

Company Records and Registers (Japan)

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A Note outlining the requirements to keep and maintain statutory registers and other records for a Japanese stock company (*Kabushiki Kaisha*).

Mandatory Records and Registers for Private Companies in Japan

Corporate Register

Shareholders' Register

Register of Directors and Auditors

Register of Disclosable Interests

Register of Directors' Interests in Contracts

Register of Directors' Service Contracts

Register of Instruments Creating Charges (or Other Security Rights)

Registers of Beneficial Ownership

Register of Loans to and from Directors and Connected Persons

Register of Documents Relating to Purchase of Own Shares

Minute Books (Records of Shareholder and Director Meetings and Resolutions)

Inspection of Registers

Inspection of Records and Minute Books

Data Protection Relating to Company Records and Registers

Duration of Keeping Registers, Records and Minute Books

Safeguarding Records and Registers

Consequences of Non-Compliance

Annual Compliance Obligations

A Japanese stock company (*Kabushiki Kaisha*) must generally keep and maintain certain registers and other records, such as:

- Their appointed officers (that is, directors(*torishimariyaku*) and auditor(s)(*kansayaku*))
- The number of shares issued.
- Stated capital (that is, the amount of capital raised by the issue of shares).

This Note looks at the specific requirements to keep and regularly maintain registers and other records for a stock company and the consequences of non-compliance with these requirements in Japan. It also discusses requirements relating to the location and inspection of company registers and records under Japanese law.

The note does not cover other records (such as tax and accounting or financial records or registers) required under other legislation (such as property beneficial ownership legislation and annual financial accounts).

For information on company types and trading vehicles in Japan, see *Setting up a Business Toolkit (Japan): Choice of Business Structure*.

Mandatory Records and Registers for Private Companies in Japan

There are two registers in which Japanese stock companies must record certain information:

- The corporate register maintained by the *Legal Affairs Bureau Japan* (see *Corporate Register*).
- Its own internal a shareholders' list (*Kabunushi-Meibo*) (shareholders' register) (see *Shareholders' Register*).

Corporate Register

A Japanese stock company must enter certain information in the corporate register kept by the local Legal Affairs Bureau, which will retain electronic records of information provided. See *Inspection of Registers* for details as to who can inspect and access the information.

Key information to be entered includes:

- Purpose of the company.
- Name of the company.
- Address of the company's head office and any branch offices.
- Amount of the company's stated capital.
- Number of the company's issued shares and the maximum number of shares issuable.
- The types or classes of issued shares.
- Whether the company has issued shares.
- Names of directors of the company and the personal address of the representative (managing) director (*daihy#-torishimariyaku*).
- Whether the company has a board of directors (*Torishimariyakkai*)
- Name of auditor(s), if any, and whether the auditors form a board.
- Any restrictions on the transfer of shares.
- How the company will make public announcements.

(Article 911(3), *Companies Act* (Act No. 86 of 2005, as amended); a non-official translation is provided by the Ministry of Justice at *Japanese Law Translation: Companies Act (Act No. 86 of 2005)*).

Companies must file for registration, which is carried out by officials in the Legal Affairs Bureau. The registration is a public document (an official government document). There are no "private" registration records, so the company does not need to keep any records of its own.

Shareholders' Register

There is no requirement for a stock company in Japan to register details of its shareholders in the corporate register (see *Corporate Register*).

However, a stock company must maintain its own internal a shareholders' list (kabunushi-meibo)(or shareholders' register), to include information including with the following information:

- The names of its shareholders.
- The number of shares held by each shareholder.
- The date when on which each shareholder obtained shares.
- In cases where the stock company is a share certificate-issuing company, the serial numbers of share certificates representing the shares.

The shareholders' register is not a public document and is only disclosed to the company's shareholders and creditors on request (Articles 121 and 122, Companies Act) (See, *Inspection of Registers*).

Rectification of Shareholders' Register

If a company's shareholders' register does not correctly reflect the status of a shareholder's shareholding, the shareholder may request the company to amend the status accordingly.

Register of Directors and Auditors

A Japanese stock company must cause the names of its appointed directors and auditors to be entered in the corporate register (see *Corporate Register*) and update the corporate register whenever there is a change (Articles 911 and 915, Companies Act).

Although the minimum number of directors is one, three directors are needed to form a board, so it is typical to appoint at least three directors (Articles 326,327, and 331(5),Companies Act).

If a company has a board, it is mandatory to appoint one or more auditors, the details of which must also be recorded on the Commercial Register (Article 327(2), Companies Act).

For information on directors' roles in Japan, see *Country Q&A, Corporate Governance and Directors' Duties in Japan: Overview: Board Composition and Restrictions*.

Register of Disclosable Interests

There is no requirement under Japanese law to keep a register of directors' and auditors' interests in shares, options for shares, or debentures in the company.

Register of Directors' Interests in Contracts

There is no requirement under Japanese law to keep a register of directors' interests in contracts. For information on transactions with directors in Japan, see [Country Q&A, Corporate Governance and Directors' Duties in Japan: Overview: Transactions with Directors and Conflicts](#).

Register of Directors' Service Contracts

There is no requirement under Japanese law to register directors' service contracts.

Register of Instruments Creating Charges (or Other Security Rights)

There is no requirement to register instruments creating charges or other security rights under Japanese law. However, a pledge placed on shares of a stock company may be registered on the Shareholders Register (Article 147, Companies Act) but does not need to be. This is because many pledges look like real transfers, so it is always registered in practice, but not necessarily as a pledge. If registered, the pledge holder can claim its rights against a third party. "Hidden" pledges are common in Japan. In a hidden pledge, the shares are shown to be transferred, but between the parties; this is not a full transfer, but a type of security.

For more information on pledges in Japan see [Country Q&A, Lending and Taking Security in Japan: Overview: Formalities](#).

Registers of Beneficial Ownership

There is no Central Register of Beneficial Ownership of Shares as there is in some jurisdictions, for example the UK and EU jurisdictions. Ownership of shares is simply recorded on the Shareholders Register (see [Shareholders' Register](#)) with limited rights of inspection for third parties (see [Inspection of Registers](#)).

If the shares are beneficially owned, the transfer of ownership must be entered on the shareholders' register (see [Shareholders' Register](#)).

The shareholders' register is not publicly disclosed and only proves beneficial ownership against the company and not to the general public.

Register of Loans to and from Directors and Connected Persons

Japanese law does not require a register to be kept of any loans to and from directors and connected persons. For more information on transactions with directors generally in Japan, see [Country Q&A, Corporate Governance and Directors' Duties in Japan: Overview: Transactions with Directors and Conflicts](#).

Register of Documents Relating to Purchase of Own Shares

Where a company purchases its own shares, this must be recorded in the shareholders' register (see [Shareholders' Register](#)). This is not disclosed to the general public. However, other shareholders have the right to inspect the shareholder's register (Article 125, Companies Act) (see [Inspection of Registers](#)).

For information on shareholders' rights in Japan, see *Country Q&A, Shareholders' Rights in Private and Public Companies in Japan: Overview: General Shareholders' Rights*.

Minute Books (Records of Shareholder and Director Meetings and Resolutions)

There is no concept of a "minute book" under Japanese law but a stock company must keep minutes of its shareholders' meetings (Article 318, Companies Act) and board of directors' meetings (Article 371, Companies Act). Both types of minutes may be held electronically (Article 72(2), *Regulations for Enforcement of the Companies Act* (Ministry of Justice Order No. 12 of 2006)); a non-official translation is provided by the Ministry of Justice at *Japanese Law Translation: Regulations for Enforcement of the Companies Act Ministry of Justice Order No. 12 of 2006*.)

Minutes of Shareholders' Meetings

The minutes of the shareholders' meetings must record:

- The date and place of the meeting.
- The agenda of the meeting, the result of any resolutions, and any opinions given by the directors.
- The officers who attended the meeting.
- The name of the chairperson of the meeting or the director responsible for preparing the minutes.

(Article 72(3), *Regulations for Enforcement of the Companies Act* (Ministry of Justice Order No. 12 of 2006); a non-official translation is provided by the Ministry of Justice at *Japanese Law Translation: Regulations for Enforcement of the Companies Act#Ministry of Justice Order No. 12 of 2006*.)

The law used to require each director attending a general meeting of shareholders to sign or attach their seal to the minutes, but this requirement has been abolished. However, if a requirement to sign or attach seals is provided in the company's articles of incorporation, it is a legal requirement to do so. Many companies in Japan have such a clause in their articles of incorporation.

Minutes of Board of Directors' Meetings

The minutes of meetings of the board of directors must record:

- The date and place of the meeting.
- The agenda of the meeting, the result of any resolutions, and any opinions given by the directors.
- The officers who attended the meeting.
- The name of the chairperson of the meeting or the director responsible for preparing the minutes.

(Article 101(1), *Regulations for Enforcement of the Companies Act*.)

Each director attending a meeting of the board of directors must sign or attach their seal (Article 369, Companies Act).

Inspection of Registers

The **corporate register** (see *Corporate Register*) is kept by the local Legal Affairs Bureau, a government agency, which will retain electronic records of information provided. However, only certain matters are recorded in the corporate register. The corporate register is publicly available and may be inspected by anyone. Anyone can obtain a certified copy of the corporate register (Articles 10 and 11 of the Commercial Registration Act, a non-official translation is provided by the Ministry of Justice at *Japanese Law Translation: Commercial Registration Act (Act No. 125 of 1963)*).

Shareholders and creditors have the right to inspect and request disclosure of or obtain copies of the **shareholders' register** (see *Shareholders' Register*) (Article 125(2), Companies Act). For information on the location in which the shareholders register must be kept, and for how long, see *Duration of Keeping Registers, Records and Minute Books*.

Inspection of Records and Minute Books

The corporate register (see *Corporate Register*) is publicly available and may be inspected by anyone. Anyone can obtain a certified copy of the corporate register.

A shareholder or a creditor of a Japanese stock company has the right to inspect and request disclosure of or obtain copies of the documents set out in the following table, under the statutory provision shown.

Type of document	Shareholder	Creditor	Statute
Articles of incorporation	Inspection and copy	Inspection and copy	Article 31(2), Companies Act
Minutes of general meetings of shareholders	Inspection and copy	Inspection and copy	Article 318(3), Companies Act
Minutes of meetings of the board of directors	Inspection and copy	Inspection and copy, but need a court permit	Article 371(2), Companies Act
Accounting books	Inspection and copy, but limited to shareholders holding 3% of more of issued shares	No rights of inspection or copy	Article 433(1), Companies Act
Financial statements	Inspection and copy	Inspection and copy	Article 442(3), Companies Act

For information on the location in which records and minute books must be kept, and for how long, see *Duration of Keeping Registers, Records and Minute Books*.

Data Protection Relating to Company Records and Registers

Data protection relating to company records and registers is not provided for under Japanese law.

Duration of Keeping Registers, Records and Minute Books

The duration for which registers, records, and minute books must be kept, the required location, and relevant statutory provision are set out in the following table.

Type of document	Duration	Location	Statute
Articles of incorporation	Indefinite	Company's head office or branch office	Article 31(1), Companies Act
Shareholders' register	Indefinite	Company's head office	Article 125(1), Companies Act

Minutes of general meetings of shareholders	Ten years	Company's head office	Article 318(2), Companies Act
Minutes of meetings of the board of directors	Ten years	Company's head office	Article 371(1), Companies Act
Accounting books	Ten years	Not specified by law	Article 432(2), Companies Act
Financial statements	Five years	Not specified by law	Article 435(4), Companies Act

Safeguarding Records and Registers

Consequences of Non-Compliance

It is important for directors and auditors to be aware of the different requirements in Japan, to avoid any consequences of non-compliance.

Falsifying company documents and records is subject to a civil fine of up to JPY1 million (Article 976, item 7, Companies Act).

Failure to comply with the requirements relating to the **corporate register** (see *Corporate Register*) may result in a civil fine of up to JPY1 million, which is enforced when a company fails to update its information in the corporate register for an extended period of time (Article 976(i) of the Companies Act). The legal requirement is to file for a change of registration within two weeks of the event (Article 915(1) of the Companies Act) although not meeting this timeline rarely results in a penalty for the company).

The law does not provide specific penalties for failure of a director to sign the **minutes of the general meeting of shareholders or the board of directors** (see *Minutes of Shareholders' Meetings* and *Minutes of Board of Directors' Meetings*). However, a director in violation of the law or articles of incorporation will be deemed to be in breach of their duty of loyalty to the company and may be required to compensate for any damages caused to the company (Article 255, Companies Act).

For more information on directors' duties and liabilities in Japan, see *Country Q&A, Corporate Governance and Directors' Duties in Japan: Overview: Director's Duties and Liabilities*.

Annual Compliance Obligations

Directors of a stock company must prepare financial statements and a business report every fiscal year, which must be approved at a general meeting of shareholders (Article 438, Companies Act). Financial statements include the company's balance sheet, and profit and loss statement.

END OF DOCUMENT

Related Content

Country Q&A

[Corporate Governance and Directors' Duties in Japan: Overview](#) • Law stated as at 01-Oct-2022

[Lending and Taking Security in Japan: Overview](#) • Law stated as at 01-Jan-2023

[Shareholders' Rights in Private and Public Companies in Japan: Overview](#) • Law stated as at 01-May-2022

Toolkit

[Setting up a Business Toolkit \(Japan\)](#) • Maintained

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[Legal Affairs Bureau Japan](#)