

## Comparison between Japanese Kabushiki Kaisha and Godo-Kaisha

	<b>Kabushiki Kaisha</b> <b>(Kabushiki Joto Seigen Kaisha)</b> <i>[If No Committee is Established]</i>	<b>Godo Kaisha</b> <b>Limited Liability Co (LLC)</b>
<b>Transfer of equity participation share</b>	It may be transferred freely in principle. Maybe stipulated in articles of incorporation so that the board of directors' approval is needed for the transfer of shares.	Unanimous approval of equity participants (members) is required.
<b>Number of executives required</b>	Appointment of one (1) or more required. Representative director with the right to execute business. If no representative director is appointed, executive officers each have the right of representation.	No legally stipulated minimum. In principle, all members are executive officers, but a representative member may be appointed.
<b>Legally stipulated term of office for executives</b>	2 years in principle. Expandable up to 10 years	No legally stipulated term
<b>Possibility of a Company to be a Director</b>	Not possible	Possible. However, the co should nominate an individual staff from the co.
<b>Director must be from shareholder /member</b>	Not necessarily	In principle, all members are executive officers, but maybe stipulated otherwise in "Articles of Association"
<b>Regular general meeting of shareholders/members</b>	In principle, it must be held every year	Not required
<b>Possibility of the public offer of stock</b>	Possible	Not possible
<b>Possibility of reorganization</b>	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)
<b>Distribution of profits and losses</b>	Allocated according to equity participation ratio	May be allocated at a different ratio from equity participation ratio if specified in Articles of Association

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