report). https://www.meti.go.jp/english/policy/economy/human_resources/pdf/0825_ITO_Report_for_HCM.pdf

Miwa, Yoshiro, Hideki Kanda and Noriyuki Yanagawa ed. (1998), *Economics of the Companies Act*, Tokyo University Press.

Okumura, Hiroshi (1984), *Corporate Capitalism: 'Company-oriented System'*, Tokyo: Ochanomizu Shobo.

Ohta, Yukinobu (2023), Japanese Management Systems as Managerial Revolution and Japanese Corporate Governance Code as Shareholder Counter-Revolution, *Comparative Studies of Management* (ed. by Japan Association for the Comparative Studies of Management), No. 47.

Saijoh, Ikuo (2024), Is top without personnel authority possible?, *Nikkei Shimbun*, Nov. 4, 2024.

Shibata, Tsutomu (2022), Shift from Shareholder Primacy and the Structure of Corporate Control, *Comparative Studies of Management*, No. 46.

Sakurai, Toru (2022), Sustainable Society and Ownership of Enterprise: the Significance and Limitations of the Corporate Purpose Thesis as a Critique of Shareholder Capitalism, *Comparative Studies of Management*, No. 46.

Sampei, Hiroki and Tatsuo Uemura (2024), 'Statutory Law' is an Expression of Colorful Law: Thick Layers of Norms supporting British Corporate Society, *Journal of Law and Management*, No. 7, July 2024.

Takahashi, Toshio, ed. (1995), *Corporate Governance: Japanese and German Enterprise Systems*, Tokyo: Chuo Keizaisha.

Takita Yoichiro (2002), *Japanese Economy: A Crime of Omission*, Tokyo: The Nikkei.

Uemura, Tatsuo (2002), *Reform of Companies Act: Concept of Law on Open-type of Joint Stock Companies*, Tokyo: Iwanami Shoten.

Uemura, Tatsuo (2021), *For Whom Is The Company Law?: Legal Principle for Human Revival*, Tokyo: Iwanami Shoten.

Uemura, Tatsuo (2024), The Difficulties that Hit Japan are caused by the 'Ignorance of the Handling Manual' of the Joint-Stock Company System, *Journal of Law and Management*, No. 7, July 2024.

English Literature

Berle, Adolf A and Gardiner C. Means (1932), *The Modern Corporation and Private Property*, New York: Macmillan. The Japanese translation by Tadao Kitajima, published by Bungado Ginkosha (1958).

Demise, Miwa, Nakabayashi and Nakoshi (2006), *Corporate Governance in Japan: From the Viewpoints of Management, Accounting and the Market*, Springer-Verlag Tokyo Berlin Heidelberg New York.

Iwai, Katsuhito (1999), Persons, Things, and Corporations: The Corporate Personality Controversy and Comparative Governance, *The American Journal of Comparative Law*, Vol. 47, No. 4, Fall 1999.

Jerzemowska, Magdalena and Yoji Koyama (2018), How corporate governance weaknesses led to financial destress in Toshiba – some reasons and consequences, *Zarzadzanie i Finanse* - Journal of Management and Finance -, (published by Faculty of Management, the University of Gdansk), Vo. 16, No. 2, pp. 33-50.

Jerzemowska, Magdalena (2025), *Corporate Governance in Japan: Historical Roots from the Yamato to the Tokugawa Eras*, New York and London: Routledge.

Koyama, Yoji (2007), Some Aspects of Corporate Governance in Japan, *Hosei Riron* (Journal of Law and Politics, published by the Niigata University), Vol. 40, No. 1, pp. 121-140.

Koyama, Yoji (2010), An Issue of Corporate Governance in Japan: For Whom Companies Exist?, Zarzecki, Dariusz (ed.), *Analiza Finansowa i Zarzajzanje Ryzykiem: Proceedings of an International Conference*, University of Szczecin.

Sakurai, Toru (2024), Corporate Scandal and Shareholder Capitalism: Train Accident and Corporate Governance in the Privatized Railway Company, A power point file for an explanation to Professor Magdalena Jerzemowska on September 19, 2024.

『社会主義体制史研究』既刊

Historical Studies of Socialist System (past issues)

in: https://journal-hsss.com

No. 40 (Feb. 2026)

青木國彦

ヒトラーが感心したスターリンの外交術：僭越ながら高市総理の参考に

No. 39 (Aug. 2025)

青木國彦

東独イェーナの白いサークルによる沈黙円陣（1983年の増補版）

No. 38 (May 2025)

Yoji Koyama

Self-managing Socialism in former Yugoslavia: Its Ideal and Causes of Its Collapse

No. 38 (May 2025)

モニカ・レムプケの「忘却に抗して：わが息子への手紙」：家族と東独イェーナの「白いサークル」の沈黙円陣（1983 年初夏）

No. 36 (Apr. 2025)

青木國彦（Kunihiko AOKI）

独ソ不可侵条約への予備折衝

（ソ連外務次官ポチョムキン：「ポーランドの第 4 次分割」1）

No. 35 (Feb. 2025)

青木國彦（Kunihiko AOKI）

ナチ・ドイツの植民地回復要求

No. 34 (Aug. 2023)

Yoji Koyama

Peripheral Countries of the EU and Regional Policies

No. 33 (June 2023)

Yoji Koyama

Emigration from New EU Member States in Central and East European Countries

No. 32 (Jan. 2023)

青木國彦（Kunihiko AOKI）

日独防共協定と付随秘密 9 文書と国内外の反応

Kunihiko AOKI

Der Antikominternpakt mit den 9 geheimen Dokumenten und die Reaktionen

No. 31 (Dec. 2022)

Yoji Koyama

Slovenia and the European Union

No. 30 (Sep. 2022)

青木國彦（Kunihiko AOKI）

戦前期ドイツ共産党（KPD）の変遷：東独支配党 SED 指導部の背景

Kunihiko AOKI

Die veränderungen der KPD vor dem Krieg : Die Hintergründe der DDR-Führung

No. 29 (26th May 2022)

Eva Hanada

(BOOK REVIEW) "The EU's Eastward Enlargement: Central and Eastern Europe's Strategies for Development" by Yoji Koyama

No. 28 (21st May 2022)

青木國彦（Kunihiko AOKI）

プーチンとスターリン

Putin und Stalin

プーチンとスターリン

Putin und Stalin (Ergänzung))

No. 27 (Feb. 2022)

青木國彦

【資料検討】 米国ノエル・ フィールド関連粛清に関する東独 SED の声明（1950 年 8 月 24 日）

Kunihiko AOKI

Dokument-Überprfung: "Erklärung des ZK und der ZPKK der SED zu den Verbindungen ehemaliger deutscher politischer Emigranten zu dem Leiter des USC Noel H. Field" (24. Aug. 1950)

No. 26 (Feb. 2022)

Yoji Koyama

What was Soviet and East European Socialism: Its Historical Lessons and Future Society

No. 25 (Dec. 2021)

Benon Gaziński

Roman Dmowski on relations with Russia at the turn of the 19th and 20th centuries and in the interwar period. "Historia magistra vitae est" - what could be learned from that history lesson?

No. 24 (Dec. 2021)

Benon Gaziński

System transformation vs. European integration.: A case study of Poland and her agriculture in historical retrospection

No. 23 (Oct. 2021)

青木國彦

東独秘密警察をめぐる女優グレルマンと元夫・俳優ミューエの争い：ドイツ映画「善き人のためのソナタ」に関連して

Kunihiko AOKI

Der Streit Jenny Gröllmanns mit Ex-Ehemann Ulrich Mühe über die Stasi-Verstrickungen: Im Zusammenhang mit dem Film "Das Leben der anderen"

No. 22 (Sep. 2021)

Yoji Koyama

Emigration from and Immigration to Poland: A Typical Case of Central Europe

No. 21 (Sep. 2021)

青木國彦

東独秘密警察（シュタジ）の作戦規定と組織：ドイツ映画「善き人のためのソナタ」に関連して

Kunihiko AOKI

Operative Bestimmungen und Organisationen der Staatssicherheit der DDR: Im Zusammenhang mit dem Film "Das Leben der andere

No.20 (Sep. 2021)

青木國彦
東独体制転換過程の起点となった演出家クリーアと歌手クラウチクの闘い
Kunihiko AOKI
Der Kampf F. Kliers und S. Krawczyks für die Wende in der DDR

No.19 (Aug. 2021)

青木國彦
東独における職業禁止と自由業:ドイツ映画「善き人のためのソナタ」に関連して
Kunihiko AOKI
Das Berufsverbot und die Freiberufler in der DDR: Im Zusammenhang mit dem Film "Das Leben der anderen"

No. 18 (July 2021)

青木國彦
脚本に見るドイツ映画「善き人のためのソナタ」（原題「他人の生活」）（2）：批評の批評
Kunihiko AOKI
"Das Leben der anderen" im Filmbuch von F. H. von Donnersmarck (2): Rezension der Rezensionen

No. 17 (February 2021)

Yoji Koyama
Germany: Core of EU-Visegrad Economic Relations

No. 16 (December 2020)

Yoji Koyama
Political Economy of the Baltic States

No. 15 (December 2020)

Yoji Koyama
Slovenia: the Best Performer of the Former Yugoslavia

No. 14 (December 2020)

青木國彦
脚本に見るドイツ映画「善き人のためのソナタ」（原題「他人の生活」）（1）：宣伝と実際
Kunihiko AOKI
"Das Leben der anderen" im Filmbuch von F. H. von Donnersmarck (1): Werbung und Wirklichkeit

No. 13 (June 2020)

青木國彦
アンソロジー「ベルリン物語」をめぐる東独作家たちの野望とシュタジの陰謀：東独ホーネッカー政権初期の自由化について(3)
Kunihiko AOKI
Die heimliche Kämpfe um die Anthologie »Berliner Geschichten« in der DDR: Über Honeckers „Liberalisierung“ (1971-75) in der DDR (3)

No. 12 (Feb. 2020)

青木國彦
東独文化政策の規制と緩和（1963-1976 年）－東独ホーネッカー政権初期の「自由化」について (2)－
Kunihiko AOKI
Die schwankende Kulturpolitik in der DDR (1963-76): Über Honeckers „Liberalisierung“ (1971-75) in der DDR (2)

No. 11 (Nov. 2019)

Yoji Koyama
Emigration from Lithuania and Its Depopulation

No. 10 (Sep. 2019)

青木國彦
1973 年第 10 回世界青年学生祭典(東ベルリン)に見る自由化百景－東独ホーネッカー政権初期の「自由化」について (1)－
Kunihiko AOKI
Hundert Ansichten der X. Weltfestspiele der Jugend (Ostberlin, 1973): Über Honeckers „Liberalisierung “ (1971-75) in der DDR (1)

No. 9 (Aug. 2019)

青木國彦
東独通貨マルクの対外関係： 最低交換義務、公式・ヤミレート、末期状況
Kunihiko AOKI
Auswärtige Beziehungen der DDR-Mark: Das Mindestumtausch, die Kurse und die letzte Zustän-de

No. 8 (June 2019)

青木國彦
東独通貨マルクのヤミレートの暴落（1987 年 1 月）
Kunihiko AOKI
Der inoffizielle Kurs der DDR-Mark purzelte dramatisch (Jan. 1987)

No. 7 (May 2019)

Yoji Koyama
Emigration from Romania and Its Depopulation

No. 6 (Jan. 2019)

青木國彦
ケネディのベルリン演説（1963 年 6 月）再考：ブラント東方政策との比較
Kunihiko AOKI
A Rethinking of J. F. Kennedy’s Address at the West Berlin Town Hall (June 26, 1963): In comparison to the “New Ostpolitik” of Willy Brand

No. 5 (Dec. 2018)

青木國彦
東独国境の射撃停止命令（1989 年 4 月 3 日）の混乱とハンガリー国境フェンス撤去：ベルリンの壁ショッセー通り検問所事件の支配党への衝撃
Kunihiko AOKI
Die ungeordnete „Aufhebung des Schußbefehls“ in der DDR (03.04.1989): Die SED war schockiert über den Fall „Grenzübergangsstelle Chausseestra-ße“ und den Abbau von Grenzsicherungsanlagen in Ungarn

No. 4 (Nov. 2018)

Yoji Koyama
Migration from New EU Member States in Central and Eastern Europe and Their Depopulation: Case of Bulgaria

No. 3 (Nov. 2018)

青木國彦
ベルリンの壁最後の射殺ギュフロイ事件（1989

年 2 月）の詳細とその意味：「1988 年 12 月にホーネッカーが射撃命令を制限」（少尉ハンフ法廷証言）の真偽
Kunihiko AOKI
Was war der Fall Chris Gueffroy in der DDR: Eine Überpüfung der Aussage des Unterleutnant Alexander Hanfs „Honecker habe im Dezember 1988 den Schießbefehl eingeschränkt“

No. 2 (Aug. 2018)

青木國彦
CSCE（全欧安保協力会議）ウィーン会議へのホーネッカーとシュタジの対応：東独の新外国旅行政令と「壁は 100 年存続」発言
Kunihiko AOKI
Die Reaktion der DDR-Führung gegen Abschliessendes Dokument des Wiener Treffens der KSZE

No. 1 (May 2018)

青木國彦
元東独政治犯ガルテンシュレーガーの冒険：東独国境自動射撃装置 SM-70 奪取の意味と限界
Kunihiko AOKI
Abenteuer des ehemalige politische Häftlings der DDR Michael Gartenschläger: Warum und wofür montierte er die Selbstschußanlagen SM-70 ab?