

Comparison between Japanese Kabushiki Kaisha and Godo-Kaisha

	Kabushiki Kaisha <i>(Kabushiki Joto Seigen Kaisha)</i> <i>[If No Committee is Established]</i>	Godo Kaisha Limited Liability Co (LLC)
Transfer of Equity Participation Share	It may be transferred freely in principle. It may be stipulated in the Articles of Incorporation so that the Board of Directors' approval is needed for the Transfer of Shares.	Unanimous Approval of Equity Participants (Members/Equity holders) is required.
Number of Executives Required	Appointment of one (1) or more is required. A Representative Director has the right to execute the business. Executive Officers (Directors) have the right to representation if no Representative Director is appointed.	There is no legally stipulated minimum. In principle, all Members are Executive Officers, but a Representative Member may be appointed.
Legally stipulated Term of Office for Executives	Two (2) years in principle. Expandable up to Ten (10) years.	No legally stipulated Term.
Possibility of a Company to be a Director (Executive)	Not possible	Possible. However, the company should nominate an individual as a Functional Manager.
Director must be from Shareholder/Member	Not necessarily	In principle, all Members/Equity holders are Executive Officers, but may be stipulated otherwise in the "Articles of Association."
Regular General Meeting of Shareholders/Members	In principle, it must be held every year	Not required
Possibility of the Public offer of Stock	Possible	Not possible
Possibility of reorganization	A Joint-Stock Corporation (KK) may be reorganized into a Limited Liability Company (LLC) (GK).	A Limited Liability Company (LLC) (GK) may be reorganized into a Joint-Stock Corporation (KK).
Distribution of Profits and Losses	Allocated according to Equity Participation Ratio	May be allocated at a different ratio from Equity Participation Ratio if specified in Articles of Association
Non-Resident Promoters	Possible.	Possible. <i>The Paid-up Capital Procedure for Company Registration is more flexible.</i>

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