

REALITIES OF GENERAL MEETINGS OF SHAREHOLDERS IN JAPAN

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1. Introduction

The purpose of this paper is to clarify realities of general meetings of shareholders in Japan. The availed data is Kabunushisokai-hakusho, i.e. White Paper on General Meetings of Shareholders yearly published by Commercial Law Center Inc. in Tokyo. This White Paper is a report of the investigation on ordinary general meetings of shareholders in Japanese companies. The investigation has once a year been conducted by Commercial Law Center Inc. since 1971. A questionnaire form has been used as the method of investigation. The investigated companies are all listed on the Tokyo Stock Exchange, the Osaka Securities Exchange or the Nagoya Securities Exchange. The numbers of companies to which the questionnaires were sent by mail and those which gave answers to them from 1976 to 1980 are as follows:

| Year | Number of companies to which the questionnaires were sent by mail (A) | Number of companies which gave answers to the questionnaires (B) | Ratio of (B) to (A) |
|------|---|--|---------------------|
| 1976 | 1,682 | 724 | 43.0% |
| 1977 | 1,693 | 763 | 45.1 |
| 1978 | 1,725 | 774 | 44.9 |
| 1979 | 1,705 | 708 | 41.5 |
| 1980 | 1,715 | 633 | 36.9 |

This paper deals with three matters. They are realities of shareholders who attended at a general meeting, expedition of the proceedings in it and solicitation for proxies.

2. Realities of General Meetings of Shareholders in Japan

To begin with, let's clarify realities of shareholders who attended at a general meeting. They are composed of those who attended at it actually and by proxies. Table 1 provides ratio of number of shareholders who attended at a general meeting to the total number of shareholders. From this table we can see that the ratio showed between 15 and 30% in about the half (44 to 60%) of the companies which gave answers. Moreover it showed 5% and under in about 12 to 30%. Table 2 provides ratio of number of shares owned by

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shareholders who attended at a general meeting to the total number of the issued shares. From this table we can see that the ratio showed between 60 and 90% in the majority (63 to 83%) of the companies which gave answers. Table 3 provides number of shareholders who

TABLE 1. RATIO OF NUMBER OF SHAREHOLDERS WHO ATTENDED AT A GENERAL MEETING TO THE TOTAL NUMBER OF SHAREHOLDERS

| Number of Companies () % | | | | | | | | | | | | | | |
|---------------------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------------|----------------------|-------|
| Answer (%) Year | 5 and under | over 5 to 10 | over 10 to 15 | over 15 to 20 | over 20 to 25 | over 25 to 30 | over 30 to 35 | over 35 to 40 | over 40 to 45 | over 45 to 50 | over 50 | Number of Answers | Number of No Answers | Total |
| 1976 | 197 (28.2) | 24 (3.4) | 27 (3.9) | 95 (13.6) | 125 (17.9) | 100 (14.3) | 50 (7.2) | 27 (3.9) | 17 (2.4) | 10 (1.4) | 27 (3.9) | 699 (100.0) | 25 | 724 |
| 1977 | 90 (12.2) | 11 (1.5) | 41 (5.5) | 125 (16.9) | 177 (24.0) | 131 (17.7) | 61 (8.3) | 43 (5.8) | 16 (2.2) | 13 (1.8) | 31 (4.2) | 739 (100.0) | 24 | 763 |
| 1978 | 228 (29.5) | 19 (2.5) | 40 (5.2) | 137 (17.7) | 132 (17.1) | 68 (8.8) | 50 (6.5) | 35 (4.5) | 30 (3.9) | 3 (0.4) | 30 (3.9) | 772 (100.0) | 2 | 774 |
| 1979 | 90 (13.1) | 8 (1.2) | 61 (8.9) | 143 (20.8) | 167 (24.3) | 105 (15.3) | 49 (7.1) | 39 (5.7) | 9 (1.3) | 6 (0.9) | 11 (1.6) | 688 (100.0) | 20 | 708 |
| 1980 | 173 (27.8) | 15 (2.4) | 47 (7.5) | 146 (23.4) | 97 (15.6) | 59 (9.5) | 33 (5.3) | 25 (4.0) | 12 (1.9) | 4 (0.6) | 12 (1.9) | 623 (100.0) | 10 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 2. RATIO OF NUMBER OF SHARES OWNED BY SHAREHOLDERS WHO ATTENDED AT A GENERAL MEETING TO THE TOTAL NUMBER OF THE ISSUED SHARES

| Number of Companies () % | | | | | | | | | | | | | |
|---------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------------|----------------------|-------|
| Answer (%) Year | 10 and under | over 10 to 20 | over 20 to 30 | over 30 to 40 | over 40 to 50 | over 50 to 60 | over 60 to 70 | over 70 to 80 | over 80 to 90 | over 90 | Number of Answers | Number of No Answers | Total |
| 1976 | 24 (3.4) | 29 (4.2) | 26 (3.7) | 33 (4.7) | 27 (3.9) | 92 (13.2) | 129 (18.5) | 196 (28.1) | 114 (16.3) | 28 (4.0) | 698 (100.0) | 26 | 724 |
| 1977 | 16 (2.1) | 7 (0.9) | 6 (0.8) | 13 (1.7) | 16 (2.1) | 67 (8.9) | 183 (24.2) | 263 (34.8) | 146 (19.3) | 39 (5.2) | 736 (100.0) | 7 | 763 |
| 1978 | 24 (3.2) | 26 (3.4) | 29 (3.8) | 30 (4.0) | 43 (5.7) | 79 (10.4) | 173 (22.8) | 224 (29.5) | 113 (14.9) | 18 (2.4) | 759 (100.0) | 15 | 774 |
| 1979 | 7 (1.0) | 11 (1.6) | 10 (1.5) | 7 (1.0) | 8 (1.2) | 57 (8.4) | 160 (23.5) | 247 (36.3) | 155 (22.8) | 18 (2.6) | 680 (100.0) | 28 | 708 |
| 1980 | 13 (2.1) | 18 (2.9) | 29 (4.7) | 25 (4.0) | 33 (5.3) | 67 (10.8) | 134 (21.6) | 188 (30.4) | 98 (15.8) | 14 (2.3) | 619 (100.0) | 14 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 3. NUMBER OF SHAREHOLDERS WHO ATTENDED AT A GENERAL MEETING ACTUALLY

| Number of Companies () % | | | | | | | | | | | | |
|---------------------------|-------------|---------------|---------------|---------------|--------------|--------------|-------------|-------------|--------------|-------------------|----------------------|-------|
| Answer (Persons) Year | 1-20 | 21-40 | 41-60 | 61-80 | 81-100 | 101-150 | 151-200 | 201-300 | 301 and over | Number of Answers | Number of No Answers | Total |
| 1976 | 53 (7.5) | 165 (23.3) | 147 (20.8) | 114 (16.1) | 65 (9.2) | 64 (9.1) | 44 (6.2) | 28 (4.0) | 27 (3.8) | 707 (100.0) | 17 | 724 |
| 1977 | 46 (6.0) | 184 (24.2) | 176 (23.1) | 92 (12.1) | 77 (10.1) | 77 (10.1) | 44 (5.8) | 38 (5.0) | 37 (3.5) | 761 (100.0) | 2 | 763 |
| 1978 | 58 (7.5) | 167 (21.6) | 162 (21.0) | 114 (14.8) | 72 (9.3) | 89 (11.5) | 40 (5.2) | 41 (5.3) | 29 (3.8) | 772 (100.0) | 2 | 774 |
| 1979 | 40 (5.8) | 166 (23.9) | 168 (24.2) | 89 (12.8) | 74 (10.6) | 81 (11.7) | 30 (4.3) | 35 (5.0) | 12 (1.7) | 695 (100.0) | 13 | 708 |
| 1980 | 36 (5.8) | 127 (20.6) | 153 (24.8) | 95 (15.4) | 66 (10.7) | 67 (10.8) | 34 (5.5) | 28 (4.5) | 12 (1.9) | 618 (100.0) | 15 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 4. RATIO OF NUMBER OF SHARES OWNED BY SHAREHOLDERS WHO
ATTENDED AT A GENERAL MEETING ACTUALLY TO THE TOTAL
NUMBER OF THE ISSUED SHARES

| | | Number of Companies () % | | | | | | | | | | | | | | |
|------------|----------------|---------------------------|------------------|-----------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|-------------------|----------------------|-------|--|
| Answer (%) | 0.01 and under | over 0.01 to 0.05 | over 0.05 to 0.1 | over 0.1 to 0.5 | over 0.5 to 1 | over 1 to 3 | over 3 to 5 | over 5 to 10 | over 10 to 15 | over 15 to 20 | over 20 to 30 | over 30 | Number of Answers | Number of No Answers | Total | |
| Year | | | | | | | | | | | | | | | | |
| 1976 | 29 (4.1) | 37 (5.2) | 26 (3.7) | 62 (8.7) | 61 (8.6) | 112 (15.8) | 60 (8.5) | 84 (11.8) | 68 (9.6) | 40 (5.6) | 58 (8.2) | 72 (10.2) | 709 (100.0) | 15 | 724 | |
| 1977 | 24 (3.2) | 32 (4.2) | 14 (1.9) | 68 (9.0) | 70 (9.3) | 132 (17.5) | 71 (9.4) | 98 (13.0) | 61 (8.1) | 51 (6.8) | 68 (9.0) | 66 (8.7) | 755 (100.0) | 8 | 763 | |
| 1978 | 29 (3.8) | 35 (4.6) | 21 (2.7) | 64 (8.4) | 66 (8.6) | 113 (14.8) | 80 (10.5) | 105 (13.7) | 57 (7.5) | 47 (6.2) | 65 (8.5) | 82 (10.7) | 764 (100.0) | 10 | 774 | |
| 1979 | 31 (4.5) | 40 (5.8) | 24 (3.5) | 68 (9.9) | 59 (8.6) | 115 (16.8) | 49 (7.1) | 86 (12.5) | 62 (9.0) | 48 (7.0) | 53 (7.7) | 51 (7.4) | 686 (100.0) | 22 | 708 | |
| 1980 | 14 (2.3) | 26 (4.2) | 23 (3.7) | 73 (11.8) | 54 (8.8) | 103 (16.7) | 45 (7.3) | 68 (11.0) | 65 (10.5) | 42 (6.8) | 57 (9.2) | 47 (7.6) | 617 (100.0) | 16 | 633 | |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 5. RATIO OF NUMBER OF SHARES OWNED BY SHAREHOLDERS WHO
ATTENDED AT A GENERAL MEETING BY PROXIES TO THE
TOTAL NUMBER OF THE ISSUED SHARES

| | | Number of Companies () % | | | | | | | | | | | |
|------------|--------------|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------------|----------------------|-------|
| Answer (%) | 10 and under | over 10 to 20 | over 20 to 30 | over 30 to 40 | over 40 to 50 | over 50 to 60 | over 60 to 70 | over 70 to 80 | over 80 to 90 | over 90 | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | | | | |
| 1976 | 19 (3.5) | 39 (7.2) | 17 (3.1) | 39 (7.2) | 29 (5.4) | 97 (18.0) | 150 (27.8) | 125 (23.1) | 57 (10.6) | 17 (3.1) | 540 (100.0) | 184 | 724 |
| 1977 | 4 (0.5) | 12 (1.6) | 28 (3.8) | 37 (5.0) | 45 (6.1) | 116 (15.8) | 195 (26.5) | 195 (26.5) | 92 (12.5) | 16 (2.2) | 736 (100.0) | 27 | 763 |
| 1978 | 8 (1.3) | 10 (1.7) | 19 (3.2) | 24 (4.0) | 41 (6.9) | 93 (15.7) | 159 (26.8) | 150 (25.3) | 68 (11.5) | 13 (2.2) | 593 (100.0) | 181 | 774 |
| 1979 | 7 (1.0) | 16 (2.4) | 26 (3.9) | 23 (3.4) | 42 (6.2) | 122 (18.1) | 150 (22.3) | 192 (28.5) | 83 (12.3) | 12 (1.8) | 673 (100.0) | 35 | 708 |
| 1980 | 2 (0.4) | 9 (1.8) | 14 (2.7) | 14 (2.7) | 35 (6.8) | 83 (16.2) | 123 (24.0) | 157 (30.7) | 64 (12.5) | 11 (2.1) | 512 (100.0) | 121 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 6. RATIO OF NUMBER OF SHARES OWNED BY SHAREHOLDERS WHO
ATTENDED AT A GENERAL MEETING BY PROXIES TO THE TOTAL
NUMBER OF SHARES OWNED BY THOSE WHO ATTENDED AT IT

| | | Number of Companies () % | | | | | | | | | | | |
|------------|--------------|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|----------------------|-------|
| Answer (%) | 10 and under | over 10 to 20 | over 20 to 30 | over 30 to 40 | over 40 to 50 | over 50 to 60 | over 60 to 70 | over 70 to 80 | over 80 to 90 | over 90 | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | | | | |
| 1976 | 41 (6.1) | 10 (1.5) | 24 (3.6) | 28 (4.2) | 28 (4.2) | 52 (7.7) | 55 (8.2) | 63 (9.4) | 100 (14.9) | 271 (40.3) | 672 (100.0) | 52 | 724 |
| 1977 | 20 (2.7) | 7 (0.9) | 22 (2.9) | 32 (4.3) | 34 (4.6) | 54 (7.2) | 73 (9.8) | 94 (12.6) | 107 (14.4) | 302 (40.5) | 745 (100.0) | 18 | 763 |
| 1978 | 45 (6.3) | 15 (2.1) | 23 (3.2) | 26 (3.6) | 27 (3.8) | 51 (7.1) | 70 (9.8) | 80 (11.2) | 107 (14.9) | 272 (38.0) | 716 (100.0) | 58 | 774 |
| 1979 | 22 (3.5) | 12 (1.9) | 23 (3.7) | 18 (2.9) | 27 (4.3) | 53 (8.5) | 64 (10.3) | 94 (15.1) | 102 (16.4) | 206 (33.2) | 621 (100.0) | 87 | 708 |
| 1980 | 30 (4.8) | 13 (2.4) | 21 (3.9) | 16 (3.0) | 37 (6.9) | 40 (7.5) | 47 (8.8) | 64 (12.0) | 78 (14.6) | 187 (35.1) | 533 (100.0) | 100 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

attended at a general meeting actually. From this table we can see that the number showed between 21 and 80 persons in the majority (59 to 61%) of the companies which gave answers. Table 4 provides ratio of number of shares owned by shareholders who attended at a general meeting actually to the total number of the issued shares. From this table we can see that the ratio showed 5% and under in the majority (53 to 56%) of the companies which gave answers. Table 5 provides ratio of number of shares owned by shareholders who attended at a general meeting by proxies to the total number of the issued shares. From this table we can see that the ratio showed between 50 and 80% in the majority (68 to 71%) of the companies which gave answers. Table 6 provides ratio of number of shares owned by shareholders who attended at a general meeting by proxies to the total number of shares owned by those who attended at it. From this table we can see that the ratio showed between 70 and 100% in the majority (62 to 68%) of the companies which gave answers. And especially it showed over 90 to 100% in about 33 to 41%.

The findings on realities of shareholders who attended at a general meeting are as follows:¹

- (1) In many companies which gave answers 80 persons at the most attended at a general meeting actually. And the ratio of shares owned by them was merely 5% and under of the total number of the issued shares.
- (2) In many companies which gave answers the ratio of shares owned by shareholders who attended at a general meeting by proxies accounted for a majority of the total number of the issued shares. And it showed between 70 and 100% of the total number of shares owned by shareholders who attended at it actually and by proxies as well.
- (3) In many companies which gave answers not more than 15 to 30% of the total number of shareholders were present at a general meeting actually and by proxies.

TABLE 7. TIME REQUIRED TO OPERATE A GENERAL MEETING

| Year | Answer (Minutes) | Number of Companies () % | | | | | | | | | | Number of Answers | Number of No Answers | Total |
|------|---------------------|---------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|----------------------------|-------|
| | | 5 and under | over 5 to 10 | over 10 to 15 | over 15 to 20 | over 20 to 25 | over 25 to 30 | over 30 to 35 | over 35 to 40 | over 40 to 50 | over 50 to 60 | over 60 | | |
| 1976 | 7 (1.0) | 60 (8.3) | 216 (30.0) | 244 (33.8) | 75 (10.4) | 68 (9.4) | 9 (1.2) | 18 (2.5) | 11 (1.5) | 5 (0.7) | 8 (1.1) | 721 (100.0) | 3 | 724 |
| 1977 | 0 (0.0) | 18 (2.4) | 178 (23.4) | 305 (40.1) | 141 (18.5) | 68 (8.9) | 14 (1.8) | 10 (1.3) | 12 (1.6) | 2 (0.3) | 13 (1.7) | 761 (100.0) | 2 | 763 |
| 1978 | 12 (1.6) | 74 (9.6) | 253 (32.7) | 252 (32.6) | 92 (11.9) | 51 (6.6) | 7 (0.9) | 12 (1.6) | 12 (1.6) | 6 (0.8) | 2 (0.3) | 773 (100.0) | 1 | 774 |
| 1979 | 2 (0.3) | 27 (3.9) | 208 (29.7) | 247 (35.3) | 120 (17.1) | 54 (7.7) | 20 (2.9) | 9 (1.3) | 6 (0.9) | 5 (0.7) | 2 (0.3) | 700 (100.0) | 8 | 708 |
| 1980 | 4 (0.6) | 56 (8.9) | 215 (34.0) | 202 (32.0) | 89 (14.1) | 36 (5.7) | 10 (1.6) | 6 (0.9) | 7 (1.1) | 5 (0.8) | 2 (0.3) | 632 (100.0) | 1 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

¹ Table 20 provides number of "Sokaiya" with whom a company has relations. From this table we can see that the number showed 300 persons and under in the majority (74 to 80%) of the companies which gave answers.

Table 21 provides number of shares owned by "Sokaiya" with whom a company has relations. From this table we can see that the number showed 200 shares and under in the majority (78 to 85%) of the companies which gave answers.

Table 22 provides number of "Sokaiya" who attended at a general meeting actually. From this table we can see that the number showed 10 persons and under in about the half (44 to 47%) of the companies which gave answers.

But the ratio of shares owned by them accounted for between 60 and 90% of the total number of the issued shares.

Secondly, let's clarify realities of expedition of the proceedings in a general meeting. Table 7 provides time required to operate a general meeting. From this table we can see that the time showed between 10 and 25 minutes in the majority (74 to 82%) of the companies which gave answers. Table 8 provides number of shareholders who uttered in a

TABLE 8. NUMBER OF SHAREHOLDERS WHO UTTERED
IN A GENERAL MEETING

| | | Number of Companies () % | | | | | | | | | | | | |
|---------------------|---------------|---------------------------|---------------|---------------|-------------|-------------|------------|------------|------------|------------|-------------------|-------------------------|----------------------------|-------|
| Answer (Persons) | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 and over | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | | | | | |
| 1976 | 175 (24.7) | 188 (26.5) | 200 (28.2) | 95 (13.4) | 33 (4.6) | 7 (1.0) | 4 (0.6) | 6 (0.8) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 709 (100.0) | 15 | 724 |
| 1977 | 129 (17.1) | 174 (23.1) | 234 (31.1) | 150 (19.9) | 35 (4.6) | 22 (2.9) | 5 (0.7) | 0 (0.0) | 1 (0.1) | 3 (0.4) | 0 (0.0) | 753 (100.0) | 10 | 763 |
| 1978 | 218 (28.6) | 201 (26.3) | 207 (27.1) | 99 (13.0) | 32 (4.2) | 2 (0.3) | 1 (0.1) | 1 (0.1) | 1 (0.1) | 0 (0.0) | 1 (0.1) | 763 (100.0) | 11 | 774 |
| 1979 | 141 (20.3) | 160 (23.0) | 231 (33.2) | 122 (17.6) | 32 (4.6) | 7 (1.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 2 (0.3) | 695 (100.0) | 13 | 708 |
| 1980 | 199 (31.5) | 170 (26.9) | 158 (25.0) | 77 (12.2) | 16 (2.5) | 6 (1.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 4 (0.6) | 1 (0.2) | 631 (100.0) | 2 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 9. NUMBER OF SHARES OWNED BY SHAREHOLDERS WHO
UTTERED IN A GENERAL MEETING

| | | Number of Companies () % | | | | | | |
|--------------------|---------------|---------------------------|-----------------|-----------------|-----------------------|-------------------------|----------------------------|-------|
| Answer (Shares) | 1-499 | 500-999 | 1,000- 4,999 | 5,000- 9,999 | 10,000 and over | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | |
| 1976 | 348 (50.3) | 98 (14.2) | 154 (22.3) | 39 (5.6) | 53 (7.7) | 692 (100.0) | 32 | 724 |
| 1977 | 193 (40.4) | 162 (33.9) | 94 (19.7) | 19 (4.0) | 10 (2.1) | 478 (100.0) | 285 | 763 |
| 1978 | 356 (49.4) | 77 (10.7) | 183 (25.4) | 43 (6.0) | 62 (8.6) | 721 (100.0) | 53 | 774 |

Source: White Paper on General Meetings of Shareholders, 1976-1978.

TABLE 10. NUMBER OF SHAREHOLDERS WHO QUESTIONED ABOUT SOME BILL
IN A GENERAL MEETING

| | | Number of Companies () % | | | | | | | | | | | | |
|---------------------|---------------|---------------------------|-------------|-------------|------------|------------|------------|------------|------------|------------|-------------------|-------------------------|----------------------------|-------|
| Answer (Persons) | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 and over | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | | | | | |
| 1976 | 616 (89.1) | 42 (6.0) | 18 (2.6) | 7 (1.0) | 2 (0.3) | 5 (0.7) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 691 (100.0) | 33 | 724 |
| 1977 | 667 (89.4) | 42 (5.6) | 21 (2.8) | 5 (0.7) | 7 (0.9) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 1 (0.1) | 1 (0.1) | 746 (100.0) | 17 | 763 |
| 1978 | 687 (93.2) | 28 (3.8) | 14 (1.9) | 5 (0.7) | 3 (0.4) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 737 (100.0) | 37 | 774 |
| 1979 | 647 (93.4) | 32 (4.6) | 9 (1.3) | 3 (0.4) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 693 (100.0) | 15 | 708 |
| 1980 | 572 (90.8) | 34 (5.4) | 11 (1.7) | 11 (1.7) | 2 (0.3) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 630 (100.0) | 3 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

general meeting. From this table we can see that the number showed 3 persons and under in the majority (64 to 74%) of the companies which gave answers. Furthermore there was no person who uttered in 17 to 32%. Table 9 provides number of shares owned by shareholders who uttered in a general meeting. From this table we can see that the number showed under 5,000 shares in the great majority (86 to 94%) of the companies which gave answers. Table 10 provides number of shareholders who questioned about some bill in a general meeting. From this table we can see that there was no questioner in the great majority (89 to 93%) of the companies which gave answers. Table 11 provides number of shareholders who opposed to some bill in a general meeting. From this table we can see that there was no opposer in the great majority (98 to 99%) of the companies which gave answers. Table 12 provides whether there was any shareholder who made a motion in a general meeting or not. From this table we can see that there were some movers in the majority (47 to 70%) of the companies which gave answers, whereas there was no mover in a little under the half (30 to 53%). Table 13 provides what a motion is made about. From this table we can see that a motion about expediting the proceedings accounted for the great majority (90 to 97%) of the companies which had some movers.

TABLE 11. NUMBER OF SHAREHOLDERS WHO OPPOSED TO SOME BILL
IN A GENERAL MEETING

| | | Number of Companies () % | | | | | | | | | | | | | |
|---------------------|---------------|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------------|-------------------------|----------------------------|-------|
| Answer (Persons) | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 and over | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | | | | | | |
| 1976 | 686 (98.7) | 2 (0.3) | 4 (0.6) | 1 (0.1) | 1 (0.1) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 695 (100.0) | 29 | 724 |
| 1977 | 721 (98.4) | 10 (1.4) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 733 (100.0) | 30 | 763 |
| 1978 | 726 (99.0) | 2 (0.3) | 3 (0.4) | 1 (0.1) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 0 (0.0) | 733 (100.0) | 41 | 774 |
| 1979 | 681 (98.6) | 6 (0.9) | 3 (0.4) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 1 (0.1) | 691 (100.0) | 17 | 708 |
| 1980 | 617 (98.1) | 7 (1.1) | 2 (0.3) | 0 (0.0) | 2 (0.3) | 1 (0.2) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | 629 (100.0) | 4 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 12. WHETHER THERE WAS ANY
SHAREHOLDER WHO MADE A MOTION
IN A GENERAL MEETING OR NOT

| | | Number of Companies () % | | | |
|--------|---------------|---------------------------|----------------|-------------------------|----------------------------|
| Answer | | Yes | No | Number of Answers | Number of No Answers |
| Year | | | | | Total |
| 1976 | 393 (55.2) | 319 (44.8) | 712 (100.0) | 12 | 724 |
| 1977 | 525 (70.3) | 222 (29.7) | 747 (100.0) | 16 | 763 |
| 1978 | 434 (57.6) | 320 (42.4) | 754 (100.0) | 20 | 774 |
| 1979 | 440 (63.1) | 257 (36.9) | 697 (100.0) | 11 | 708 |
| 1980 | 297 (47.1) | 334 (52.9) | 631 (100.0) | 7 | 638 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 13. WHAT A MOTION IS
MADE ABOUT

| | | Number of Companies () % | | | |
|--------|-------------|---------------------------|---|-------------------|----------------|
| Answer | | to amend a bill (a) | to expedite the pro- ceedings (b) | (a) and (b) | other |
| Year | | | | | Total |
| 1976 | 10 (2.5) | 353 (89.8) | 11 (2.8) | 19 (4.8) | 393 (100.0) |
| 1977 | 0 (0.0) | 499 (95.0) | 8 (1.5) | 18 (3.4) | 525 (100.0) |
| 1978 | 3 (0.7) | 411 (94.7) | 8 (1.8) | 12 (2.8) | 434 (100.0) |
| 1979 | 1 (0.2) | 423 (96.1) | 13 (3.0) | 3 (0.7) | 440 (100.0) |
| 1980 | 4 (1.3) | 287 (96.6) | — | 6 (2.0) | 297 (100.0) |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

The findings on realities of expedition of the proceedings in a general meeting are as follows:

- (1) In almost all companies which gave answers there was neither questioner about any bill nor opposer to it.
- (2) In many companies which gave answers the utterance of shareholders was confined to make a motion about expediting the proceedings. The number of shareholders who uttered was merely 3 persons and under, and their shareholdings were under 5,000 shares too.
- (3) In many companies which gave answers general meetings ended in such a short time as 10 to 25 minutes.

Thirdly, let's clarify realities of solicitation for proxies. Table 14 provides whether solicitation for proxies was carried out before a general meeting or not. From this table we can see that solicitation for proxies was carried out in the great majority (77 to 97%) of the companies which gave answers. Table 15 provides to whom solicitation for proxies was carried out. From this table we can see that solicitation for proxies was carried out to all shareholders in the great majority (93 to 98%) of the companies which did it. Table 16 provides reason why solicitation for proxies was carried out. From this table we can

TABLE 14. WHETHER SOLICITATION FOR PROXIES WAS CARRIED OUT BEFORE A GENERAL MEETING OR NOT

| Number of Companies () % | | | | | |
|---------------------------|---------------|---------------|-------------------|----------------------|-------|
| Answer | Yes | No | Number of Answers | Number of No Answers | Total |
| Year | | | | | |
| 1976 | 559 (78.7) | 151 (21.3) | 710 (100.0) | 14 | 724 |
| 1977 | 735 (96.7) | 25 (3.3) | 760 (100.0) | 3 | 763 |
| 1978 | 595 (77.4) | 174 (22.6) | 769 (100.0) | 5 | 774 |
| 1979 | 683 (97.4) | 18 (2.6) | 701 (100.0) | 7 | 708 |
| 1980 | 516 (84.6) | 94 (15.4) | 610 (100.0) | 23 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 15. TO WHOM SOLICITATION FOR PROXIES WAS CARRIED OUT

| Number of Companies () % | | | |
|---------------------------|---------------------|---------------------------|----------------|
| Answer | to all shareholders | to a part of shareholders | Total |
| Year | | | |
| 1976 | 515 (92.1) | 44 (7.9) | 559 (100.0) |
| 1977 | 716 (97.4) | 19 (2.6) | 735 (100.0) |
| 1978 | 554 (93.1) | 41 (6.9) | 595 (100.0) |
| 1979 | 668 (97.8) | 15 (2.2) | 683 (100.0) |
| 1980 | 493 (95.5) | 23 (4.5) | 516 (100.0) |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 16. REASON WHY SOLICITATION FOR PROXIES WAS CARRIED OUT

| Number of Companies () % | | | | | |
|---------------------------|--|--|-------------------|----------------------|-------|
| Answer | Because there are some bills needed to fill the quorum | Because it has become a usual practice | Number of Answers | Number of No Answers | Total |
| Year | | | | | |
| 1976 | 405 (73.6) | 145 (26.4) | 550 (100.0) | 9 | 559 |
| 1977 | 619 (84.4) | 114 (15.6) | 733 (100.0) | 2 | 735 |
| 1978 | 458 (74.0) | 161 (26.0) | 619 (100.0) | — | 595 |
| 1979 | 570 (83.5) | 113 (16.5) | 683 (100.0) | 0 | 683 |
| 1980 | 396 (76.7) | 120 (23.3) | 516 (100.0) | 0 | 516 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

see that the reason why there are some bills needed to fill the quorum accounted for the majority (74 to 84%) of the companies which gave answers. Table 17 provides ratio of number of proxies sent back from all shareholders to the total number of the issued shares. From this table we can see that the ratio showed between 50 and 80% in the majority (68 to 71%) of the companies which gave answers. Table 18 provides ratio of number of blank proxies to the total number of the issued shares. From this table we can see that the ratio showed between 50 and 100% in the majority (53 to 64%) of the companies which gave answers. Furthermore it did 10% and under in 11 to 23%. Table 19 provides ratio of number of proxies sent back from large shareholders to the total number of the issued shares.² From this table we can see that the ratio showed between 30 and 70% in about the half (45 to 64%) of the companies which gave answers.

The findings on realities of solicitation for proxies are as follows:

- (1) In many companies which gave answers solicitation for proxies was carried out to all shareholders by reason that there are some bills needed to fill the quorum.

TABLE 17. RATIO OF NUMBER OF PROXIES SENT BACK FROM ALL SHAREHOLDERS TO THE TOTAL NUMBER OF THE ISSUED SHARES

| Answer (%) Year | | Number of Companies () % | | | | | | | | | | Number of Answers | Number of No Answers | Total |
|---------------------------|-------------|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------|----------------------|-------------------------|-------|
| | | 10 and under | over 10 to 20 | over 20 to 30 | over 30 to 40 | over 40 to 50 | over 50 to 60 | over 60 to 70 | over 70 to 80 | over 80 to 90 | over 90 | | | |
| 1976 | 19 (3.5) | 39 (7.2) | 17 (3.1) | 39 (7.2) | 29 (5.4) | 97 (18.0) | 150 (27.8) | 125 (23.1) | 57 (10.6) | 17 (3.1) | 540 (100.0) | 184 | 724 | |
| 1977 | 4 (0.5) | 12 (1.6) | 28 (3.8) | 37 (5.0) | 45 (6.1) | 116 (15.8) | 195 (26.5) | 195 (26.5) | 92 (12.5) | 16 (2.2) | 736 (100.0) | 27 | 763 | |
| 1978 | 8 (1.3) | 10 (1.7) | 19 (3.2) | 24 (4.0) | 41 (6.9) | 93 (15.7) | 159 (26.8) | 150 (25.3) | 68 (11.5) | 13 (2.2) | 593 (100.0) | 181 | 774 | |
| 1979 | 7 (1.0) | 16 (2.4) | 26 (3.9) | 23 (3.4) | 42 (6.2) | 122 (18.1) | 150 (22.3) | 192 (28.5) | 83 (12.3) | 12 (1.8) | 673 (100.0) | 35 | 708 | |
| 1980 | 2 (0.4) | 9 (1.8) | 14 (2.7) | 14 (2.7) | 35 (6.8) | 83 (16.2) | 123 (24.0) | 157 (30.7) | 64 (12.5) | 11 (2.1) | 512 (100.0) | 121 | 633 | |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 18. RATIO OF NUMBER OF BLANK PROXIES TO THE TOTAL NUMBER OF THE ISSUED SHARES

| Year | Answer (%) | Number of Companies () % | | | | | | | | | | Number of Answers | Number of No Answers | Total |
|------|-------------|---------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|----------------------|-------|
| | | 0 | 10 and under | over 10 to 20 | over 20 to 30 | over 30 to 40 | over 40 to 50 | over 50 to 60 | over 60 to 70 | over 70 to 80 | over 80 to 90 | over 90 | | |
| 1976 | 19 (3.3) | 129 (22.5) | 19 (3.3) | 45 (7.8) | 19 (3.3) | 38 (6.6) | 62 (10.8) | 70 (12.2) | 55 (9.6) | 61 (10.6) | 57 (9.9) | 574 (100.0) | 150 | 724 |
| 1977 | 12 (1.8) | 112 (16.5) | 24 (3.5) | 40 (5.9) | 34 (5.0) | 61 (9.0) | 82 (12.1) | 80 (11.8) | 80 (11.8) | 75 (11.1) | 78 (11.5) | 678 (100.0) | 85 | 763 |
| 1978 | 16 (2.8) | 105 (18.6) | 33 (5.8) | 24 (4.2) | 43 (7.6) | 37 (6.5) | 58 (10.3) | 63 (11.2) | 70 (12.4) | 52 (9.2) | 64 (11.3) | 565 (100.0) | 209 | 774 |
| 1979 | 13 (2.1) | 90 (14.2) | 31 (4.9) | 46 (7.3) | 34 (5.4) | 64 (10.1) | 73 (11.5) | 79 (12.5) | 76 (12.0) | 71 (11.2) | 57 (9.0) | 634 (100.0) | 74 | 708 |
| 1980 | 9 (1.9) | 53 (11.4) | 22 (4.7) | 20 (4.3) | 20 (4.3) | 43 (9.3) | 41 (8.8) | 66 (14.2) | 59 (12.7) | 79 (17.0) | 52 (11.2) | 464 (100.0) | 169 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

² Large shareholders to whom solicitation for proxies was carried out were the 30 largest ones in the great majority (83%) of the companies which gave answers, and their total shareholdings accounted for between 40 and 70% of the total number of the issued shares in the majority (61 to 64%).

- (2) In many companies which gave answers proxies gathered from large shareholders accounted for between 30 and 70% of the total number of the issued shares.
- (3) In many companies which gave answers proxies gathered from all shareholders accounted for between 50 and 80% of the total number of the issued shares. They were, for the most part, blank proxies.

TABLE 19. RATIO OF NUMBER OF PROXIES SENT BACK FROM LARGE SHAREHOLDERS TO THE TOTAL NUMBER OF THE ISSUED SHARES

| Number of Companies () % | | | | | | | | | | | | | Number of Answers | Number of No Answers | Total |
|---------------------------|-------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------|-------------------|----------------------|-------|
| Answer (%) | 5 and under | over 5 to 10 | over 10 to 20 | over 20 to 30 | over 30 to 40 | over 40 to 50 | over 50 to 60 | over 60 to 70 | over 70 to 80 | over 80 to 90 | over 90 | | | | |
| Year | | | | | | | | | | | | | | | |
| 1976 | 10 (6.0) | 31 (18.6) | 6 (3.6) | 13 (7.8) | 17 (10.2) | 23 (13.8) | 30 (18.0) | 16 (10.0) | 4 (2.4) | 5 (3.0) | 12 (7.2) | 167 (100.0) | 557 | 724 | |
| 1977 | 4 (1.2) | 4 (1.2) | 18 (5.6) | 30 (9.3) | 41 (12.7) | 57 (17.7) | 70 (21.7) | 39 (12.1) | 18 (5.6) | 10 (3.1) | 31 (9.6) | 322 (100.0) | 441 | 763 | |
| 1978 | 9 (3.3) | 7 (2.6) | 22 (8.1) | 19 (7.0) | 38 (14.0) | 37 (13.7) | 36 (13.3) | 28 (10.3) | 26 (9.6) | 17 (6.3) | 32 (11.8) | 271 (100.0) | 503 | 774 | |
| 1979 | 6 (2.7) | 10 (4.6) | 6 (2.3) | 22 (10.0) | 35 (16.0) | 40 (18.3) | 37 (16.9) | 27 (12.3) | 17 (7.8) | 9 (4.1) | 11 (5.0) | 219 (100.0) | 489 | 708 | |
| 1980 | 9 (4.8) | 4 (2.1) | 12 (6.3) | 17 (9.0) | 19 (10.1) | 23 (12.2) | 30 (15.9) | 12 (6.3) | 15 (7.9) | 19 (10.1) | 29 (15.3) | 189 (100.0) | 444 | 633 | |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 20. NUMBER OF "SOKAIYA" WITH WHOM A COMPANY HAS RELATIONS

| | | | | | | | | Number of Companies () % | | |
|---------------------|-------------|---------------|---------------|---------------|-------------|-------------|-----------------|---------------------------|----------------------------|-------|
| Answer (Persons) | 0 | 1-100 | 101-200 | 201-300 | 301-400 | 401-500 | 501 and over | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | |
| 1976 | 12 (1.9) | 263 (40.7) | 170 (26.3) | 85 (13.2) | 31 (4.8) | 36 (5.6) | 49 (7.6) | 646 (100.0) | 78 | 724 |
| 1977 | 17 (2.4) | 255 (36.3) | 178 (25.4) | 110 (15.7) | 37 (5.3) | 49 (7.0) | 56 (8.0) | 702 (100.0) | 61 | 763 |
| 1978 | 14 (2.0) | 250 (35.3) | 192 (27.1) | 103 (14.5) | 40 (5.6) | 42 (5.9) | 68 (9.6) | 709 (100.0) | 65 | 774 |
| 1979 | 19 (2.9) | 216 (33.3) | 188 (29.0) | 79 (12.2) | 54 (8.3) | 38 (5.9) | 55 (8.5) | 649 (100.0) | 59 | 708 |
| 1980 | 20 (3.4) | 199 (34.4) | 150 (26.0) | 78 (13.5) | 42 (7.3) | 46 (8.0) | 43 (7.4) | 578 (100.0) | 55 | 633 |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

TABLE 21. NUMBER OF SHARES OWNED BY "SOKAIYA" WITH WHOM A COMPANY HAS RELATIONS

| | | Number of Companies () % | | | | | | | | | | | | |
|--------------------|--|---------------------------|---------------|---------------|---------------|-------------|-------------|------------|-------------|-------------|----------------|-------------------|----------------------|-------|
| Answer (Shares) | | 1-10 | 11-50 | 51-100 | 101-200 | 201-400 | 401-600 | 601-800 | 801-1,000 | 1,001-2,000 | 2,001 and over | Number of Answers | Number of No Answers | Total |
| Year | | | | | | | | | | | | | | |
| 1977 | | 93 (13.5) | 158 (23.0) | 185 (26.9) | 102 (14.8) | 48 (7.0) | 16 (2.3) | 6 (0.9) | 14 (2.0) | 24 (3.5) | 41 (6.0) | 687 (100.0) | 76 | 763 |
| 1978 | | 113 (16.1) | 158 (22.5) | 219 (31.2) | 99 (14.1) | 53 (7.5) | 12 (1.7) | 3 (0.4) | 11 (1.6) | 17 (2.4) | 18 (2.6) | 703 (100.0) | 71 | 774 |
| 1979 | | 102 (16.1) | 145 (22.8) | 187 (29.4) | 93 (14.6) | 36 (5.7) | 13 (2.0) | 4 (0.6) | 13 (2.0) | 23 (3.6) | 19 (3.0) | 633 (100.0) | 73 | 708 |
| 1980 | | 115 (20.0) | 133 (23.2) | 163 (28.4) | 75 (13.1) | 35 (6.1) | 14 (2.4) | 2 (0.3) | 11 (1.9) | 14 (2.4) | 12 (2.1) | 574 (100.0) | 59 | 633 |

Source: White Paper on General Meetings of Shareholders, 1977-1980.

TABLE 22. NUMBER OF "SOKAIYA" WHO ATTENDED AT A GENERAL MEETING ACTUALLY

| | | | | | | | | | | | Number of Companies () % | | | |
|---------------------|--------------|---------------|---------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------------|----------------------------|-------|--|
| Answer (Persons) | 0 | 1-3 | 4-6 | 7-10 | 11-14 | 15-18 | 19-23 | 24-28 | 29-35 | 36 and over | Number of Answers | Number of No Answers | Total | |
| Year | | | | | | | | | | | | | | |
| 1976 | 85 (12.5) | 146 (21.4) | 84 (12.3) | 71 (10.4) | 59 (8.7) | 42 (6.2) | 51 (7.5) | 31 (4.5) | 39 (5.7) | 74 (10.9) | 682 (100.0) | 42 | 724 | |
| 1977 | 86 (11.9) | 135 (18.6) | 102 (14.1) | 96 (13.3) | 40 (5.5) | 44 (6.1) | 51 (7.0) | 32 (4.4) | 38 (5.2) | 100 (13.8) | 724 (100.0) | 39 | 763 | |
| 1978 | 84 (11.4) | 157 (21.3) | 105 (14.3) | 81 (11.0) | 54 (7.3) | 36 (4.9) | 46 (6.3) | 34 (4.6) | 56 (7.6) | 83 (11.3) | 736 (100.0) | 38 | 774 | |
| 1979 | 88 (13.5) | 127 (19.5) | 91 (14.0) | 69 (10.6) | 53 (8.1) | 50 (7.7) | 45 (6.9) | 31 (4.8) | 43 (6.6) | 55 (8.4) | 652 (100.0) | 56 | 708 | |
| 1980 | 77 (13.3) | 120 (20.8) | 68 (11.8) | 71 (12.3) | 41 (7.1) | 47 (8.1) | 43 (7.4) | 21 (3.6) | 36 (6.2) | 54 (9.3) | 578 (100.0) | 55 | 633 | |

Source: White Paper on General Meetings of Shareholders, 1976-1980.

3. Conclusion

It has hitherto been said that a general meeting of shareholders in Japan is the first essential organ of a company to decide a collective will of shareholders concerning important affairs for its management. In reality, however, number of shares needed to pass a bill is secured before the day fixed for a general meeting through solicitation for proxies to almost all shareholders. And the fact is that in many companies "Sokaiya" is charged with expediting the proceedings, so that there is little utterance pertaining to deliberation on a bill. As the result of these facts it is nothing extraordinary that there is no substantial deliberation on a bill, such a bill is promptly adopted and so a general meeting ends in a short time. Consequently a general meeting of shareholders in Japan is of no use at all as an organ of decision-making about their collective will. In other words, it has already degenerated into formality. It has been reduced to a mere shell.