

CHANGES IN SHAREOWNERSHIP IN JAPANESE AUTOMOTIVE INDUSTRY: TOYOTA MOTOR CO., LTD. AND NISSAN MOTOR CO., LTD.

By MITSUHIRO HIRATA*

1. *Introduction*

In clarifying characteristics of the joint-stock company, a theory believing them to be found in the separation of ownership and control has long given us a promising clue. On the implicit assumption that enlargement of a company's scale brings always with it dispersion of shareownership, this theory says nothing but the dispersion of shareownership brings about the separation of ownership and control. Can we, however, really find such a close relation as is stated above between enlargement of a company's scale and dispersion of shareownership? In this paper we shall make it clear whether such a close relation between them holds good or not, by tracing changes in shareownership in Toyota Motor Co., Ltd. and Nissan Motor Co., Ltd. which stand for the automotive industry of Japan.¹

Now, the enlargement of a company's scale means increase in its paid-up capital, and then the dispersion of shareownership its quantitative and regional dispersion. Therefore, if we trace changes in shareownership in these two companies in connection with them, we can first grasp the former from transition of (1) paid-up capitals in Toyota and Nissan, and secondly the latter from transition of (2) numbers of holding per shareholder, (3) ratios of number and holding by size of shareholding, (4) ratios of number and holding by type of shareholders, (5) ratios of holding by the single and ten largest shareholder(s), and (6) regional distributions of shares and shareholders in Toyota and Nissan. Here follows how changes in these indices came on in Toyota and Nissan. The availed data are the semi-annual reports of these two companies with two fiscal terms a year.

2. *Changes in Shareownership in Toyota and Nissan*

First of all, let's trace changes in shareownership in Toyota Motor Co., Ltd. founded by Kiichiro Toyoda (1894-1952) on August 28th in 1937. The availed data are the semi-annual reports of Toyota Motor Co., Ltd. extending from August 28, 1937 to June 30, 1976. The findings on changes in the above-mentioned indices are as follows:

(1) Chart 1 provides the transition of paid-up capitals in Toyota from the first & second fiscal term to the seventy-second. Looking this chart over in disregard of fluctuations in

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¹ Toyota Motor Co., Ltd. and Nissan Motor Co., Ltd. became companies listed on the First Section of the Tokyo Stock Exchange respectively on May 16, 1949 and January 4, 1951.

monetary value, we can see from it that Toyota has gone on increasing in paid-up capital all the time. This means that Toyota's scale has gradually grown larger during over the past thirty-eight years.

(2) Chart 2 provides the transition of numbers of holding per shareholder in Toyota from the first & second fiscal term to the seventy-second. From this chart we can see that the number of holding per shareholder in Toyota showed a tendency toward a gradual decrease before the forty-ninth, while it has shown a tendency toward a gradual increase since that term. This means that a quantitative dispersion of shareownership could be seen for the first forty-eight terms, whereas it couldn't be seen for the last twenty-four.

(3) Chart 3 provides the transition of ratios of number and holding by size of shareholding in Toyota² from the first & second fiscal term to the seventy-second, provided that seven terms out of seventy-two are compelled to be excluded for want of data. From this chart we can see that shareownership in Toyota was fairly concentrated on large or the largest shareholders before the fourteenth, but afterwards it was conspicuously dispersed among a great many small shareholders from the twenty-first to the thirty-third, nevertheless since then concentration of shareownership on large or the largest shareholders began to be perceptible, and this tendency has grown noticeable from the forty-ninth onward.

(4) Chart 4 provides the transition of ratios of number and holding by type of shareholders in Toyota³ from the first & second fiscal term to the seventy-second, provided that ten terms out of seventy-two are obliged to be excluded for want of data. From this chart we can see that shareownership in Toyota was much converged upon institutional shareholders before the fourteenth, but thereafter it was highly dispersed among a great many individual shareholders from the twenty-fourth to the forty-second, yet afterwards concentration of shareownership on institutional shareholders began to be perceptible, and this tendency has grown remarkable since the forty-eighth. Moreover we can see from it that financial institutions, such as banks, insurance companies, and the like have played a weighty part in this concentrative tendency from the forty-third onward.

(5) Chart 5 provides the transition of ratios of holding by the single and ten largest shareholder(s) in Toyota from the first & second fiscal term to the seventy-second.⁴ From this chart we can see that shareownership in Toyota was strikingly concentrated on the ten largest shareholders before the twentieth, but afterwards its concentration on these ten largest shareholders having been hushed for a long time began to be perceptible again since the forty-fourth, and this tendency has grown notable from the fiftieth onward. Moreover we can see from it that the greater part of holding of the ten largest shareholders was occupied by three, four or five business corporations before the twentieth, and thereafter it

² The size of shareholding is divided into three shareholders, large, medium and small. We assume that each number of holding consists of more 10,000 shares, 1,000-9,999 shares, and less than 1,000 shares (in the case of Toyota: fiscal term 1-2-19; in the case of Nissan: fiscal term 1-26) or more 100,000 shares, 10,000-99,999 shares, and less than 10,000 shares (in the case of Toyota: fiscal term 20-72; in the case of Nissan: fiscal term 27-77). We further do that the largest shareholders own more 100,000 shares (in the case of Toyota: fiscal term 1-2-19; in the case of Nissan: fiscal term 1-26) or more 1,000,000 shares (in the case of Toyota: fiscal term 20-72; in the case of Nissan: fiscal term 27-77).

³ The type of shareholders is divided into two shareholders, individual and institutional. In this paper, however, we must confine them to domestic shareholders for want of data on foreigners.

⁴ The main single largest shareholder before the twentieth fiscal term was Toyoda Automatic Loom Works, Ltd., and the main one since that term was the Daiwa Bank, Ltd., the Mitsui Bank, Ltd., the Toyo Trust & Banking Co., Ltd., Toyoda Automatic Loom Works, Ltd., etc.

has been occupied by six, seven, eight or nine financial institutions since the twenty-fifth.

(6) Chart 6 provides the transition of regional distributions of shares and shareholders in Toyota from the first & second fiscal term to the seventy-second, provided that six terms out of seventy-two are compelled to be excluded for want of data. From this chart we can see that Aichi, Tokyo and Osaka have accounted for a little under fifty-four percent to a little over eighty-two percent inclusive as regards regional distributions of shareholders, and a little over seventy-five percent to a little under ninety-six percent inclusive as regards regional distributions of shares. This means that a regional dispersion of shareownership couldn't be seen throughout seventy-two terms.

Next to Toyota Motor Co., Ltd., let's trace changes in shareownership in Nissan Motor Co., Ltd. founded by Yoshisuke Aikawa (1880-1967) on December 26th in 1933. The availed data are the semi-annual reports of Nissan Motor Co., Ltd. extending from December 26, 1933 to March 31, 1976. The findings on changes in the before-mentioned indices are as follows:

(1) Chart 7 provides the transition of paid-up capitals in Nissan from the first fiscal term to the seventy-seventh. Looking this chart over in disregard of fluctuations in monetary value, we can see from it that Nissan has gone on increasing in paid-up capital all the time as well. This means that Nissan's scale has gradually grown larger during over the past forty-two years.

(2) Chart 8 provides the transition of numbers of holding per shareholder in Nissan from the first fiscal term to the seventy-seventh. From this chart we can see that the number of holding per shareholder in Nissan showed a tendency toward a rapid increase before the twenty-seventh, but afterwards it showed a tendency toward a gradual decrease, and since the fifty-fourth it has shown a tendency toward a gradual increase. This means that a quantitative dispersion of shareownership couldn't be seen for the first twenty-six and the last twenty-four terms, while it could be seen for the remaining twenty-seven.

(3) Chart 9 provides the transition of ratios of number and holding by size of shareholding in Nissan⁵ from the first fiscal term to the seventy-seventh. From this chart we can see that only a few largest shareholders possessed exclusively almost all shares in Nissan for the first twenty-six terms, yet afterwards shareownership in Nissan was conspicuously dispersed among a great many small shareholders, however, since the thirty-ninth concentration of shareownership on large shareholders began to be perceptible, and this tendency has grown noticeable from the fifty-fourth onward.

(4) Chart 10 provides the transition of ratios of number and holding by type of shareholders in Nissan⁶ from the first fiscal term to the seventy-seventh, provided that two terms out of seventy-seven are compelled to be excluded for want of data. From this chart we can see that nearly the half or whole of shares in Nissan was owned by a handful of institutional shareholders before the twenty-seventh, but thereafter shareownership in Nissan was highly dispersed among a great number of individual shareholders from the twenty-ninth to the forty-eighth, yet afterwards concentration of shareownership on institutional shareholders began to be perceptible, and this tendency has grown remarkable since the fifty-second. Moreover we can see from it that financial institutions have played a weighty part in this concentrative tendency from the forty-ninth onward.

⁵ See footnote 2.

⁶ See footnote 3.

(5) Chart 11 provides the transition of ratios of holding by the single and ten largest shareholder(s) in Nissan from the first fiscal term to the seventy-seventh.⁷ From this chart we can see that shareownership in Nissan was virtually concentrated on the ten largest shareholders before the twenty-seventh, but afterwards its concentration on these ten largest shareholders having been hushed for a long time began to be perceptible again since the forty-fifth, and this tendency has grown notable from the fifty-third onward. Moreover we can see from it that the greater part of holding of the ten largest shareholders was occupied by only one or two business corporations before the twenty-seventh, and thereafter it has been occupied by seven, eight, nine or ten financial institutions since the thirtieth.

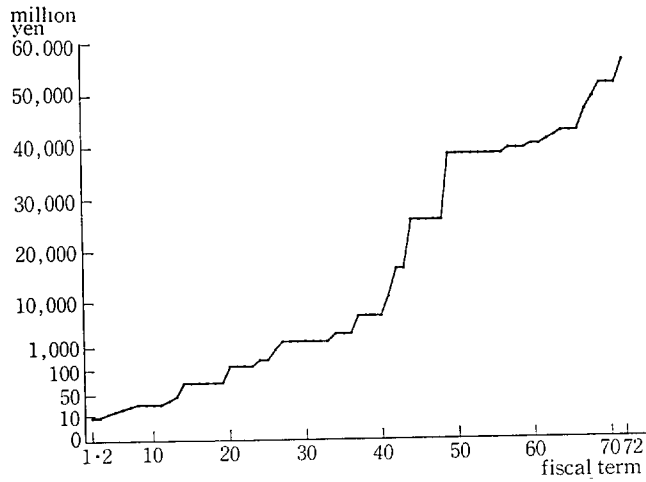
(6) Chart 12 provides the transition of regional distributions of shares and shareholders in Nissan from the first fiscal term to the seventy-seventh, provided that nine terms out of seventy-seven are obliged to be excluded for want of data. From this chart we can see that Tokyo, Osaka and Kanagawa have accounted for a little under thirty-five percent to one hundred percent inclusive as regards regional distributions of shareholders, and a little over fifty-one percent to one hundred percent inclusive as regards regional distributions of shares. This means that a regional dispersion of shareownership couldn't be seen before the twenty-seventh, while it could be partially seen from that term onward.

3. Conclusion

We have hitherto traced changes in shareownership in Toyota Motor Co., Ltd. and Nissan Motor Co., Ltd. From those findings on changes in the above-mentioned indices in these two companies, we can see that (1) with regard to the enlargement of a company's scale, not only Toyota but also Nissan has gone on increasing in paid-up capital all the time, and then (2) with respect to the dispersion of shareownership, in Toyota its quantitative and regional concentration could be clearly seen for forty-eight terms (fiscal term 1-2-19 and 44-72), while its quantitative dispersion and regional concentration could be merely seen for the remaining twenty-four (fiscal term 20-43), and in Nissan its quantitative and regional concentration could be plainly seen for fifty-nine terms (fiscal term 1-26 and 45-77), whereas its quantitative and regional dispersion could be only seen for the remaining eighteen (fiscal term 27-44). As a matter of course this means that the foregoing assumption that enlargement of a company's scale brings always with it dispersion of shareownership cannot hold good as to the cases of Toyota and Nissan. But we must not jump straight from this to a conclusion that the assumption doesn't hold good at all. In order to gain such one, we naturally have need to pile up many such empirical studies as we have attempted in this paper.

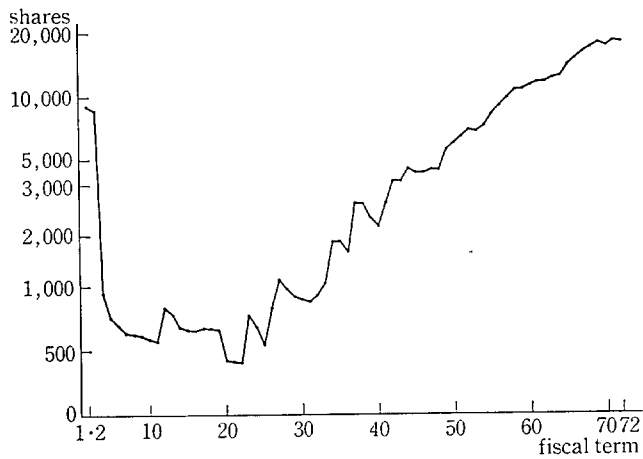
⁷ The main single largest shareholder before the twenty-seventh fiscal term was Nihon Sangyo Kabushikigaisha, Manshu Jukogyo Kaihatsu Kabushikigaisha, Manshu Toshishoken Kabushikigaisha, etc., and the main one since that term was the Industrial Bank of Japan, Ltd., the Mitsubishi Trust & Banking Corp., etc.

CHART 1. TRANSITION OF PAID-UP CAPITALS IN TOYOTA



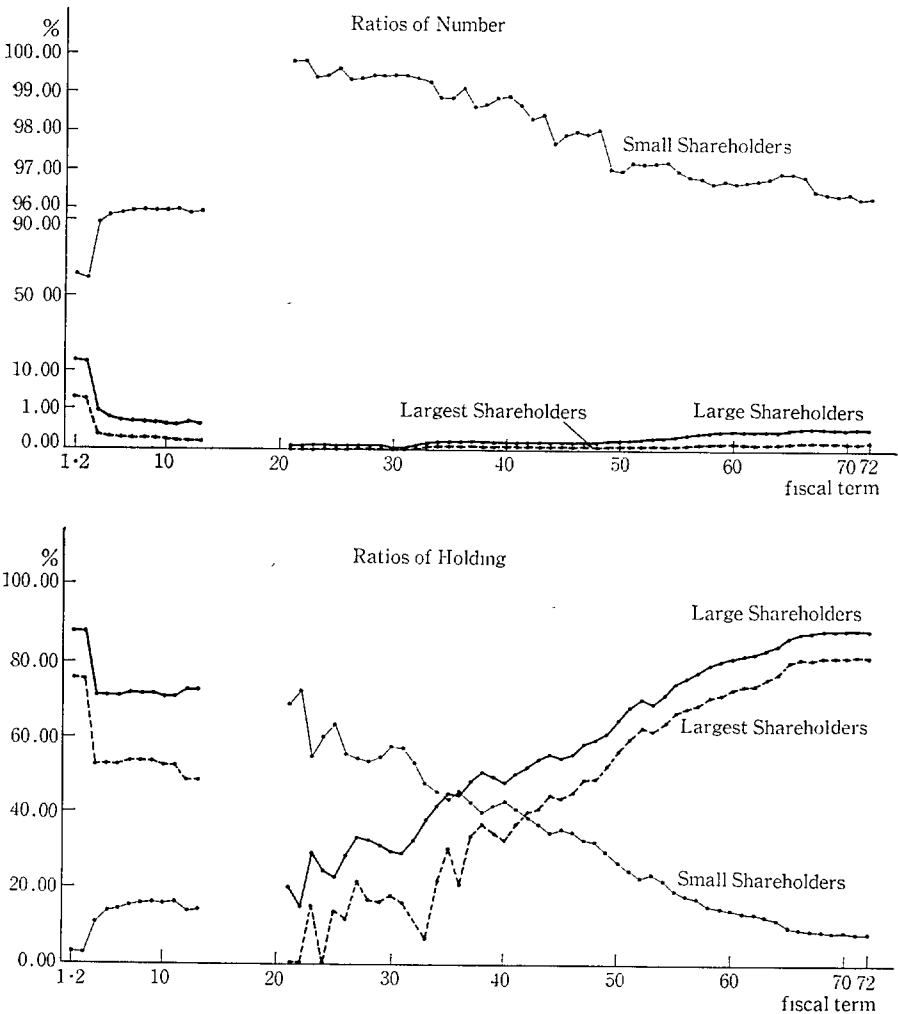
Source: The semi-annual reports of Toyota Motor Co., Ltd. extending from August 28, 1937 to June 30, 1976.

CHART 2. TRANSITION OF NUMBERS OF HOLDING PER SHAREHOLDER IN TOYOTA



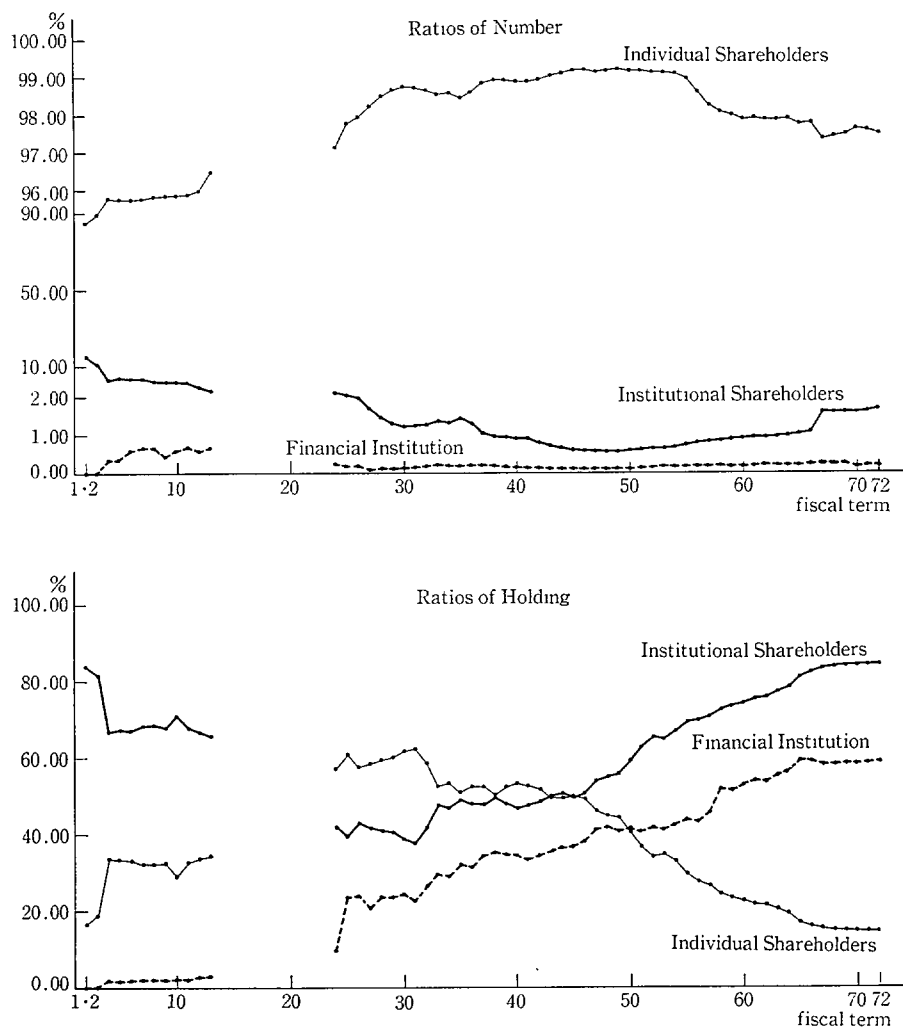
Source: See Chart 1.

CHART 3. TRANSITION OF RATIOS OF NUMBER AND HOLDING BY SIZE OF SHAREHOLDING IN TOYOTA



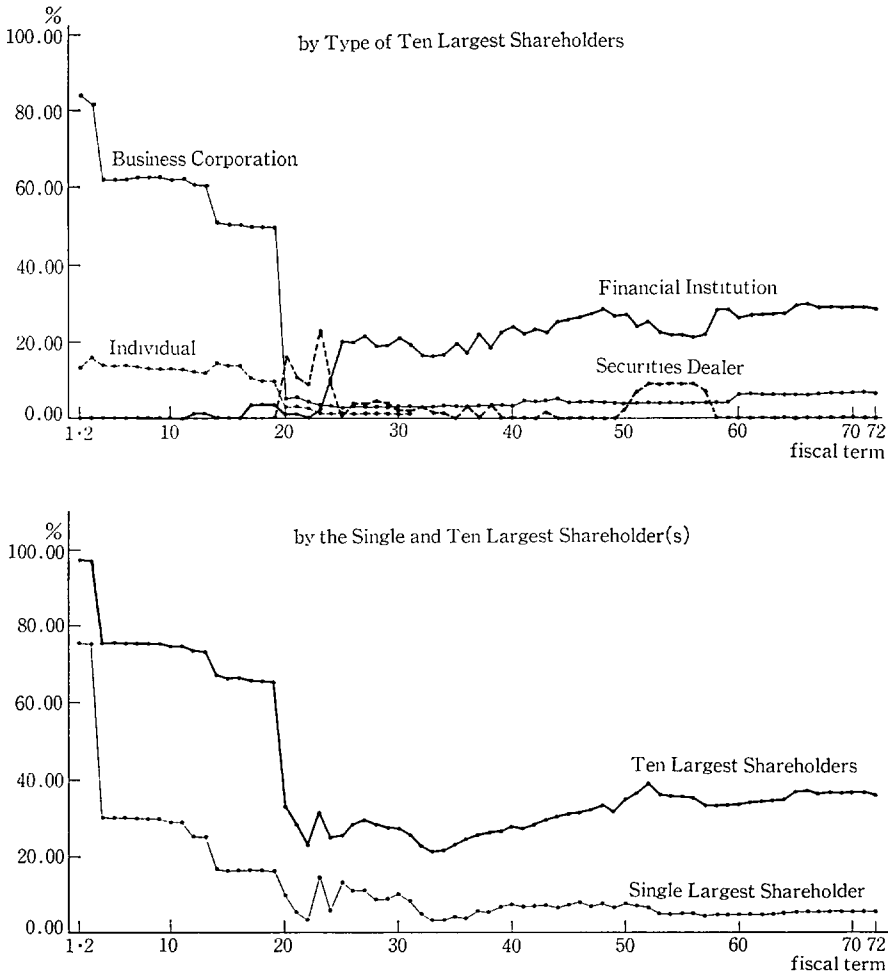
Source: See Chart 1.
The line graph of medium shareholders is omitted.

CHART 4. TRANSITION OF RATIOS OF NUMBER AND HOLDING
BY TYPE OF SHAREHOLDERS IN TOYOTA



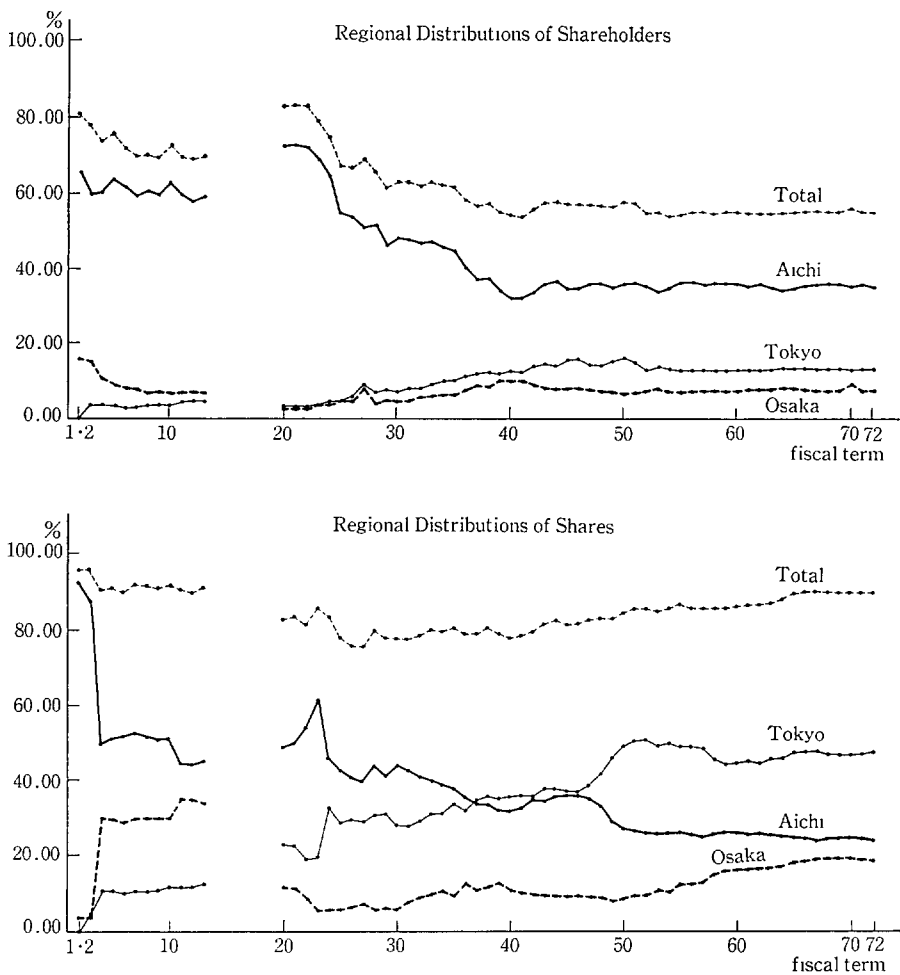
Source: See Chart 1.

CHART 5. TRANSITION OF RATIOS OF HOLDING
BY THE SINGLE AND TEN LARGEST SHAREHOLDER(S) IN TOYOTA



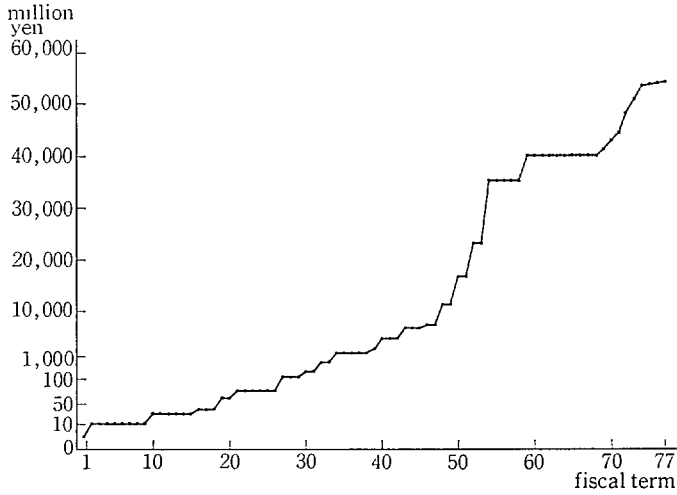
Source: See Chart 1.

CHART 6. TRANSITION OF REGIONAL DISTRIBUTIONS OF
SHARES AND SHAREHOLDERS IN TOYOTA



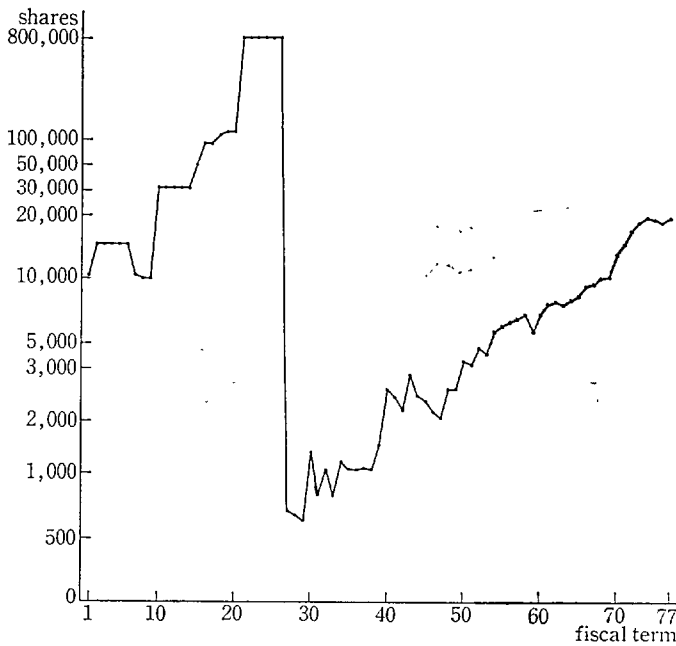
Source: See Chart 1.

CHART 7. TRANSITION OF PAID-UP CAPITALS IN NISSAN



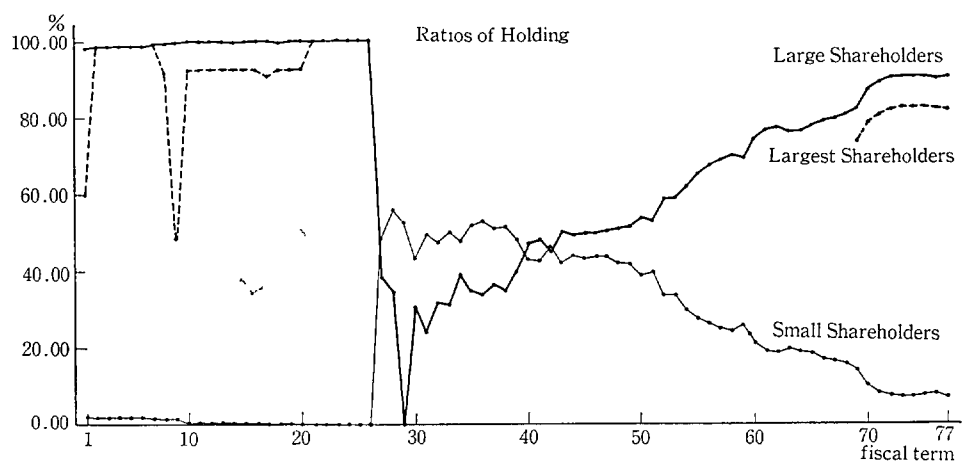
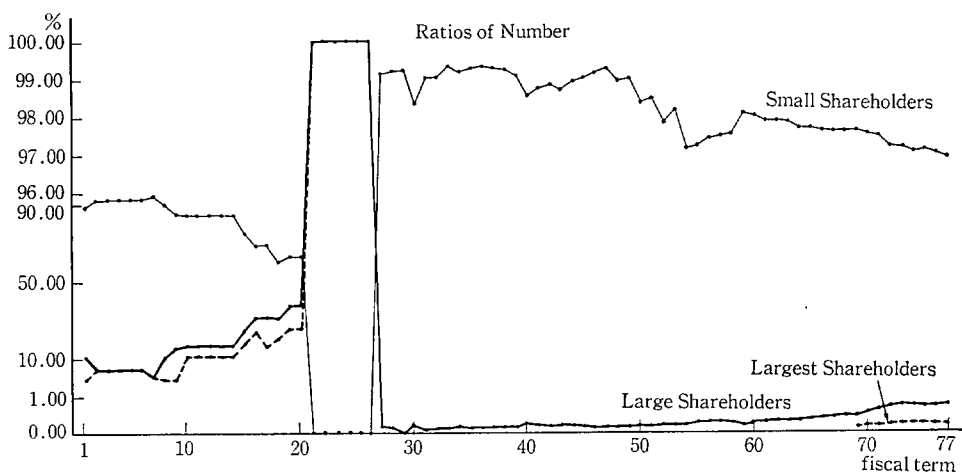
Source: The semi-annual reports of Nissan Motor Co., Ltd. extending from December 26, 1933 to March 31, 1976.

CHART 8. TRANSITION OF NUMBERS OF HOLDING PER SHAREHOLDER IN NISSAN



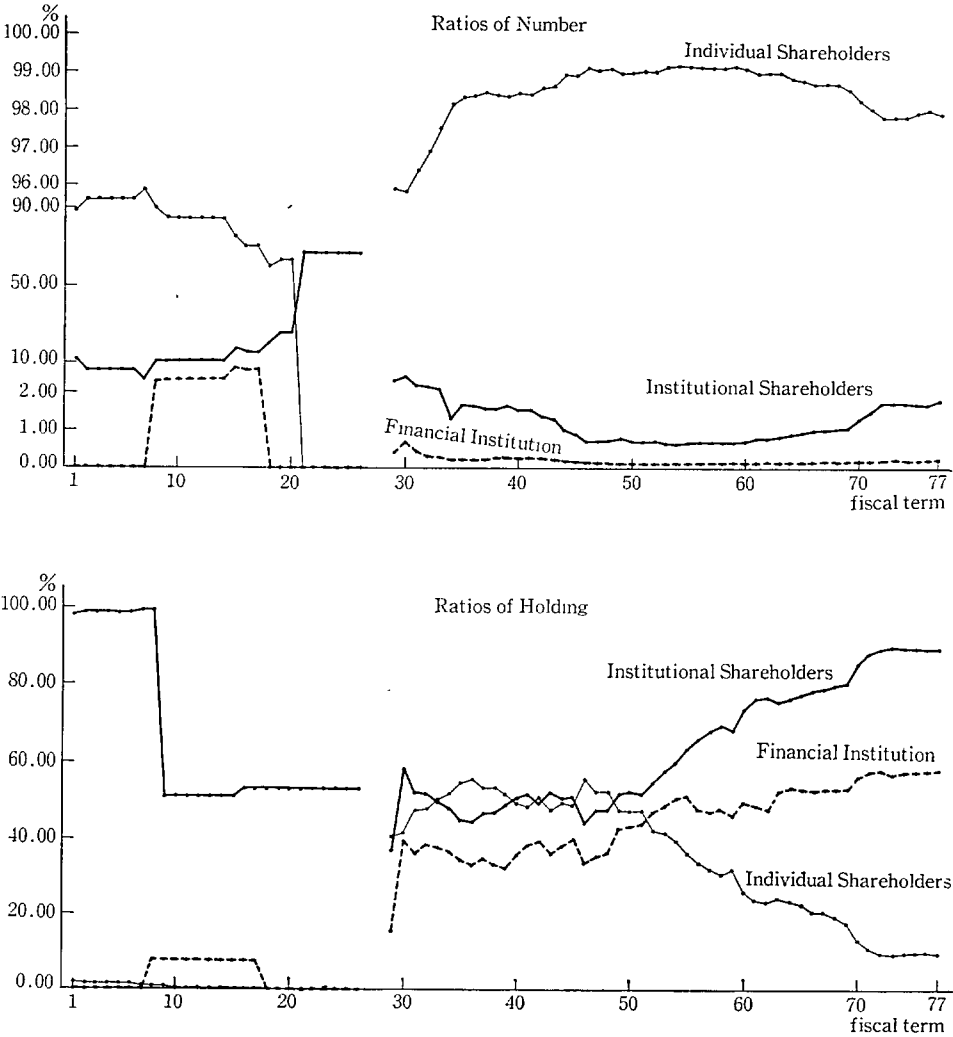
Source: See Chart 7.

CHART 9. TRANSITION OF RATIOS OF NUMBER AND HOLDING
BY SIZE OF SHAREHOLDING IN NISSAN



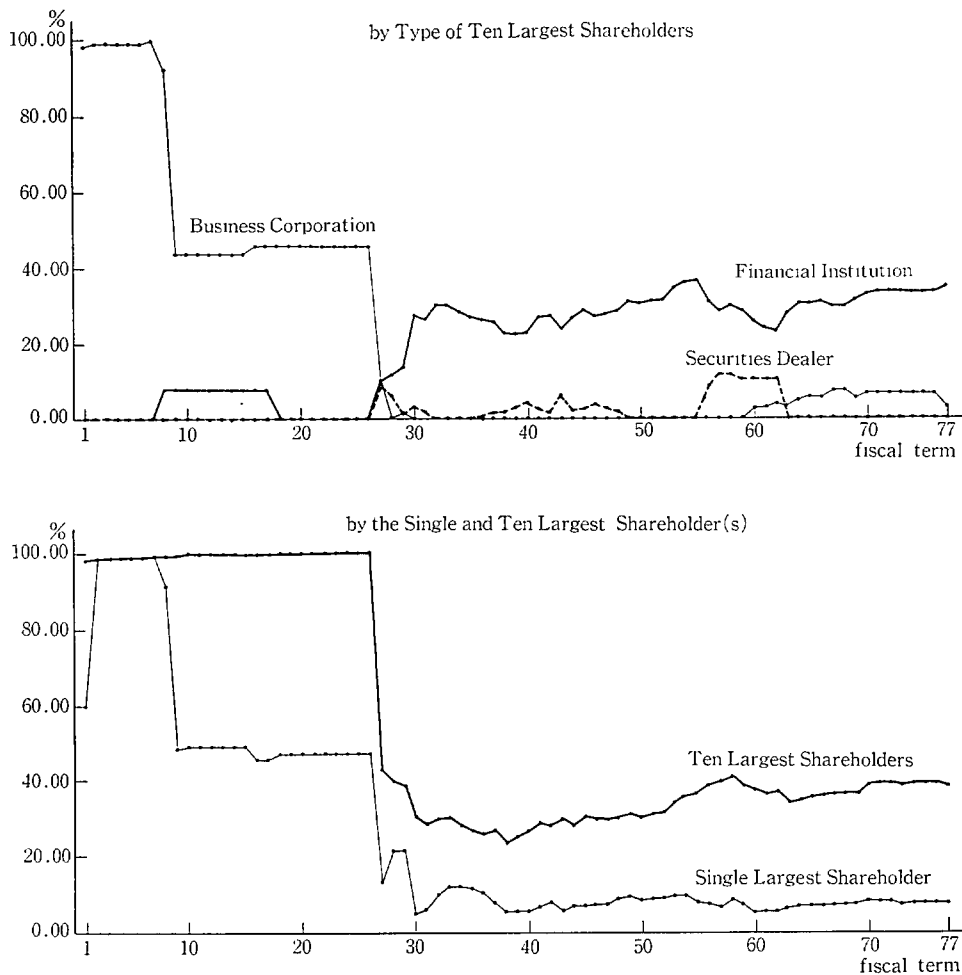
Source: See Chart 7.
The line graph of medium shareholders is omitted.

CHART 10. TRANSITION OF RATIOS OF NUMBER AND HOLDING
BY TYPE OF SHAREHOLDERS IN NISSAN



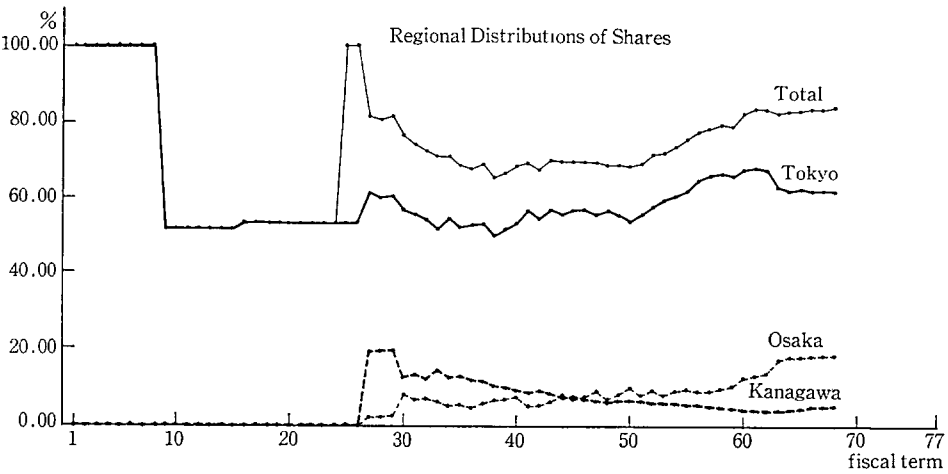
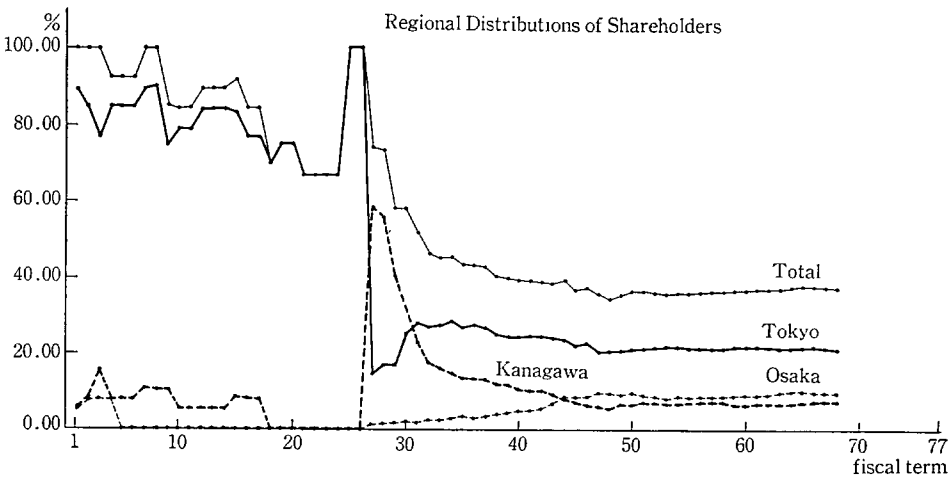
Source: See Chart 7.

CHART 11. TRANSITION OF RATIOS OF HOLDING
BY THE SINGLE AND TEN LARGEST SHAREHOLDER(S) IN NISSAN



Source: See Chart 7.

CHART 12. TRANSITION OF REGIONAL DISTRIBUTIONS OF SHARES AND SHAREHOLDERS IN NISSAN



Source: See Chart 7.

APPENDIX

The fiscal terms of Toyota and Nissan are as follows:

Fiscal term (Toyota Motor Co., Ltd.)

| | |
|-----------------------------------|---------------------------------|
| 1-2 (Aug. 28, 1937—Mar. 31, 1938) | 38 (Jun. 1, 1958—Nov. 30, 1958) |
| 3 (Apr. 1, 1938—Sep. 30, 1938) | 39 (Dec. 1, 1958—May 31, 1959) |
| 4 (Oct. 1, 1938—Mar. 31, 1939) | 40 (Jun. 1, 1959—Nov. 30, 1959) |
| 5 (Apr. 1, 1939—Sep. 30, 1939) | 41 (Dec. 1, 1959—May 31, 1960) |
| 6 (Oct. 1, 1939—Mar. 31, 1940) | 42 (Jun. 1, 1960—Nov. 30, 1960) |
| 7 (Apr. 1, 1940—Sep. 30, 1940) | 43 (Dec. 1, 1960—May 31, 1961) |
| 8 (Oct. 1, 1940—Mar. 31, 1941) | 44 (Jun. 1, 1961—Nov. 30, 1961) |
| 9 (Apr. 1, 1941—Sep. 30, 1941) | 45 (Dec. 1, 1961—May 31, 1962) |
| 10 (Oct. 1, 1941—Mar. 31, 1942) | 46 (Jun. 1, 1962—Nov. 30, 1962) |
| 11 (Apr. 1, 1942—Sep. 30, 1942) | 47 (Dec. 1, 1962—May 31, 1963) |
| 12 (Oct. 1, 1942—Mar. 31, 1943) | 48 (Jun. 1, 1963—Nov. 30, 1963) |
| 13 (Apr. 1, 1943—Sep. 30, 1943) | 49 (Dec. 1, 1963—May 31, 1964) |
| 14 (Oct. 1, 1943—Mar. 31, 1944) | 50 (Jun. 1, 1964—Nov. 30, 1964) |
| 15 (Apr. 1, 1944—Sep. 30, 1944) | 51 (Dec. 1, 1964—May 31, 1965) |
| 16 (Oct. 1, 1944—Mar. 31, 1945) | 52 (Jun. 1, 1965—Nov. 30, 1965) |
| 17 (Apr. 1, 1945—Sep. 30, 1945) | 53 (Dec. 1, 1965—May 31, 1966) |
| 18 (Oct. 1, 1945—Mar. 31, 1946) | 54 (Jun. 1, 1966—Nov. 30, 1966) |
| 19 (Apr. 1, 1946—Aug. 10, 1946) | 55 (Dec. 1, 1966—May 31, 1967) |
| 20 (Aug. 11, 1946—Nov. 15, 1949) | 56 (Jun. 1, 1967—Nov. 30, 1967) |
| 21 (Nov. 16, 1949—Mar. 31, 1950) | 57 (Dec. 1, 1967—May 31, 1968) |
| 22 (Apr. 1, 1950—Sep. 30, 1950) | 58 (Jun. 1, 1968—Nov. 30, 1968) |
| 23 (Oct. 1, 1950—Mar. 31, 1951) | 59 (Dec. 1, 1968—May 31, 1969) |
| 24 (Apr. 1, 1951—Sep. 30, 1951) | 60 (Jun. 1, 1969—Nov. 30, 1969) |
| 25 (Oct. 1, 1951—May 31, 1952) | 61 (Dec. 1, 1969—May 31, 1970) |
| 26 (Jun. 1, 1952—Nov. 30, 1952) | 62 (Jun. 1, 1970—Nov. 30, 1970) |
| 27 (Dec. 1, 1952—May 31, 1953) | 63 (Dec. 1, 1970—May 31, 1971) |
| 28 (Jun. 1, 1953—Nov. 30, 1953) | 64 (Jun. 1, 1971—Nov. 30, 1971) |
| 29 (Dec. 1, 1953—May 31, 1954) | 65 (Dec. 1, 1971—May 31, 1972) |
| 30 (Jun. 1, 1954—Nov. 30, 1954) | 66 (Jun. 1, 1972—Nov. 30, 1972) |
| 31 (Dec. 1, 1954—May 31, 1955) | 67 (Dec. 1, 1972—May 31, 1973) |
| 32 (Jun. 1, 1955—Nov. 30, 1955) | 68 (Jun. 1, 1973—Nov. 30, 1973) |
| 33 (Dec. 1, 1955—May 31, 1956) | 69 (Dec. 1, 1973—May 31, 1974) |
| 34 (Jun. 1, 1956—Nov. 30, 1956) | 70 (Jun. 1, 1974—Nov. 30, 1974) |
| 35 (Dec. 1, 1956—May 31, 1957) | 71 (Dec. 1, 1974—Jun. 30, 1975) |
| 36 (Jun. 1, 1957—Nov. 30, 1957) | 72 (Jul. 1, 1975—Jun. 30, 1976) |
| 37 (Dec. 1, 1957—May 31, 1958) | |

Fiscal term (Nissan Motor Co., Ltd.)

| | |
|----------------------------------|---------------------------------|
| 1 (Dec. 26, 1933—Apr. 30, 1934) | 40 (Oct. 1, 1956—Mar. 31, 1957) |
| 2 (May 1, 1934—Oct. 31, 1934) | 41 (Apr. 1, 1957—Sep. 30, 1957) |
| 3 (Nov. 1, 1934—Apr. 30, 1935) | 42 (Oct. 1, 1957—Mar. 31, 1958) |
| 4 (May 1, 1935—Oct. 31, 1935) | 43 (Apr. 1, 1958—Sep. 30, 1958) |
| 5 (Nov. 1, 1935—Apr. 30, 1936) | 44 (Oct. 1, 1958—Mar. 31, 1959) |
| 6 (May 1, 1936—Oct. 31, 1936) | 45 (Apr. 1, 1959—Sep. 30, 1959) |
| 7 (Nov. 1, 1936—Apr. 30, 1937) | 46 (Oct. 1, 1959—Mar. 31, 1960) |
| 8 (May 1, 1937—Oct. 31, 1937) | 47 (Apr. 1, 1960—Sep. 30, 1960) |
| 9 (Nov. 1, 1937—Apr. 30, 1938) | 48 (Oct. 1, 1960—Mar. 31, 1961) |
| 10 (May 1, 1938—Oct. 31, 1938) | 49 (Apr. 1, 1961—Sep. 30, 1961) |
| 11 (Nov. 1, 1938—Apr. 30, 1939) | 50 (Oct. 1, 1961—Mar. 31, 1962) |
| 12 (May 1, 1939—Oct. 31, 1939) | 51 (Apr. 1, 1962—Sep. 30, 1962) |
| 13 (Nov. 1, 1939—Apr. 30, 1940) | 52 (Oct. 1, 1962—Mar. 31, 1963) |
| 14 (May 1, 1940—Oct. 31, 1940) | 53 (Apr. 1, 1963—Sep. 30, 1963) |
| 15 (Nov. 1, 1940—Mar. 31, 1941) | 54 (Oct. 1, 1963—Mar. 31, 1964) |
| 16 (Apr. 1, 1941—Sep. 30, 1941) | 55 (Apr. 1, 1964—Sep. 30, 1964) |
| 17 (Oct. 1, 1941—Mar. 31, 1942) | 56 (Oct. 1, 1964—Mar. 31, 1965) |
| 18 (Apr. 1, 1942—Sep. 30, 1942) | 57 (Apr. 1, 1965—Sep. 30, 1965) |
| 19 (Oct. 1, 1942—Mar. 31, 1943) | 58 (Oct. 1, 1965—Mar. 31, 1966) |
| 20 (Apr. 1, 1943—Sep. 30, 1943) | 59 (Apr. 1, 1966—Sep. 30, 1966) |
| 21 (Oct. 1, 1943—Mar. 31, 1944) | 60 (Oct. 1, 1966—Mar. 31, 1967) |
| 22 (Apr. 1, 1944—Sep. 30, 1944) | 61 (Apr. 1, 1967—Sep. 30, 1967) |
| 23 (Oct. 1, 1944—Mar. 31, 1945) | 62 (Oct. 1, 1967—Mar. 31, 1968) |
| 24 (Apr. 1, 1945—Sep. 30, 1945) | 63 (Apr. 1, 1968—Sep. 30, 1968) |
| 25 (Oct. 1, 1945—Mar. 31, 1946) | 64 (Oct. 1, 1968—Mar. 31, 1969) |
| 26 (Apr. 1, 1946—Aug. 10, 1946) | 65 (Apr. 1, 1969—Sep. 30, 1969) |
| 27 (Aug. 11, 1946—Dec. 29, 1950) | 66 (Oct. 1, 1969—Mar. 31, 1970) |
| 28 (Dec. 30, 1950—Mar. 31, 1951) | 67 (Apr. 1, 1970—Sep. 30, 1970) |
| 29 (Apr. 1, 1951—Sep. 30, 1951) | 68 (Oct. 1, 1970—Mar. 31, 1971) |
| 30 (Oct. 1, 1951—Mar. 31, 1952) | 69 (Apr. 1, 1971—Sep. 30, 1971) |
| 31 (Apr. 1, 1952—Sep. 30, 1952) | 70 (Oct. 1, 1971—Mar. 31, 1972) |
| 32 (Oct. 1, 1952—Mar. 31, 1953) | 71 (Apr. 1, 1972—Sep. 30, 1972) |
| 33 (Apr. 1, 1953—Sep. 30, 1953) | 72 (Oct. 1, 1972—Mar. 31, 1973) |
| 34 (Oct. 1, 1953—Mar. 31, 1954) | 73 (Apr. 1, 1973—Sep. 30, 1973) |
| 35 (Apr. 1, 1954—Sep. 30, 1954) | 74 (Oct. 1, 1973—Mar. 31, 1974) |
| 36 (Oct. 1, 1954—Mar. 31, 1955) | 75 (Apr. 1, 1974—Sep. 30, 1974) |
| 37 (Apr. 1, 1955—Sep. 30, 1955) | 76 (Oct. 1, 1974—Mar. 31, 1975) |
| 38 (Oct. 1, 1955—Mar. 31, 1956) | 77 (Apr. 1, 1975—Mar. 31, 1976) |
| 39 (Apr. 1, 1956—Sep. 30, 1956) | |