

Preface

The system of corporate governance has undergone significant changes across major jurisdictions over the past decade. On the European continent and in Japan, the system of stable shareholdings is now largely gone. Correspondingly, investment funds have become more active in participating in the management of listed companies. Especially in Japan, the operation of activist funds has become conspicuous since the late 2010s. The country is a fertile ground for activist funds presumably for various statutory reasons and, arguably, also because the stock of many Japanese companies is considered undervalued. Multiple disputes between activist funds, target companies, and existing shareholders have reached the Japanese courts.

In theory, shareholder activism has a positive effect on corporate governance by increasing corporate value as reflected in higher share prices. But, at the same time, it may bring ‘short-termism’ to corporate governance, affecting the long-term strategy of companies. The goal of the contributions assembled in this volume is to examine the situation regarding activist funds in Japan from a comparative perspective and thereby to identify an optimal balance based on experiences in the selected jurisdictions.

The contributions assembled here are enlarged, edited versions of the lectures given at the comparative conference “Shareholder Activism in Japan, the EU, the UK and the US,” convened at Goethe-University Frankfurt on 13 March 2025. The conference was jointly organized by the University College London (UCL) and Goethe University Frankfurt, in cooperation with the German-Japanese Association of Jurists (DJJV) and the Max Planck Institute for Comparative and International Private Law in Hamburg (MPI). The event, initiated by Hiroshi ODA of UCL, was held at Goethe University’s House of Finance, with Moritz BÄLZ serving as the local host. The symposium received additional support from the Association of Friends and Supporters of Goethe University. The various contributions combine practical, theoretical, and critical perspectives and provide many insights into the origins of activist investing and its integration into different economic, cultural, and political contexts.¹

The book is organized as follows: It first addresses the current situation in Japan from different perspectives. Hiroshi ODA (Professor, Sir Ernest Satow Professor of Japanese Law, University College London) starts with an overview of the changing structure of shareholding and corporate gov-

¹ For an evaluation of the conference’s achievements, see the report by F. DRÖLL in *ZJapanR/J.Japan.L.* 59 (2025) 247–250.

ernance in Japan and Europe. Sadakazu OZAKI (Adjunct Professor, The University of Tokyo; Senior Research Fellow, Nomura Research Institute, Tokyo) traces the historical development of institutional shareholder funds and activist funds in Japan. In his assessment, corporate governance in Japan has increasingly moved beyond the Anglo-Saxon models. Although the Japanese legislature initially sought to assimilate the American corporate governance system in the early 2000s, the UK system and the European continental (German and French) systems are attracting greater interest in Japan today. Hidefusa IIDA (Professor, University of Tokyo) highlights Japan's resulting unique approach to M&A and its impact on shareholder activism and sustainability. The picture of Japan is completed with some Japanese case studies analyzed from a practitioner's perspective by Ryo OKUBO (Co-Head, Nagashima Ohno and Tsunematsu New York LLP).

The second half of the volume focuses on comparative perspectives and provides overviews of shareholder activism in the US, Germany, France, and the UK. It starts with a detailed comparative analysis of the "new" shareholder activism from a "Western" perspective by Georg RINGE (Professor of Law and Finance, University of Hamburg), focusing on its development, institutional framework, and regulation in the US, the UK, and Germany. Thereafter, Nobuhisa ISHIZUKA (Executive Director of the Center for Japanese Legal Studies, Columbia Law School, New York) more intensively explores the development of activist funds in the US. France is today home to a lively scene of activist shareholders, and Mai ISHIKAWA (Associate Professor, Tohoku University) highlights the current prospects for French reform. The volume concludes with an in-depth analysis of shareholder activism in the UK by Dionysia KATELOUZOU (Reader, King's College London).

The contributions in this special issue highlight that shareholder activism has become a relevant factor throughout major economies. Across jurisdictions, the debate about the advantages and disadvantages of activist investors shows striking similarities, oscillating between hoped-for increases in company profitability and concerns about feared short-termism. However, the broad comparison undertaken in this issue also reveals that activist investment takes place in a dynamic environment, one that is highly dependent on the specific legal, political, and cultural framework, thus offering rich opportunities for future research.

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