

Table 1: Long-term Loan

From/To	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total	Yen	
Mitsubishi Bank	2.9	2.2	46.2	2.4	14.8	15.2	8.5	2.8	2.8	4.0	10.7	19.8	11.2	3.9	5.6	5.6	5.6	16.8	5.8	30.0	6.8	196			
Mitsubishi Trust	47.1	13.5	4.9	12.9	8.8	11.3	2.8	2.8	6.9	16.3	31.2	30.4	10.0	3.4	4.5	27.0	15.3	2.0	3.4	4.9	142				
Meiji Life	10.6	5.8	12.3	15.9	27.0	2.4	9.2	44.8	1.2	6.1	11.5	2.7	4.2	28.9	12.4	10.0	8.7	15.9	8.8	5.3	1.3	9.3	268		
Tokio Marine	3.5		4.3	0.1					0.2					1.8	1.5				0.1	0.4	1.1	0.3	7		
Bank of Tokyo	4.0		0.2	2.3					1.2		0.9	1.8						0.1	3.2	2.1	1.5	0.1	2.5	72	
Nippon Trust	0.7		0.3	0.3					0.0	1.3				1.3	1.5	0.1	0.6	3.2	0.1			0.1	3		
Sakura Bank			2.4		0.9				0.4									0.0	0.1	0.5	0.0	0.2	5		
Sumitomo Bank								1.2										0.0	0.1		3.0	0.0	1		
Sanwa Bank																		0.7	1.0		0.2	5			
DKB			11.5	2.4		4.4								0.1	0.0	0.2		0.4	0.6		0.4	13			
Tokai Bank					1.8													0.0	0.1	1.9		0.2	7		
Mitsui Trust					0.4									7.1	0.2	0.4		0.3	0.0		0.2	6			
Sumitomo Trust					2.7				0.1					2.7	1.1	1.7	6.3		1.7		0.5	14			
IBJ	4.3		7.3	2.7	7.0	18.4		1.6		2.1	9.9	24.1		3.4	5.9	6.5		9.0	6.2		5.8	166			
LTCB			5.4	13.5	4.9	3.3	1.4	0.5		2.3	5.4			3.4	14.5	1.9	5.5	15.9	4.2	3.9	0.5	2.3	65		
NCB			11.0		0.4	1.5	0.6			2.4		6.9				0.2	2.1	15.9	0.7	0.4		0.5	13		
Norin Chukin			8.8	8.0	8.2	7.1				0.5				3.6	2.2	0.0		1.7	1.5		1.4	39			
Zenshinren	2.9																		2.3			1.7	49		
BNP																									
Deutsche Bank																									
Mitsui Life	3.3		12.2					3.5									0.0	0.8		1.4		2.0	56		
Sumitomo Life	8.7		1.4	0.8	2.6					0.5				2.8	1.1	1.4			3.6		4.6	133			
Yasuda Life	5.2				0.0											5.4			1.4		2.7	78			
Nippon Life	9.0		7.3	0.7	1.7	11.8					4.3			24.7	8.9	9.1	3.8	6.3	0.4	4.7		6.2	179		
Daiichi Life	5.7	0.8	3.2		1.0			0.3		1.4				1.7	2.2	1.4	6.3	0.2	4.0		3.4	98			
Taiyo Life	4.6		3.1	1.2	1.1	1.2		1.1		1.0	2.2			1.1	5.8	1.6		3.2	2.9		3.6	103			
JDB			2.6		5.1	4.3	12.6	57.5		21.5		58.8		4.4	3.9	0.1		8.8	41.9	60.6	7.6	219			
EX-IM Bank	19.9				7.6	8.2				7.7				7.2	8.1	35.1			12.4			357			
Hokuto Koko					12.4					72.7	3.2	8.7				0.4						1.3	37		
Others	18.8	23.4	24.4	10.5	20.3	16.2	0.0	25.6		5.2	4.8	37.0		12.9	37.7	14.4	0.0	22.1	7.6	0.0	18.9	543			
Loan Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	2,876	
Yen	1357	13	10	41	20	177	35	4	72	35	129	15	2	1	43	230	92	6	376	208	9	2876			
Loan	82.2	86.9	17.3	56.2	46.9	34.7	54.6	15.7	40.3	100	45.1	100	7.5	10.8	9.9	67.2	31.5	6.5	35.9	57.5	20.1	49.7	2,876		
SB	16.4	13.1	82.7		50.9	38.5		84.2	39.2	26.4	49.6		92.5	89.2	26.5	32.1	34.3	93.5	54.7	42.3	57.2	34.9	2,016		
CB	1.4		43.8	2.2	26.9	45.4	0.2	20.6	73.6	5.3				63.6	0.6	34.3		9.5	0.2	22.7	15.4	891			
Long-term Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	5,783	
Yen	1651	15	60	73	43	510	65	29	179	174	35	287	15	22	8	435	342	292	96	1048	362	44	5783		

Source: Yuka shoken hokokusho soran (Ministry of Finance 1996).

Table 2: Short-term Loan

From\To	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total	Yen	
Mitsubishi Bank	13.5	29.3	44.2	33.8	22.0	19.7	26.2	27.1	14.9	33.5	25.6	17.6	22.1	17.2	15.9	18.9	34.2	27.6	17.8	277					
Mitsubishi Trust	4.1	16.3	22.7	13.6	15.3	18.2	10.7	12.9	7.1	13.7	17.9	15.6	14.1	7.8	8.0	6.2	11.7	8.2	128						
Meiji Life	1.4	1.3	1.8														23.5	0.5	7						
Tokio Marine																									
Bank of Tokyo	6.8	1.0	3.8	1.5	3.6	1.5	13.3	2.2	2.9	5.6	2.4	4.0	3.1	3.3	3.4	4.0	9.5	4.0	62						
Nippon Trust	0.6	0.8			1.1	1.7		2.2	2.3	5.6	5.9	3.3	1.8				0.9	2.9	0.7	11					
Sakura Bank	8.7		1.2		3.7	4.9		7.1	11.7	5.0	9.5	5.4	3.3				0.5	4.9	76						
Sumitomo Bank	3.7	0.7												0.6	8.4		3.3	2.3	36						
Sanwa Bank	13.6													0.1				3.5	55						
DKB	16.1		3.8					0.2	5.9		14.5	4.1	2.1	12.0				6.3	98						
Tokai Bank	8.8				1.4			0.2	5.8		1.4	8.5	4.5	4.7	0.9			4.2	66						
Mitsui Trust																									
Sumitomo Trust					2.0																				
IBJ					2.5	6.0		1.8	2.4	8.3															
LTCB	5.1		5.1	3.6		0.9		0.6	3.4	18.1	7.0	1.0	3.6					4.9	1.7	26					
NOB	3.7				1.3	3.9		0.4	0.2	3.8															
Norin Chukin			100		14.3	18.3	16.3	7.2	3.4	5.9	3.6	5.5	4.9	6.2				22.1	4.5	71					
Zenshinren																									
BNP	4.2																								
Deutsche Bank																									
Mitsui Life																									
Sumitomo Life																									
Yasuda Life																									
Nippon Life																									
Daiichi Life																									
Taiyo Life																									
JDB																									
EX-IM Bank																									
Hokuto Koko																									
Others	20.4	41.8	19.7	30.2	11.2	30.4	27.7	29.6	47.7	60.0	23.8	13.5	35.3	16.1	23.2	52.1	43.8	41.5	100	20.8	35.8	557			
Loan Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	1,556	
Yen	395	41	5	40	45	18	46	17	22	37	220	10	17	9	109	193	225	21	23	53	10	1556			
Loan	30.2	100	100	100	69.6	34.6	100	100	100	100	100	100	100	100	70.8	100	100	100	100	100	100	100	100	60.4	1,556
CP	69.8				30.4	65.4									29.2									39.6	1,019
Short-term Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	2,575	
Yen	1311	41	5	40	64	52	46	17	22	5	37	220	10	17	9	154	193	225	21	23	53	10	2575		

Table 3: Long- and Short-term Loan

From\To	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total	Yen
Mitsubishi Bank	5.3	22.7	32.2	23.0	27.9	13.8	16.1	15.6	8.3	16.0	13.3	25.2	23.3	17.1	17.0	10.9	12.9	14.6	17.8	4.7	28.7	10.7	474	
Mitsubishi Trust	0.9	23.8	9.4	13.7	13.4	8.0	13.6	14.4	4.6	10.0	10.5	24.3	16.3	16.9	12.9	5.4	7.0	10.9	14.4	1.6	7.9	6.1	270	
Meiji Life	8.2	2.5	8.6	8.1	9.3	2.2	4.0	9.4	0.9	3.8	4.3	1.6	0.4	2.6	3.5	5.4	2.5	3.6	9.7	4.2	0.6	6.2	276	
Tokio Marine	0.9			1.7	0.1				0.2						0.5	0.8		0.7	0.1	0.3	0.5	0.2	8	
Bank of Tokyo	4.6	0.8		1.9	1.1	2.1	2.1	1.2	4.0	1.1	2.2	3.3	2.2	3.7	2.2	1.5	2.4	3.8	2.0	1.2	5.1	3.0	134	
Nippon Trust	0.6			0.4	0.1	0.3	0.6	1.4	0.0	1.7	1.4	2.2	5.4	3.1	1.8	0.0	0.2	1.5	0.1		1.6	0.3	15	
Sakura Bank	2.0			1.2	0.8	0.9	2.1	3.8	0.3		6.5	10.6	3.6	4.4	3.8	2.6	0.5	0.0	0.3	1.8			81	
Sumitomo Bank	0.8	0.6							4.0						0.5	3.8	0.0	2.6		1.4	0.8	37		
Sanwa Bank	3.1									0.1					0.3				0.7	0.8		1.3	59	
DKB	3.6			8.1	3.1	4.0				0.1			5.4		10.4	1.9	1.6	9.2	0.4	0.5		2.5	111	
Tokai Bank	2.0					1.6	0.8			0.1	2.3				1.0	3.9	3.2	3.6	0.1	1.5		1.6	73	
Mitsui Trust						0.4									10.1	0.6	0.1		0.3	0.0		0.5	20	
Sumitomo Trust						2.5	1.2	0.0							2.8	2.1	2.2	2.9		1.3		0.7	30	
IBJ	3.3			3.7	0.8	6.6	8.0	4.7	1.2	1.9	5.2	17.9			1.0	5.0	1.9		8.4	5.0		4.1	182	
LTCB				5.2	9.4	5.0	3.5	5.7	1.1	1.4	4.1		16.5	6.7	4.8	2.7	1.6	3.6	3.9	3.1	2.8	2.1	91	
NCB				5.5		0.1	1.4	1.0	3.1	1.3	0.1	5.7			0.2	0.6	0.6	3.6	0.7	0.3		0.4	19	
Norin Chukin				30.2	4.5	12.4	7.4	13.4	12.9	1.7	1.7	3.9		3.3	5.0	4.9	3.4	4.4		1.6	1.2	11.9	2.5	110
Zenshinren	2.3																		2.2			1.1	49	
BNP	1.0					0.3																	0.4	17
Deutsche Bank						7.7																	0.3	15
Mitsui Life	2.6			6.2					2.7								0.0	0.2		1.1			1.3	56
Sumitomo Life	6.7				0.4	0.7	1.1			0.2					0.8	0.6	0.4			2.9			3.0	133
Yasuda Life	4.0					0.0											1.6			1.1			1.8	78
Nippon Life	7.0			3.7	0.2	1.5	5.1			1.9			2.2	2.5	4.9	1.1	1.5	0.4	3.8			4.1	180	
Daiichi Life	4.4	0.2		1.6		0.9		0.2		0.7				0.5	1.2	0.4	1.5	0.2	3.2			2.2	98	
Taiyo Life	3.6			2.1	0.6	0.3	1.0		0.8	0.5	0.8			0.3	3.2	0.5		3.0	2.3			2.3	103	
JDB				1.3		4.7	1.9	2.7	43.9		8.0		5.2		1.2	2.1	0.0		8.3	33.4	27.9	4.9	219	
EX-IM Bank	15.4					6.9	3.6			2.8					2.0	4.4	10.2		1.6			8.1	357	
Hokuto Koko					3.9		0.2	9.0		35.1	1.2	5.3							0.4				0.8	37
Others	19.2	37.3		22.1	24.0	19.5	24.2	21.9	26.6	24.7	39.7	12.2	15.5	32.1	15.2	31.1	41.2	33.7	23.2	26.4	11.2	24.8	1,100	
Loan Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	4,432
Yen	1753	54	15	81	65	195	81	21	94	72	349	24	18	10	152	424	317	27	399	261	19	4432		
Long-term	45.8	23.4	16.1	36.4	18.8	31.5	31.9	9.9	35.8	48.3	25.5	61.0	4.2	5.1	7.3	42.9	17.8	5.4	35.1	50.1	16.3	34.4	2,876	
Short-term	13.3	73.0	7.0	35.2	41.6	3.2	41.5	37.0	11.1	51.7	43.4	39.0	43.8	52.4	18.6	36.1	43.5	18.0	2.2	12.8	19.0	18.6	1,556	
Loan Total	59.2	96.5	23.0	71.6	60.5	34.7	73.4	46.9	46.9	100	68.9	100	48.0	57.5	25.8	79.1	61.3	23.4	37.3	62.9	35.3	53.0	4,432	
SB	9.1	3.5	77.0		20.5	34.9		53.0	34.8	25.7	28.1		52.0	42.5	19.6	20.5	19.4	76.6	53.5	36.9	46.3	24.1	2,016	
OB	0.8			28.4	0.9	24.4	26.6	0.1	18.3	71.5	3.0				47.0	0.4	19.4		9.2	0.2	18.4	10.7	891	
CP	30.9			18.1	6.0			2.8							7.6								12.2	1,019
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	8,358
Yen	2962	56	65	113	107	562	111	45	201	179	72	506	24	38	17	589	536	517	117	1071	415	54	8358	

**Table 4: Shares of Group Loans 1953-96**

	(%)				
	1953	1958	1963	1968	1996
Mitsubishi Financial Total	21.6	30.3	32.9	25.4	23.2
Mitsubishi Bank	16.7	22.0	19.6	13.0	10.7
Mitsubishi Trust	3.2	4.7	9.7	9.8	6.1
Meiji Life	1.7	3.5	3.4	2.5	6.2
Tokio Marine and Fire	0.0	0.1	0.2	0.1	0.2

Source: Table 13 (p. 122) of Kikkawa and Kato (1996) for 1953-68 and *Yuka shoken hokokusho soran* (Ministry of Finance 1996) for 1996.

**Table 5: Corporate Groups and Stability of Main Bank Relations between 1973 and 1983**

	(%)				Total
	Mitsubishi	Ex-zaibatsu	Bank-centered	Group total	Non-group
No Change (NC)	75.0	67.9	71.4	70.1	66.1
City banks (NCC)	65.0	56.6	54.8	55.5	38.0
Trust banks (NCT)	--	7.5	1.1	2.9	8.3
Other banks (NCO)	--	3.8	15.5	11.7	19.8
Change between group banks (GC)	--	18.9	1.2	8.0	5.6
NC+GC	--	86.8	72.6	78.1	71.7
NCC+GC	--	83.0	57.1	66.4	51.3
Number of Sample	20	53	84	137	606
					743

Note: *Ex-zaibatsu* groups are Mitsubishi, Mitsui and Sumitomo, and bank-centered groups are Fuji, Sanwa and DKB. Each corporate group has both a city bank and a trust bank except the DKB group which lacks a trust bank. Source: Tables 6-3 and 6-4 (pp. 148-9) of Miwa (1990).

**Table 6: Shareholdings I**

From\To	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	(%)
1 Mitsubishi Bank		3.2		4.6	4.5	2.0	4.8	5.0	4.8	4.6	4.4	3.0	3.6	5.0	5.0	
2 Mitsubishi Trust	2.0			3.0	5.2	2.4	4.6	4.6	5.3	4.1	5.3	2.9	5.8	4.7	5.3	
3 Meiji Life	5.8	3.9		4.5	6.1	2.0	5.0	5.6	7.5	6.8	5.2	2.1	3.0	6.6	5.7	
4 Tokio Marine and Fire	4.1	1.9			6.1	2.0	1.0	1.1	4.6	3.2	1.9		4.5	4.6	3.2	
5 Mitsubishi Corporation	1.4	1.6		2.3		13.3	1.1	0.5	2.7	1.0	0.6		13.4	1.3	3.9	
7 Kirin Brewery	1.0	1.1		0.6	0.4	0.5		0.5	0.4	0.2	0.4		1.0	1.1		
8 Mitsubishi Rayon	0.3	0.1			0.0		0.2			0.3	0.5			0.2		
9 Mitsubishi Paper	0.2	0.3		0.1	0.4		0.1				1.2		0.1	0.0	0.3	
10 Mitsubishi Chemical	0.4	0.3		0.2	0.3	1.6	0.1	1.0				51.5	0.2	0.2	0.5	
11 Mitsubishi Gas Chemical	0.4	0.8		0.1	0.1		0.1	0.4	2.2	0.1		0.5	0.1	0.5		
14 Asahi Glass	1.5	2.2		1.7	1.1	0.5	0.8	0.6		1.8	1.9		0.2		1.4	
16 Mitsubishi Materials	0.4	1.0			0.5	25.9	0.3	0.7	0.6	1.0	0.5		0.5	0.2	1.1	
18 Mitsubishi Cable	0.1	0.2			0.0					0.0	0.1					
20 Mitsubishi Electric	1.4	1.8		0.4	1.5	1.7	0.2			0.2	0.5		0.2	0.3	1.4	
21 Mitsubishi Heavy Ind.	3.0	2.7		1.8	3.1	5.4	0.6	1.6	1.4	0.4	0.9		1.5	0.9	6.9	
22 Mitsubishi Motors	0.4	0.6		0.1	0.2	2.0				0.1				0.1		
23 Nikon	0.2	0.5		0.2	0.3		0.5	0.2	0.4		0.3		0.0	0.2	0.8	
24 Mitsubishi Estate	1.1	1.9		0.9	0.8	10.5	0.5	0.5	0.4	0.4			0.5	1.9	0.8	
25 Nippon Yusen	0.9	1.0		1.1	1.6		0.4	0.4		0.4			1.4	0.1		
26 Mitsubishi Logistics	0.3	0.4		0.2	0.6	0.5	0.6		0.6	0.1	0.1	0.1	0.2	0.2	0.2	
Other 6 Companies*	0.2	0.2		0.1	0.1	0.7	0.4		0.3	0.1	0.2		0.4	0.0	0.1	
<b>Mitsubishi Total</b>	<b>25.1</b>	<b>25.5</b>		<b>22.0</b>	<b>32.8</b>	<b>70.6</b>	<b>21.2</b>	<b>22.3</b>	<b>31.4</b>	<b>24.2</b>	<b>24.2</b>	<b>60.0</b>	<b>36.5</b>	<b>27.8</b>	<b>36.4</b>	
Employee Fund				1.2		5.3	1.0		1.7	1.5	0.9	1.4		3.3	1.0	
Bank of Tokyo		1.4		1.5	4.5											
<b>Mitsubishi+EF+BOT</b>	<b>25.1</b>	<b>26.9</b>		<b>24.7</b>	<b>37.3</b>	<b>75.9</b>	<b>22.2</b>	<b>22.3</b>	<b>33.1</b>	<b>25.6</b>	<b>25.1</b>	<b>61.4</b>	<b>36.5</b>	<b>31.1</b>	<b>37.4</b>	
Sakura Bank					1.4											
Fuji Bank					1.3									3.1		
DKB				1.9	3.5		1.7	2.8		1.4				3.6		
Tokai Bank					2.3											
<b>Bank of Yokohama</b>											2.8			1.0		
Mitsui Trust	0.7			1.3		0.7	1.5	4.0	1.5	2.2				1.5	1.9	
Sumitomo Trust	0.9	1.3		1.7	1.4		1.9	2.1	1.9	2.3	2.4	1.6	3.3	1.4	1.1	
Yasuda Trust		0.8						1.1	1.7		1.4		1.5		2.3	
Toyo Trust		0.8		1.5	1.4		1.3	1.1	2.1	1.2	2.0		2.5	0.9	2.1	
Chuo trust								1.9					4.0		0.9	
<b>IBJ</b>				<b>0.9</b>	<b>1.4</b>			<b>2.0</b>		<b>2.3</b>	<b>3.0</b>					
LTCB	0.6						1.7	2.0	1.2	1.4				1.0		
Norin Chukin								4.5	2.3	2.8	2.0					
Chase				1.0			0.8									
Morgan Stanley				1.1					1.1							
State Street				1.2												
Sumitomo Life					1.6			1.3	2.0	1.4						
Asahi Life														1.5		
Nippon Life	3.2			1.5	3.2		2.1	3.3		4.9	7.5			6.1		
Daichi Life	3.5			1.5	2.8			1.5		2.5				5.8	0.8	
Taiyo Life	1.8				1.9		1.0	1.5	1.2	2.4				1.2	3.5	
<b>Nisshokin</b>												1.6				
Other Financial	0.8	1.3			2.6	1.4	2.7	0.7	4.3	5.4	5.0	1.6	1.6		1.2	
<b>Non-Mitsubishi Financial</b>	<b>11.6</b>	<b>4.2</b>		<b>13.6</b>	<b>24.7</b>	<b>2.1</b>	<b>14.7</b>	<b>23.9</b>	<b>20.7</b>	<b>30.2</b>	<b>28.4</b>	<b>6.8</b>	<b>12.9</b>	<b>27.1</b>	<b>13.8</b>	
Nippon Steel	1.3														1.6	
Kintetsu	0.7	1.0														
Other Non-Financial	0.7	1.5					3.4									
<b>Non-Mitsubishi Total</b>	<b>14.3</b>	<b>6.6</b>		<b>13.6</b>	<b>24.7</b>	<b>2.1</b>	<b>18.1</b>	<b>23.9</b>	<b>20.7</b>	<b>30.2</b>	<b>28.4</b>	<b>6.8</b>	<b>12.9</b>	<b>27.1</b>	<b>16.4</b>	

Note: \* 6 M. Construction, 12 M. Plastics, 13 M. Oil, 15 M. Steel, 17 M. Shindoh and 19 M. Kakoki.  
 Source: Toyo Keizai Shimpo-sha (1996c) and *Yuka shoken hokokusho soran* (Ministry of Finance 1996).



**Table 6: Shareholdings II**

	(%)											
From\To	16	17	18	19	20	21	22	23	24	25	26	Total
1 Mitsubishi Bank	4.3	3.5	4.5	5.0	3.5	3.6	4.6	3.8	4.5	4.0	4.8	3.7
2 Mitsubishi Trust	5.0	2.6	5.2	8.3	3.1	4.4	4.9	6.0	5.8	4.3	5.8	3.9
3 Meiji Life	6.4	3.4	2.9	7.4	4.2	3.5	2.9	6.6	4.5	4.4	7.1	5.0
4 Tokio Marine and Fire	1.1	1.2	2.6	2.5	1.4	2.0	1.9	2.9	3.3	4.9	5.9	2.7
5 Mitsubishi Corporation	0.9	0.9	0.8	6.1	0.9	1.6	8.4	2.0	0.8	0.8	1.9	1.7
7 Kirin Brewery	0.5				0.1	0.3	0.5	1.0	0.3	0.6	4.0	0.5
8 Mitsubishi Rayon	0.3				0.0	0.1	0.1	0.1	0.1		0.0	0.1
9 Mitsubishi Paper	0.2					0.1	0.1	0.3	0.0	0.1	0.6	0.1
10 Mitsubishi Chemical	0.7					0.1	0.7					0.7
11 Mitsubishi Gas Chemical	0.2		0.3		0.1	0.1	0.1	0.3	0.0	0.1	0.4	0.2
14 Asahi Glass	0.4			1.1	0.2	0.4	0.8	0.7	1.7	0.2	2.0	1.0
16 Mitsubishi Materials		27.6	29.2		0.1	0.1	1.0	0.5	0.6	0.1	0.5	0.7
18 Mitsubishi Cable	1.0	4.2			0.1	0.0	0.1	0.2			0.3	0.1
20 Mitsubishi Electric	0.4		1.2			1.0	0.8	0.2	0.7		1.1	0.7
21 Mitsubishi Heavy Ind.	1.1		0.7	6.2	1.5		27.0	1.3	1.2	4.6	0.9	2.6
22 Mitsubishi Motors			0.3	0.8	0.1			0.3			0.3	0.1
23 Nikon	0.3		0.6		0.0	0.1	0.2		0.1		1.2	0.2
24 Mitsubishi Estate	1.0			0.8	0.5	0.7	0.8	0.7		0.1	3.9	0.8
25 Nippon Yusen	0.3					0.4	0.8	0.1	0.3		0.6	0.5
26 Mitsubishi Logistics	0.1		0.2		0.1	0.0	0.1	0.3	0.4	0.2		0.2
Other 6 Companies*	0.3			2.0	0.0	0.0	0.7	0.1	0.1	0.1	0.7	0.2
<b>Mitsubishi Total</b>	<b>24.3</b>	<b>43.4</b>	<b>48.4</b>	<b>40.2</b>	<b>15.7</b>	<b>18.2</b>	<b>56.4</b>	<b>27.1</b>	<b>24.3</b>	<b>24.5</b>	<b>41.9</b>	<b>25.7</b>
Employee Fund					4.5	0.9	1.9					1.0
Bank of Tokyo												0.4
<b>Mitsubishi+EF+BOT</b>	<b>24.3</b>	<b>43.4</b>	<b>48.4</b>	<b>40.2</b>	<b>20.2</b>	<b>19.2</b>	<b>58.3</b>	<b>27.1</b>	<b>24.3</b>	<b>24.5</b>	<b>41.9</b>	<b>27.2</b>
Sakura Bank			1.1	1.6								0.1
Fuji Bank												0.2
DKB			1.2		1.4			1.6		2.0		1.0
Tokai Bank										1.3		0.2
<b>Bank of Yokohama</b>				2.5				1.6				0.1
Mitsui Trust	1.5	1.2	0.8	1.0	3.0	0.9		3.8	1.3	2.3		1.3
Sumitomo Trust	1.8	0.6	1.6	4.0	2.5	2.4	3.2	3.2	2.0	3.6	5.6	2.0
Yasuda Trust	1.0	1.9	0.8	1.3	1.3		0.9	1.6		2.6	4.9	0.5
Toyo Trust	1.5	0.8	0.7	1.7		1.3	1.7	1.1	1.0	1.8		1.1
Chuo trust	1.0		1.0	2.9		1.0		2.0		2.2		0.5
<b>IBJ</b>	<b>1.2</b>	<b>3.3</b>				1.1	0.8		0.9	3.5		0.9
<b>LTCB</b>	<b>1.0</b>		3.7		1.4	0.9				2.7		0.8
Norin Chukin	1.3				1.8		0.8					0.6
Chase	1.7		0.8		1.0	1.7	0.9			2.3		0.6
Morgan Stanley	1.5					1.2			1.0	1.2		0.4
State Street					1.5	1.7						0.4
Sumitomo Life					1.5	1.0						0.6
Asahi Life			1.3	1.0								0.1
Nippon Life	1.4			1.7	3.8	2.1	0.9	2.2	1.2	2.5		2.6
Daiichi Life			1.1		1.8	1.0		2.1	0.8	1.9		1.7
Taiyo Life	1.4				1.4	1.4	1.0		3.0			1.3
<b>Nisshokin</b>		2.2		1.0								0.0
Other Financial	1.1	3.4	0.8		1.0			7.1				1.4
<b>Non-Mitsubishi Financial</b>	<b>17.4</b>	<b>13.4</b>	<b>14.8</b>	<b>18.7</b>	<b>23.3</b>	<b>17.5</b>	<b>10.1</b>	<b>26.1</b>	<b>11.0</b>	<b>29.9</b>	<b>10.5</b>	<b>18.5</b>
Nippon Steel												0.2
Kintetsu												0.1
Other Non-Financial	1.3		4.3						12.9			1.1
<b>Non-Mitsubishi Total</b>	<b>18.7</b>	<b>13.4</b>	<b>19.1</b>	<b>18.7</b>	<b>23.3</b>	<b>17.5</b>	<b>10.1</b>	<b>26.1</b>	<b>23.9</b>	<b>29.9</b>	<b>10.5</b>	<b>19.9</b>

Note: \* 6 M. Construction, 12 M. Plastics, 13 M. Oil, 15 M. Steel, 17 M. Shindoh and 19 M. Kakoki.  
 Source: Toyo Keizai Shimpo-sha (1996c) and *Yuka shoken hokokusho soran* (Ministry of Finance 1996).

**Table 7: Shares of Group Stockholdings 1953-96**

	(%)				
	1953	1958	1963	1968	1996
Mitsubishi Financial Total	9.7	12.4	12.8	11.7	15.3
Mitsubishi Bank	1.9	2.5	2.9	3.3	3.7
Mitsubishi Trust	2.6	3.7	4.2	1.2	3.9
Meiji Life	2.2	3.0	3.2	4.4	5.0
Tokio Marine and Fire	3.0	3.2	2.5	2.8	2.7
Mitsubishi Non-financial	0.9	1.8	6.3	6.3	10.4
Mitsubishi Total	10.6	14.2	19.1	18.0	25.7

Note: Weighted by outstanding shares.

Source: Table 3 (p. 100) of Kikkawa and Kato (1996) for 1953-68 and *Yuka shoken hokokusho soran* (Ministry of Finance 1996) for 1996.

**Table 8: International Comparison of Stock Returns 1971-85**

	(%)			
	Capital Gain	Dividend	Total Return	Risk
Japan	16.03	2.42	18.45	16.35
France	9.54	6.19	15.73	21.60
Germany	7.38	4.80	12.18	15.78
U.K.	11.33	6.01	17.34	24.95
U.S.	5.17	4.78	9.95	15.41

Source: Table 10.1 (p. 267) of Odagiri (1992a).

**Table 9: Presidents and Chairmen**

	Presidents			Chairmen			Org: Original Affiliation (M): Masters
	Org.	College	Major	Org.	College	Major	
1 Mitsubishi Bank	1	Tokyo	Economics	1	Tokyo	Law	
2 Mitsubishi Trust	2	Tokyo	Law	2	Tokyo	Economics	
3 Meiji Life	3	Tokyo	Law	3	Tokyo	Economics	
4 Tokio Marine and Fire	4	Keio	Economics	4	Tokyo	Economics	
5 Mitsubishi Corporation	5	Harvard	Political Science	5	Sophia	Economics	
6 Mitsubishi Construction	16	Tokyo	Law	-			
7 Kirin Brewery	7	Waseda	Business	7	Tokyo	Law	
8 Mitsubishi Rayon	8	Hitotsubashi	Business	8	Kyoto	Economics	
9 Mitsubishi Paper	9	Tokyo	Engineering	9	Tokyo	Economics	
10 Mitsubishi Chemical	10	Tohoku	Engineering(M)	10	TIT	Engineering	
11 Mitsubishi Gas Chemical	11	Tokyo	Engineering	11	Osaka	Science	
12 Mitsubishi Plastics	10	Hitotsubashi	Business	10	Tokyo	Law	
13 Mitsubishi Oil	13	Keio	Law	13	Keio	Law	
14 Asahi Glass	14	Tokyo	Engineering	14	Yokohama*	Business	*Pre-war equivalent to junior college
15 Mitsubishi Steel	15	Tokyo	Engineering	15	Tokyo	Engineering	
16 Mitsubishi Materials	16	Tokyo Bunri	Engineering(M)	16	Tokyo	Law	
17 Mitsubishi Shindoh	16	Nihon	Engineering	16	Hokkaido	Science	
18 Mitsubishi Cable	16	Tokyo	Law	16	TIT	Engineering	
19 Mitsubishi Kakoki	21	Keio	Law	-			
20 Mitsubishi Electric	20	Kyoto	Engineering(M)	-			
21 Mitsubishi Heavy Ind.	21	Kyushu	Engineering	21	Tokyo	Engineering	
22 Mitsubishi Motors	22	Kyoto	Engineering(M)	22	Kyoto	Engineering	
23 Nikon	23	Tokyo	Engineering	23	Tokyo	Engineering	
24 Mitsubishi Estate	24	Keio	Law	24	Chuo	Economics	
25 Nippon Yusen	25	Tokyo	Law	25	Tokyo	Law	
26 Mitsubishi Logistics	26	Tokyo	Law	-			



**Table 10: Directors**

From\To	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total	In	Out	
1 Mitsubishi Bank	66	1	1	1	1	1	1	2							1					1			1			1	76	66	10	
2 Mitsubishi Trust	32				1		1																1				34	32	2	
3 Meiji Life	28				1		1																1				30	28	2	
4 Tokio Marine and Fire	37																										37	37		
5 Mitsubishi Corporation	1	45	1			10				1	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	1	54	45	9	
6 Mitsubishi Construction							33																				10	10		
7 Kirin Brewery								16																			33	33		
8 Mitsubishi Rayon									15																		16	16		
9 Mitsubishi Paper										41	6																15	15		
10 Mitsubishi Chemical											6																47	41	6	
11 Mitsubishi Gas Chemical										22																	22	22		
12 Mitsubishi Plastics											13																13	13		
13 Mitsubishi Oil										20																	20	20		
14 Asahi Glass										26																	26	26		
15 Mitsubishi Steel										7																	7	7		
16 Mitsubishi Materials						4									38	6	2										50	38	12	
17 Mitsubishi Shindoh															9												9	9		
18 Mitsubishi Cable															15												15	15		
19 Mitsubishi Kakoki																	6										6	6		
20 Mitsubishi Electric				1												1		1	32								34	32	2	
21 Mitsubishi Heavy Ind.				1	1									2		2		38	1								45	38	7	
22 Mitsubishi Motors					1												37										38	37	1	
23 Nikon																	19										19	19		
24 Mitsubishi Estate					1														24								25	24	1	
25 Nippon Yusen																				25	1						26	25	1	
26 Mitsubishi Logistics																											15	15	15	
Non-Mitsubishi ex. Gov.				4					1						1		2										9	9		
Government	1					5				1					1							1		1			10	10		
Total	67	32	29	38	47	29	35	16	17	43	22	19	21	26	11	40	15	20	10	33	39	40	22	27	25	18	741	669	72	
Insiders	66	32	28	37	45	10	33	16	15	41	22	13	20	26	7	38	9	15	6	32	38	37	19	24	25	15	669			
%Insiders	99	100	97	97	96	34	94	100	88	95	100	68	95	100	64	95	60	75	60	97	97	93	86	89	100	83	90			

**Table 11: Full-time Directors**

From\To	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total	In	Out
1 Mitsubishi Bank	66					1	2							1								1					71	66	5
2 Mitsubishi Trust		32				1																					33	32	1
3 Meiji Life			28																								28	28	
4 Tokio Marine and Fire				37																							37	37	
5 Mitsubishi Corporation					45	1										1											47	45	2
6 Mitsubishi Construction						10																					10	10	
7 Kirin Brewery							33																				33	33	
8 Mitsubishi Rayon								16																			16	16	
9 Mitsubishi Paper									15																		15	15	
10 Mitsubishi Chemical										41	5																46	41	5
11 Mitsubishi Gas Chemical											22																22	22	
12 Mitsubishi Plastics												13															13	13	
13 Mitsubishi Oil													20														20	20	
14 Asahi Glass														26													26	26	
15 Mitsubishi Steel															7												7	7	
16 Mitsubishi Materials																38	5	2									48	38	10
17 Mitsubishi Shindoh																	9										9	9	
18 Mitsubishi Cable																		15									15	15	
19 Mitsubishi Kakoki																			6								6	6	
20 Mitsubishi Electric																				32							32	32	
21 Mitsubishi Heavy Ind.															1			2			38	1					42	38	4
22 Mitsubishi Motors																						37					38	37	1
23 Nikon																							19				19	19	
24 Mitsubishi Estate																								24			24	24	
25 Nippon Yusen																									25		25	25	
26 Mitsubishi Logistics																										15	15	15	
Non-Mitsubishi ex. Gov.						4										1		2									8	8	
Government	1										1											1					10	10	
Total	67	32	28	37	45	26	33	16	17	42	22	18	20	26	9	40	14	19	9	32	38	39	20	26	25	15	715	669	46
Insiders	66	32	28	37	45	10	33	16	15	41	22	13	20	26	7	38	9	15	6	32	38	37	19	24	25	15	669		
%Insiders	99	100	100	100	100	38	100	100	88	98	100	72	100	100	78	95	64	79	67	100	100	95	95	92	100	100	94		

**Table 12: Part-time Directors**

From\To	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26 Total	
1 Mitsubishi Bank			1			1					1										1			1		5	
2 Mitsubishi Trust																			1							1	
3 Meiji Life						1																1				2	
4 Tokio Marine and Fire																											
5 Mitsubishi Corporation				1								1									1					1	7
6 Mitsubishi Construction																											
7 Kirin Brewery																											
8 Mitsubishi Rayon																											
9 Mitsubishi Paper																											
10 Mitsubishi Chemical												1														1	
11 Mitsubishi Gas Chemical																											
12 Mitsubishi Plastics																											
13 Mitsubishi Oil																											
14 Asahi Glass																											
15 Mitsubishi Steel																											
16 Mitsubishi Materials							1										1									2	
17 Mitsubishi Shindoh																											
18 Mitsubishi Cable																											
19 Mitsubishi Kakoki																											
20 Mitsubishi Electric					1													1								2	
21 Mitsubishi Heavy Ind.					1		1									1										3	
22 Mitsubishi Motors																											
23 Nikon																											
24 Mitsubishi Estate																										1	
25 Nippon Yusen																									1	1	
26 Mitsubishi Logistics																											
Non-Mitsubishi ex. Gov.																										1	
Government																											
Total			1	1	2	3	2			1		1	1	1	2		1	1	1	1	1	1	1	2	1	3 26	

**Table 13: Managing Directors**

From\To	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	Total	In	Out
1 Mitsubishi Bank	31					1			1													1					35	31	4
2 Mitsubishi Trust		15				1																					16	15	1
3 Meiji Life			17																								17	17	
4 Tokio Marine and Fire				19																							19	19	
5 Mitsubishi Corporation				23																							23	23	
6 Mitsubishi Construction					4																						4	4	
7 Kirin Brewery							12																				12	12	
8 Mitsubishi Rayon								9																			9	9	
9 Mitsubishi Paper									10																		10	10	
10 Mitsubishi Chemical										20	4																24	20	4
11 Mitsubishi Gas Chemical											10																10	10	
12 Mitsubishi Plastics											4																4	4	
13 Mitsubishi Oil												10															10	10	
14 Asahi Glass													14														14	14	
15 Mitsubishi Steel														3													3	3	
16 Mitsubishi Materials						2									18	4	2										26	18	8
17 Mitsubishi Shindoh																3											3	3	
18 Mitsubishi Cable																	6										6	6	
19 Mitsubishi Kakoki																			3								3	3	
20 Mitsubishi Electric																				20							20	20	
21 Mitsubishi Heavy Ind.														1					2		14						17	14	3
22 Mitsubishi Motors																						14					14	14	
23 Nikon																							8				8	8	
24 Mitsubishi Estate																								19			19	19	
25 Nippon Yusen																								14			14	14	
26 Mitsubishi Logistics																									7		7	7	
Non-Mitsubishi ex. Gov.						2										1											3	3	
Government																							1		1		7	7	
Total	32	15	17	19	23	13	12	9	11	20	10	8	10	14	5	19	7	9	5	20	14	15	9	20	14	7	357	327	30
Insiders	31	15	17	19	23	4	12	9	10	20	10	4	10	14	3	18	3	6	3	20	14	14	8	19	14	7	327		
%Insiders	97	100	100	100	100	31	100	100	91	100	100	50	100	100	60	95	43	67	60	100	100	93	89	95	100	100	92		

**Table 14: Net Sources of Finance 1970-89**  
**International Comparison**

	(%)				
Countries	France	Germany	Japan	U.K.	U.S.
Internal	66.3	80.6	71.7	98.0	91.3
Bank finance	51.5	11.0	28.0	19.8	16.6
Bonds	0.7	-0.6	4.0	2.0	17.1
Equity	-0.4	0.9	2.7	-8.0	-8.8
Trade credit	-0.7	-1.9	-7.8	-1.6	-3.7
Others	-17.4	10.0	1.4	-10.2	-12.5
Years	1970-85	1970-89	1970-87	1970-89	1970-89

Source: Table 6.1 (p. 99) of Stiglitz (1994).

**Table 15: Net Sources of Finance 1957-88**  
**Japanese Manufacturing Companies**

Years	1957-59	1960-64	1965-74	1975-84	1985-88
Internal	29.8	28.2	33.3	55.4	86.0
Bank finance	40.3	35.9	30.1	9.6	-18.0
Bonds	3.6	3.5	3.7	4.0	22.9
Equity	13.5	12.2	2.6	8.3	21.4
Trade credit	4.5	12.7	13.2	11.5	-14.0
Others	8.3	7.5	17.1	11.2	1.7

Source: Table 2-3 (p. 34) of Horiuchi (1993).



Table 16: Academic Keiretsu  
at Leading Law Schools

From/To	N1	N2	N3	N4	N5	N6	N7	N8	N9	L1	L2	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	P14	Total	Inbr	Outbr	
N 1 Tokyo	64	3	25	21	11	12	1	23	8	20	2	4	2	9	3	27	25	20	17	2	9	2	1	2	1	314	64	250	
N 2 Kyoto	1	42	1	1	1	7	7	10	7	12	1	1	1	1	3	1	1	1	1	1	3	6	14	15	8	142	42	100	
N 3 Hokkaido			14				1	1	1	2	1								1	1						22	14	8	
N 4 Tohoku	2	4	6	1	1	1	1	1	1	1	4			2	2	2	1	3	2	3	3	3	3	3	3	37	6	31	
N 5 Hitotsubashi			1	19						1	1	3	6	1	1	1	1	1	4	1	4	1	1	1	1	41	19	22	
N 6 Nagoya			1		9		1			1	1								1	1			2	2	3	21	9	12	
N 7 Osaka					1	11	1	1	1	1	1										1	2	2	2	1	21	11	10	
N 8 Kobe	1		1	1	1	8	1			1	1			1	1	1	3	6	3	25	8	17				27	14	13	
N 9 Kyushu	2	1		2	14							1	1	1	1	3						2	1	1	1	27	14	13	
L 1 Tokyo Met.				1	1	1	4	4		4	4			1	1	1	1	1	1	1	1					14	4	10	
L 2 Osaka City			1				1			6											2	2	1	1	1	13	6	7	
P 1 Waseda	1			2	1	1	1	1	3	54	1	2	3	1	1	2	2	1	2	2	4	1	3	1	1	75	54	21	
P 2 Keio			2				1				51	1		1	1	2	4	1	1	2	4	1	1	1	1	61	51	10	
P 3 Chuo			2								44	1	2	1	3	2	1	1	3	2	1	1	1	1	1	57	44	13	
P 4 Meiji												23									3	1	1	1	1	27	23	4	
P 5 Hosei							1								3						1					5	3	2	
P 6 Gakushuin																										0	0	0	
P 7 St. Paul																2										2	2	0	
P 8 Sophia																			5							5	5	0	
P 9 Aoyama																				3						4	3	1	
P 10 Nihon			1																		28					29	28	1	
P 11 Doshisha																						21	1	1	1	23	21	2	
P 12 Ritsumei										1												7				9	7	2	
P 13 Kansai			1																				2	15	19	15	4		
P 14 Kansai Gakuin																								1	9	10	9	1	
Others	1	1	1	6	1	1	2			1	5	2	4	3	2	2	4	4	4	5	1	2	2	1	1	48			
<b>Total</b>	67	47	53	31	39	37	28	45	40	27	33	65	58	67	31	45	28	32	37	26	59	35	45	48	28	1051	462	541	
																													Ex. T & K
Inbreeding	64	42	14	6	19	9	11	8	14	4	6	54	51	44	23	3	0	2	5	3	28	21	7	15	9	462	356		
Tokyo & Kyoto	65	45	26	22	12	19	8	33	15	20	14	5	2	9	4	30	25	20	18	3	12	8	15	17	9	456	346		
T, K & Inbr	65	45	40	28	31	28	19	41	29	24	20	59	53	53	27	33	25	22	23	6	40	29	22	32	18	812	702		
Inbreeding %	96	89	26	19	49	24	39	18	35	15	18	83	88	66	74	7	0	6	14	12	47	60	16	31	32	44	38		
T & K %	97	96	49	71	31	51	29	73	38	74	42	8	3	13	13	67	89	63	49	12	20	23	33	35	32	43	37		
T, K & Inbr %	97	96	75	90	79	76	68	91	73	89	61	91	91	79	87	73	89	69	62	23	68	83	49	67	64	77	75		

Note: N: National, L: Local governmental, P: Private.  
Source: Koimichi (1996)

**Figure 1: Kigyo Shudan and Kigyo Gurupu**

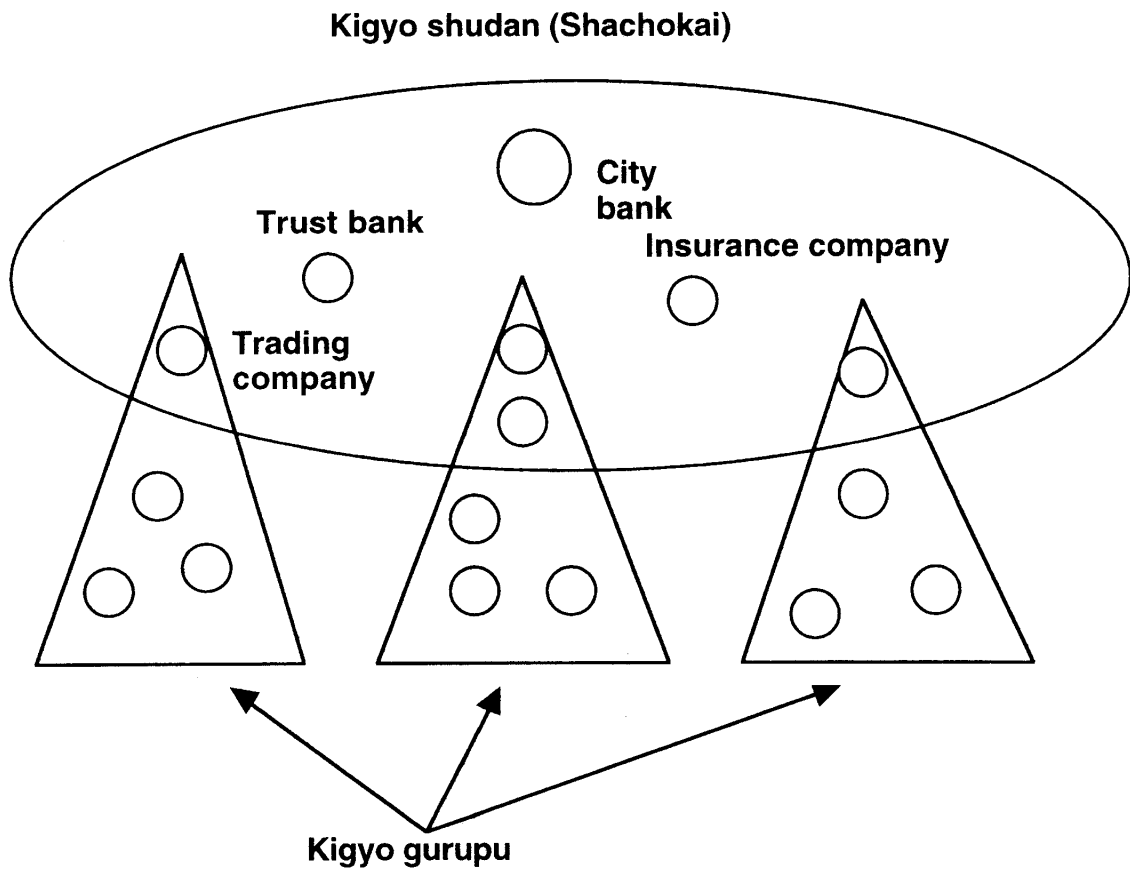
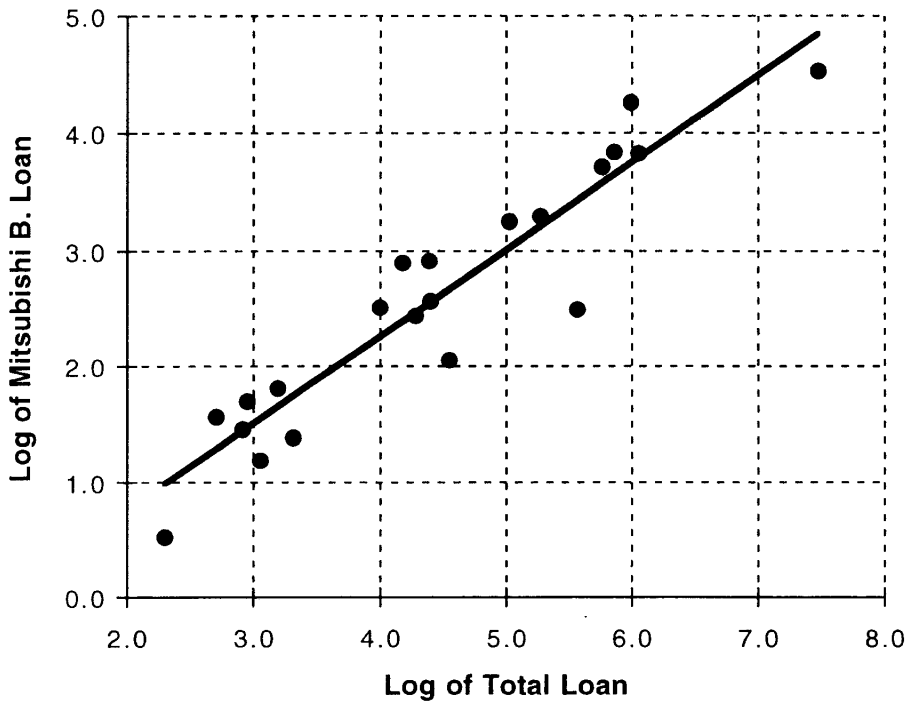


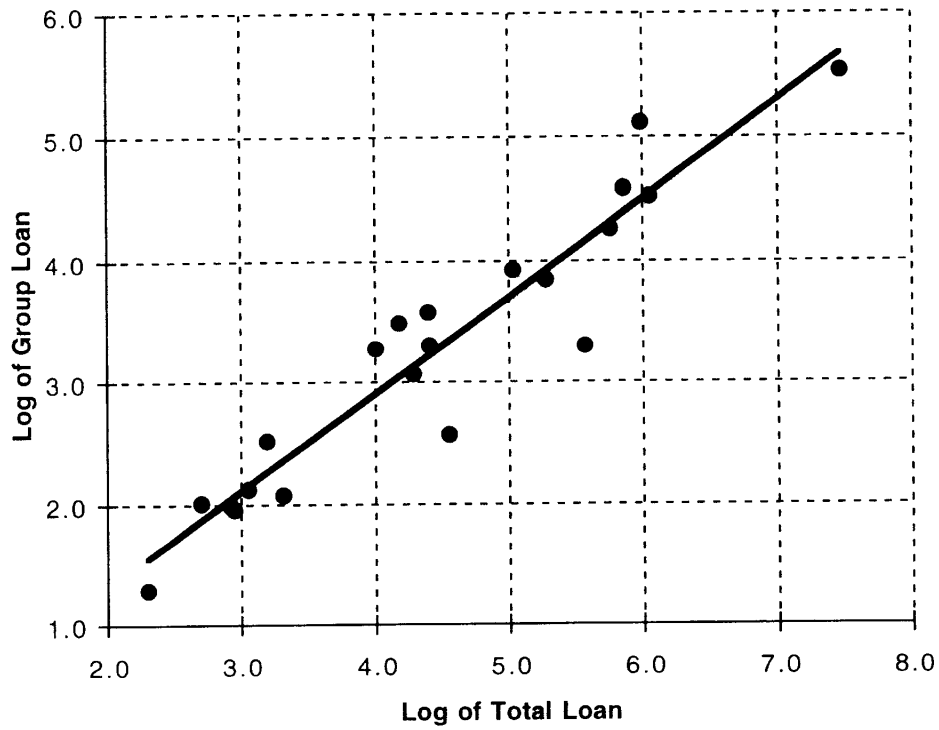
Figure . 2: Mitsubishi Bank vs. Total Loan



$$\ln(\text{Loan from Mitsubishi Bank}) = -0.73 + 0.75\ln(\text{Total Loan}).$$
  
Standard error of the coefficient = 0.06 and  $R^2 = 0.88$ .

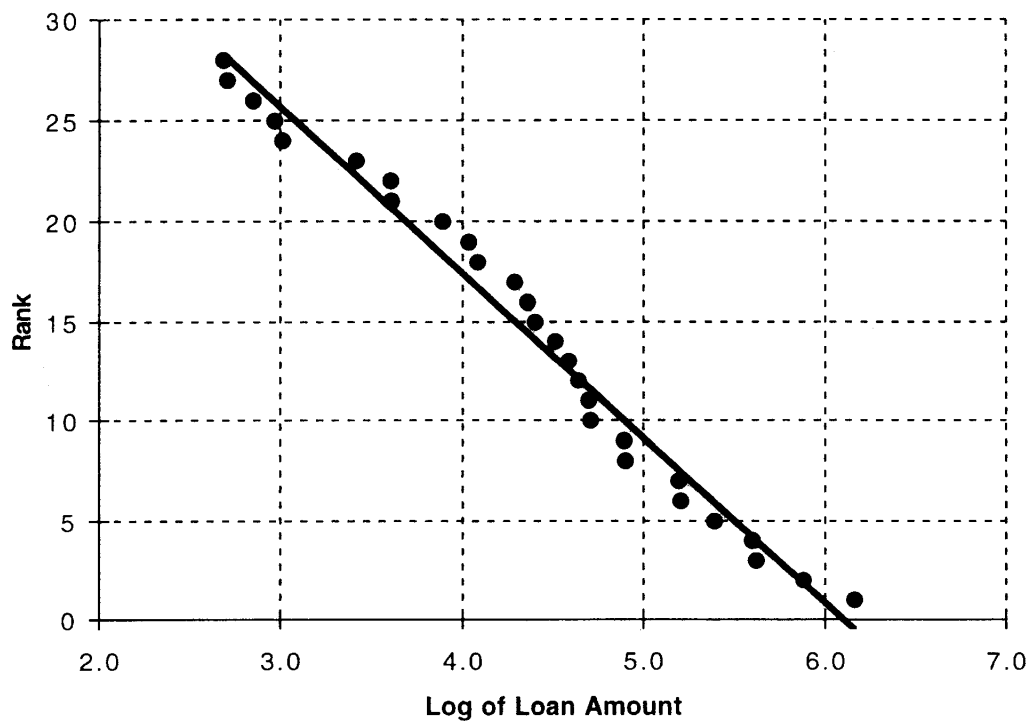
Source: Table . 3.

**Figure 3: Mitsubishi Bank, Trust & Meiji Life vs. Total Loan**



Source: Table 3.

Figure 4: Loan Amount vs. Rank



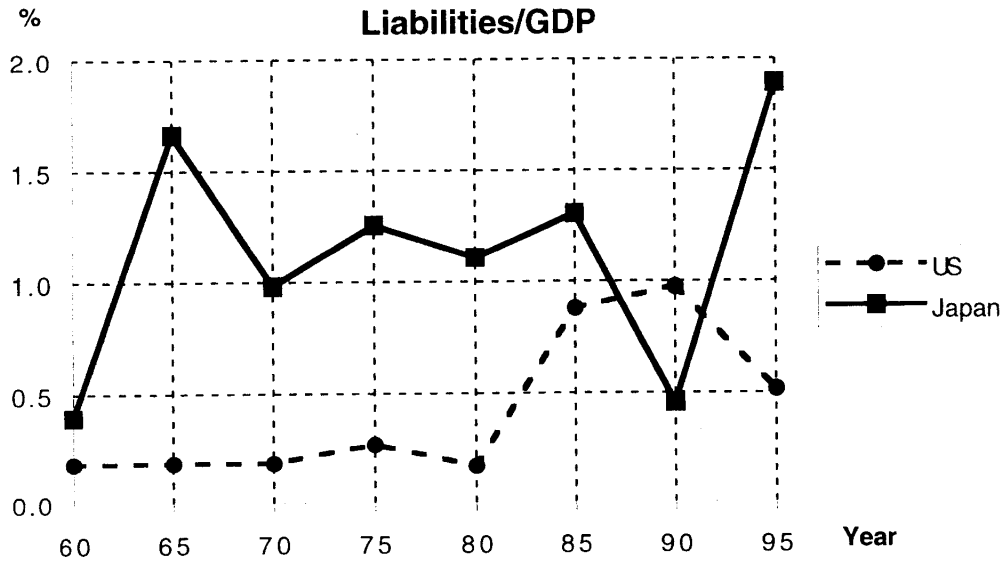
$$\text{Rank} = 50.53 - 8.28 \ln(\text{Loan}).$$

Standard error of the coefficient = 0.24 and  $R^2 = 0.98$ .

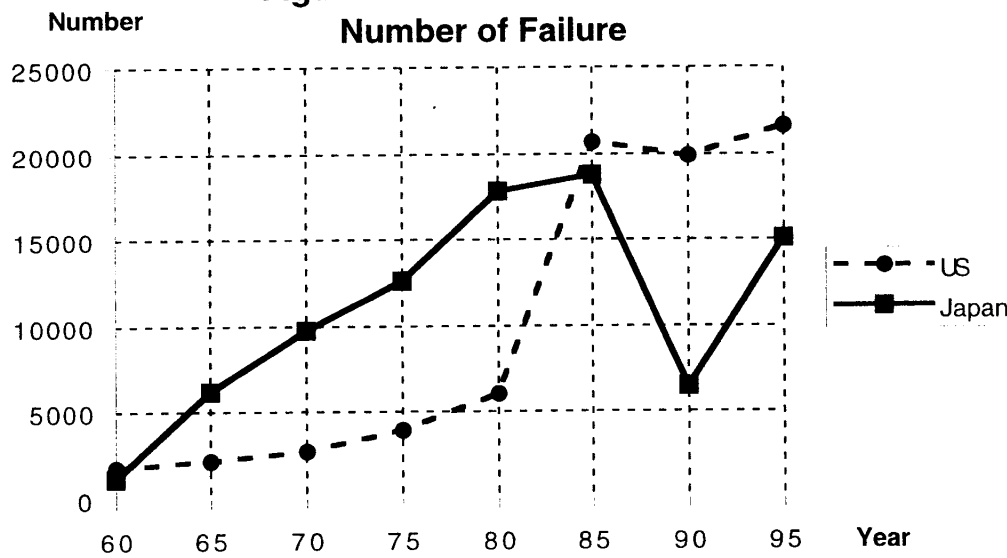
Source: Table 3.



**Figure 5: Business Failure Liabilities/GDP**



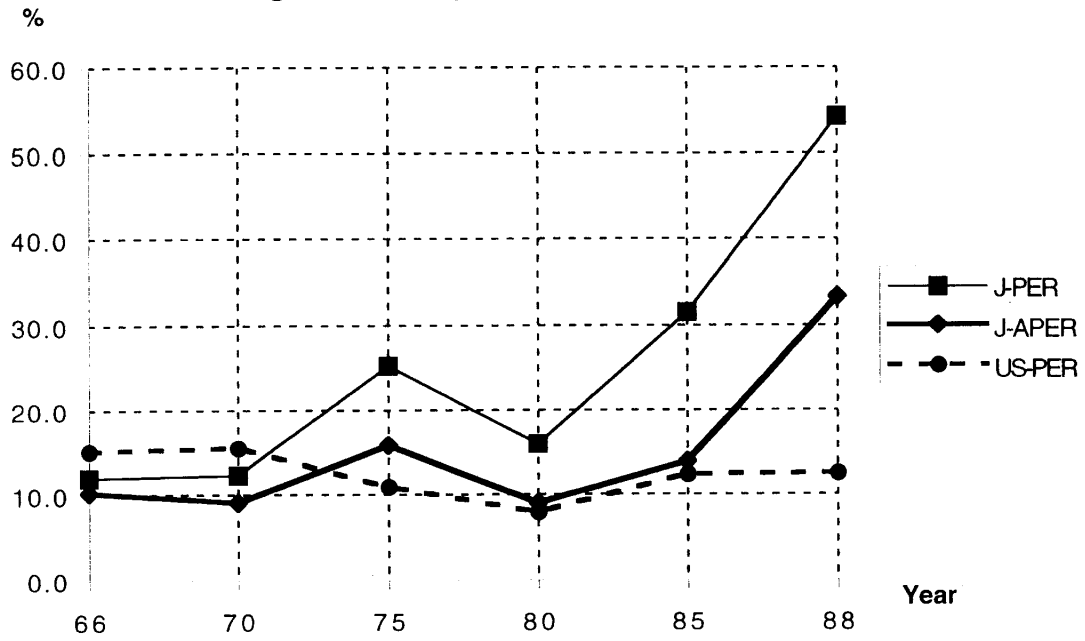
**Figure 6: Business Failure Number of Failure**



Note: Business failure with more than 10,000,000 yen for Japan and with more than 100,000 dollars for the U.S.

Source: Dun & Bradstreet (1996) and Bank of Japan (1997).

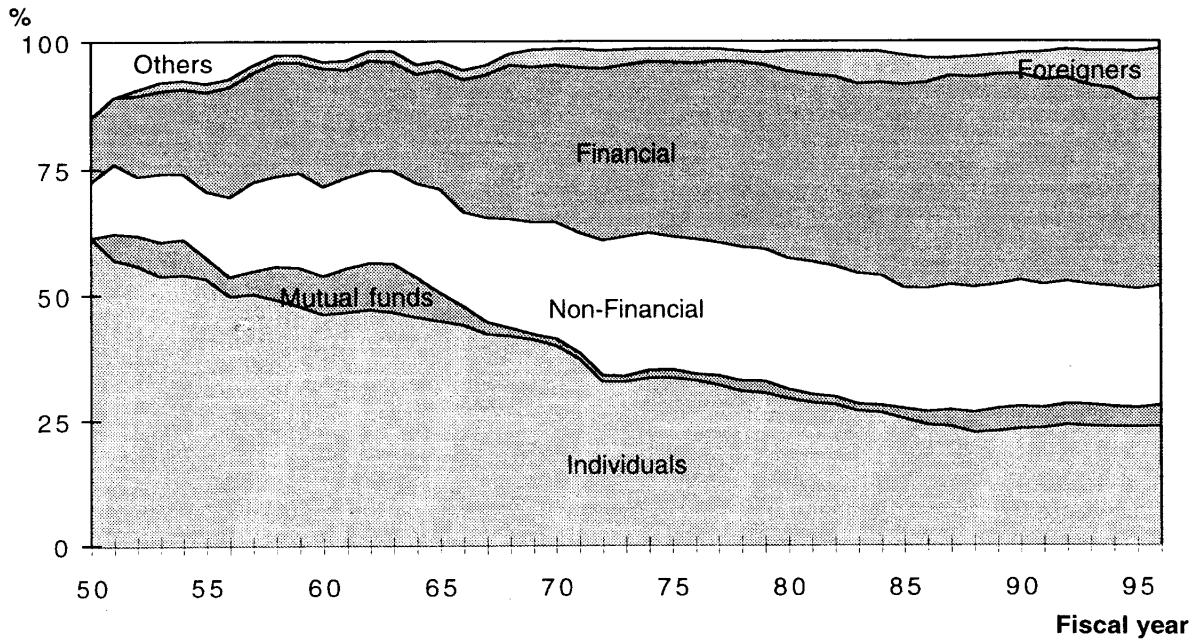
Figure 7: Japanese and U.S. PERs



Note: APER is a cross holding adjusted PER.

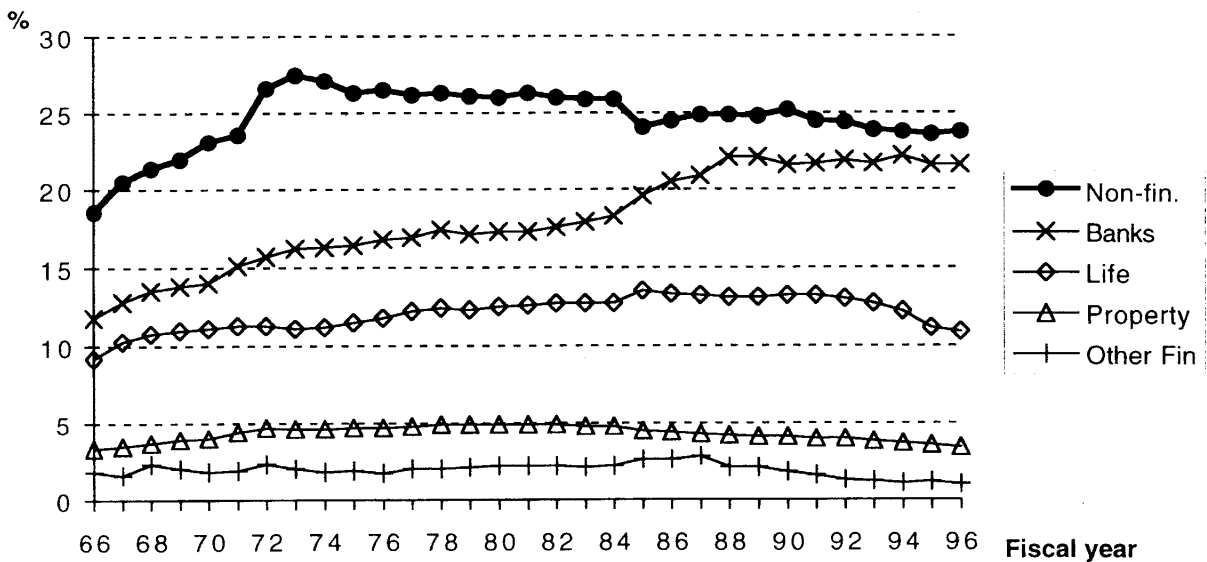
Source: Funaoka (1990) and Council of Economic Advisers (1996).

**Figure 8: Shareholdings by Category**



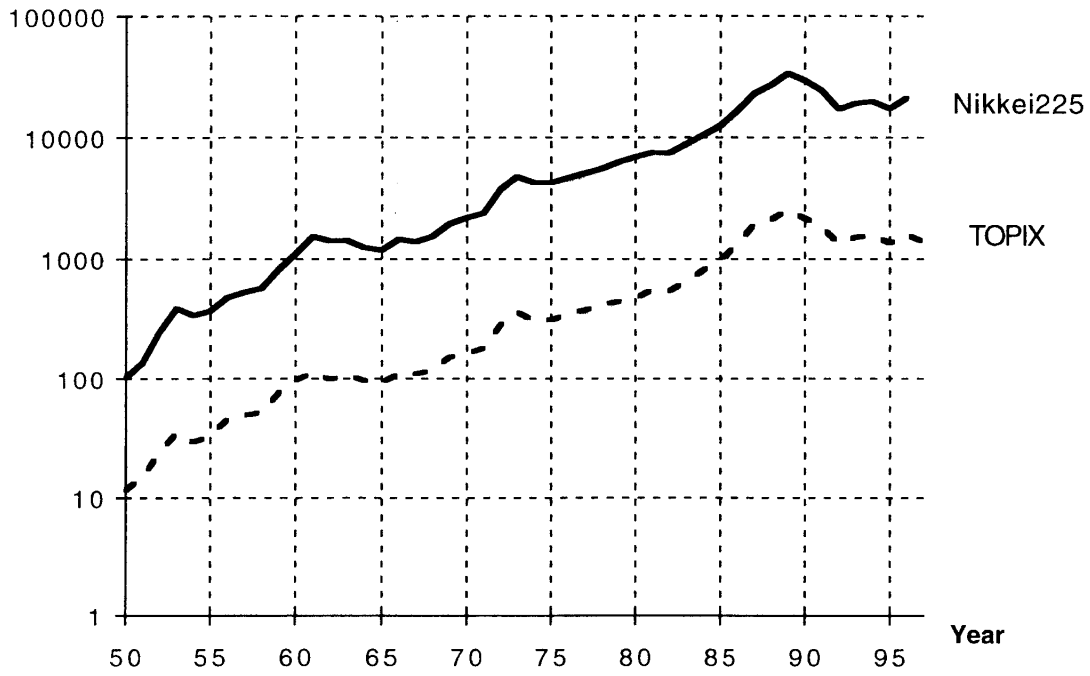
Note: Mutual funds include pension funds. Others are governments and securities companies  
 Source: National Conference of Stock Exchanges (1997).

**Figure 9: Institutional Shareholdings**



Source: National Conference of Stock Exchanges (1997).

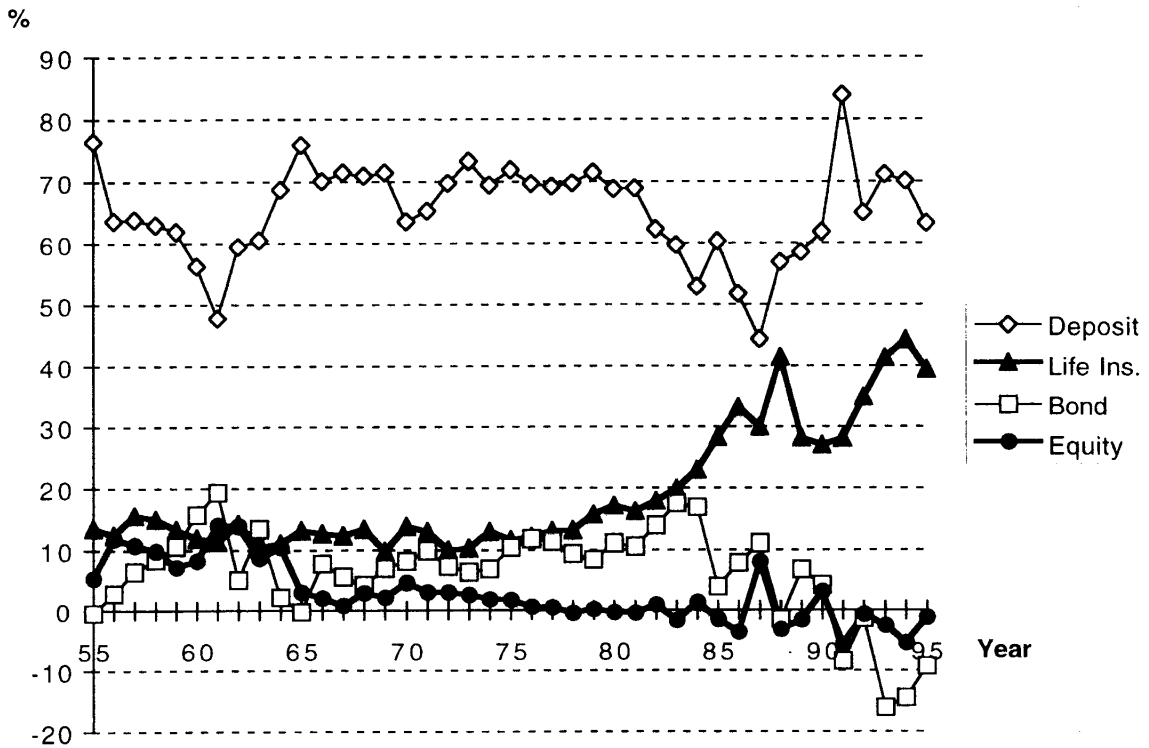
Figure 10 : Nikkei225 and Topix



Note: Annual averages.

Source: Toyo Keizai Shimpo-sha (1997b).

**Figure 11: Household Financial Flow**



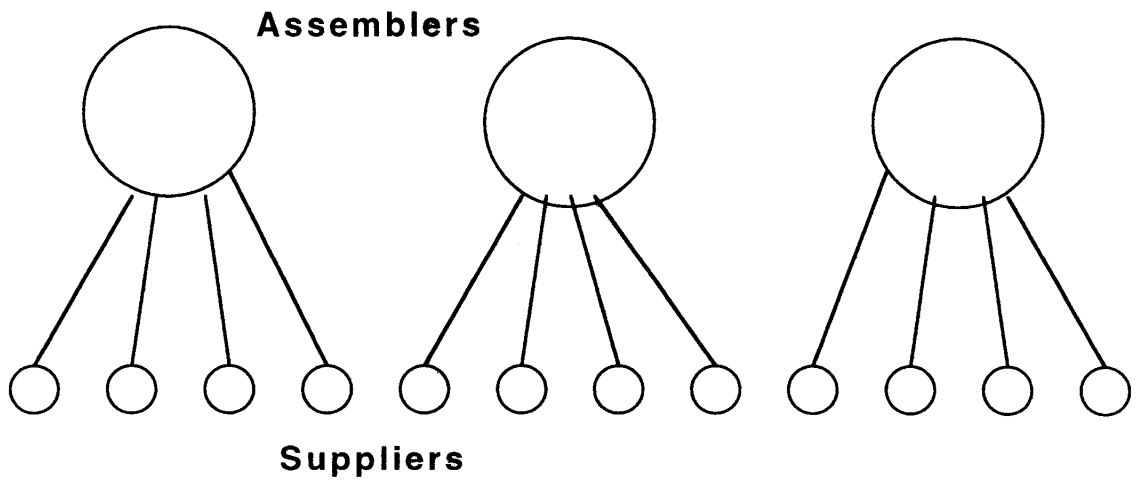
Note: Bond includes mutual fund.

Source: Economic Planning Agency (1988, 1997).

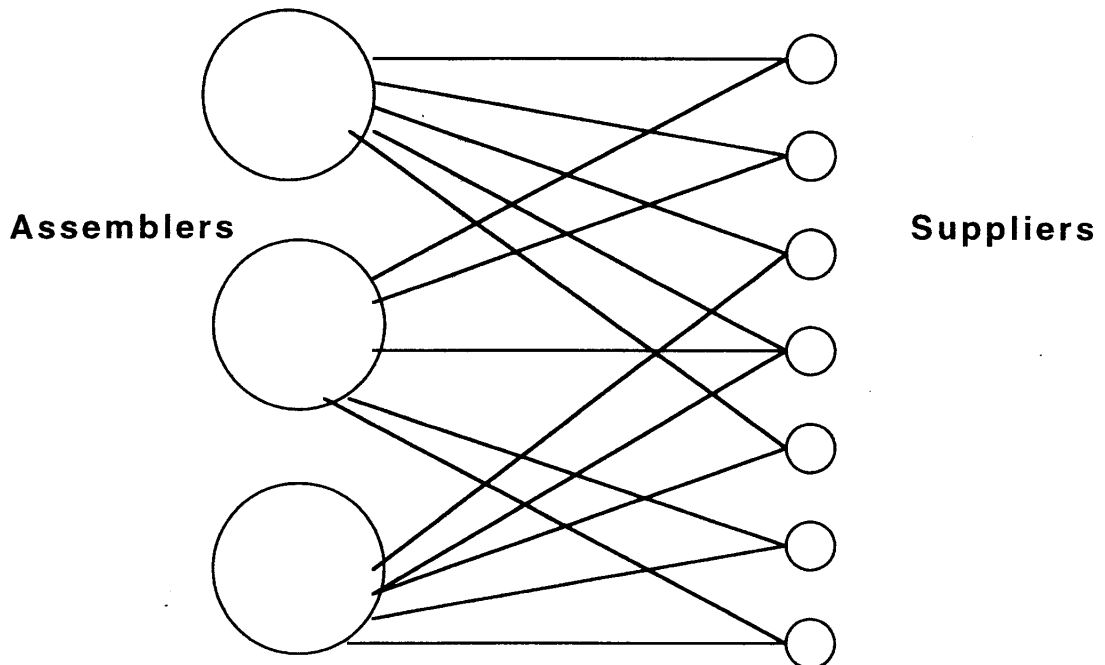


**Figure 12: Keiretsu Imagined and Actual**

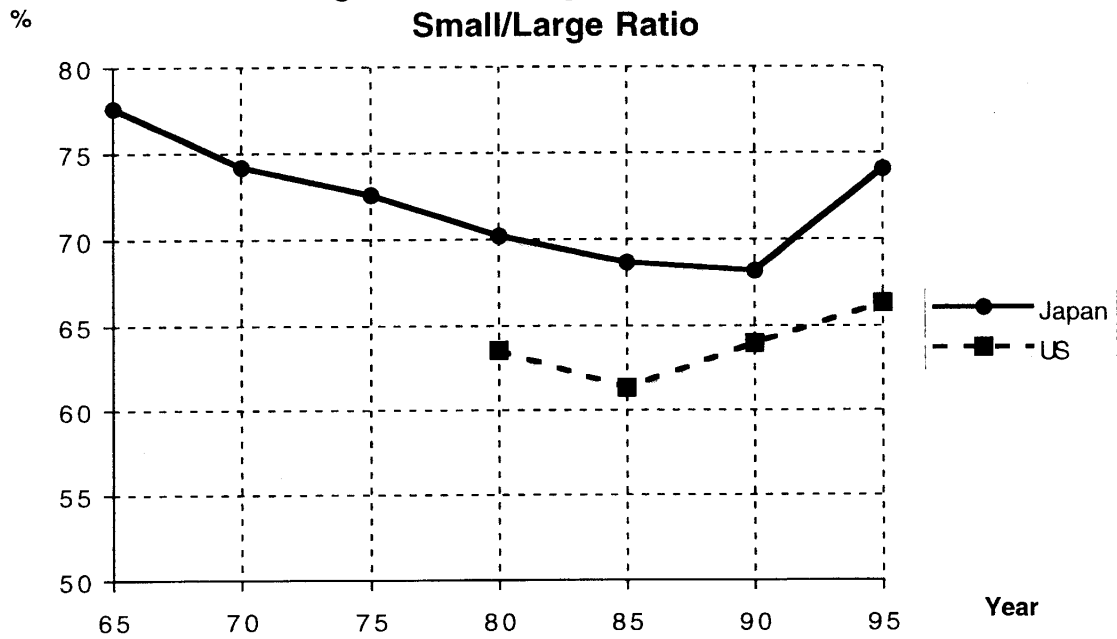
**A. Imagined keiretsu relation**



**B. Actual keiretsu relation**



**Figure 13: Wage Differentials  
Small/Large Ratio**



Note: Small and large companies are defined as those with 10-99 and 1000+ employees for Japan and with 20-99 and 1000+ employees for the United States, respectively.

Source: U.S. Department of Commerce (1997, no. 844, p. 544) and Ministry of Labor of Japan (1996, Table 22, p. 428).

**Figure 14: Payoff Matrices and Contract Enforcement I**

(1)

		<i>Column Player</i>	
		Hard	Soft
<i>Row Player</i>	Hard	$(-5 + 10p, -5 + 10p)$	$(-6 + 12p, 6 - 12p)$
	Soft	$(6 - 12p, -6 + 12p)$	$(0, 0)$

p: Proportion of 'Hard' players

(2)

		$p = 1$	
		Hard	Soft
	Hard	$(5, 5)$	$(6, -6)$
	Soft	$(-6, 6)$	$(0, 0)$

(3)

		$p = 0.5$	
		Hard	Soft
	Hard	$(0, 0)$	$(0, 0)$
	Soft	$(0, 0)$	$(0, 0)$

(4)

		$p = 0$	
		Hard	Soft
	Hard	$(-5, -5)$	$(-6, 6)$
	Soft	$(6, -6)$	$(0, 0)$

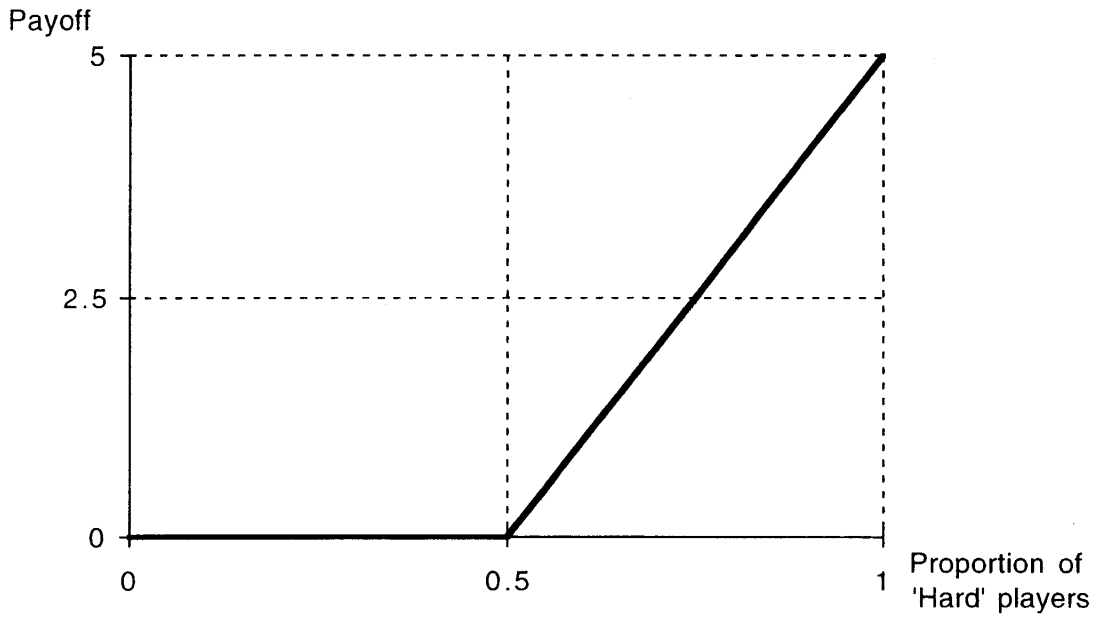
(5)

		No Government	
		Hard	Soft
	Hard	$(5, 5)$	$(-6, 6)$
	Soft	$(6, -6)$	$(0, 0)$

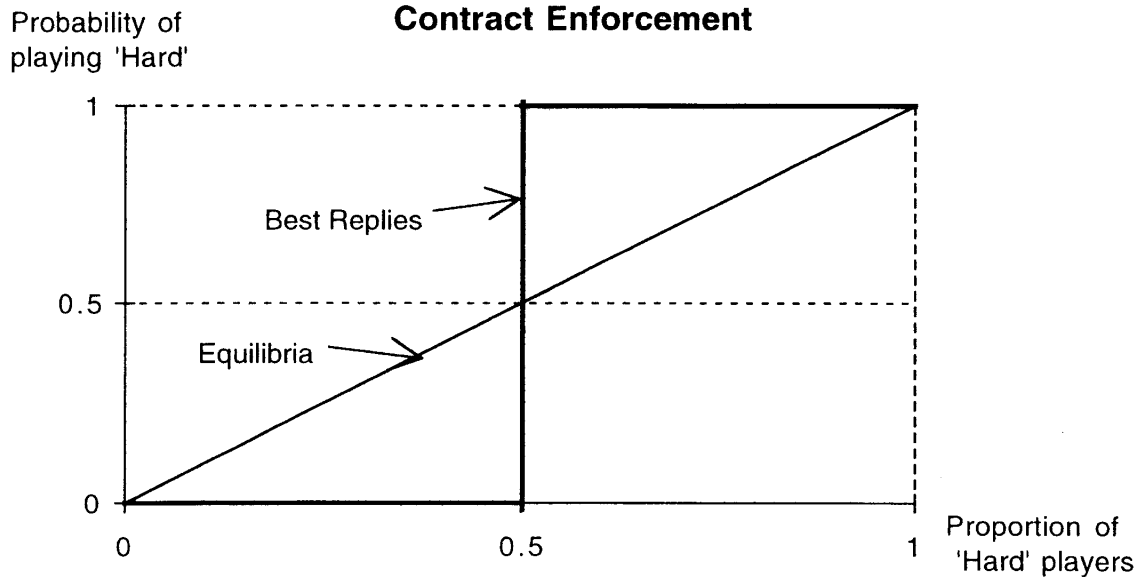
**Figure 15: Payoff Matrices and Contract Enforcement II**

(1)	$p = 0.99$	
	Hard                      Soft	
Hard	(4.9, 4.9)	(5.88, -5.88)
Soft	(-5.88, 5.88)	(0, 0)
(2)	$p = 0.01$	
	Hard                      Soft	
Hard	(-4.9, -4.9)	(-5.88, 5.88)
Soft	(5.88, -5.88)	(0, 0)
(3)	$p = 0.51$	
	Hard                      Soft	
Hard	(0.1, 0.1)	(0.12, -0.12)
Soft	(-0.12, 0.12)	(0, 0)
(4)	$p = 0.49$	
	Hard                      Soft	
Hard	(-0.1, -0.1)	(-0.12, 0.12)
Soft	(0.12, -0.12)	(0, 0)

**Figure 16: Payoffs at Best Replies**

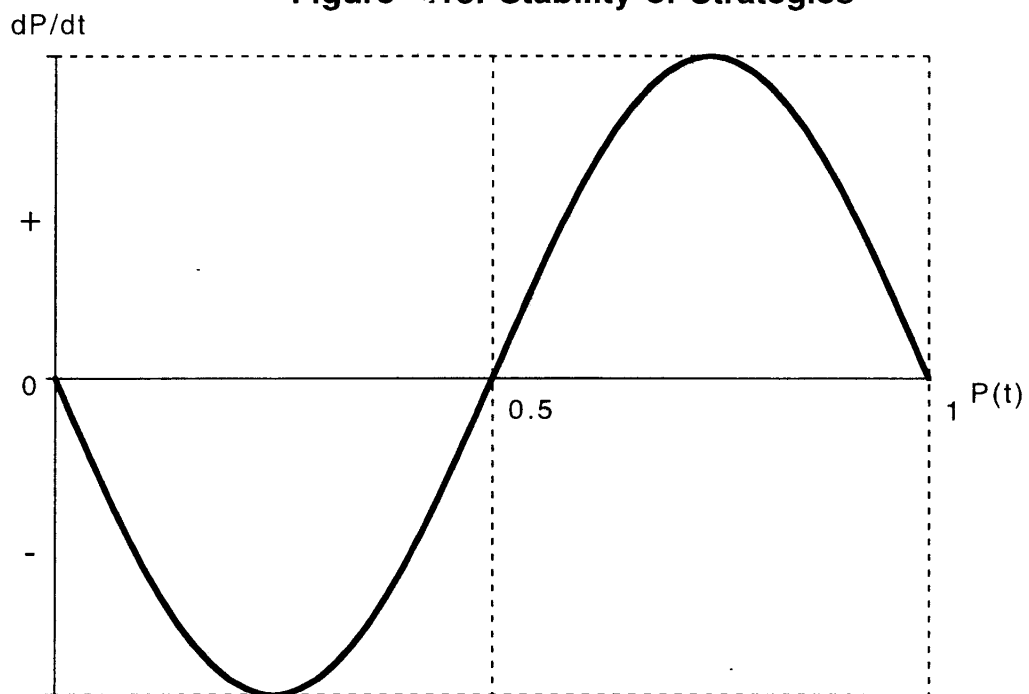


**Figure 17: Equilibrium Strategies and Contract Enforcement**

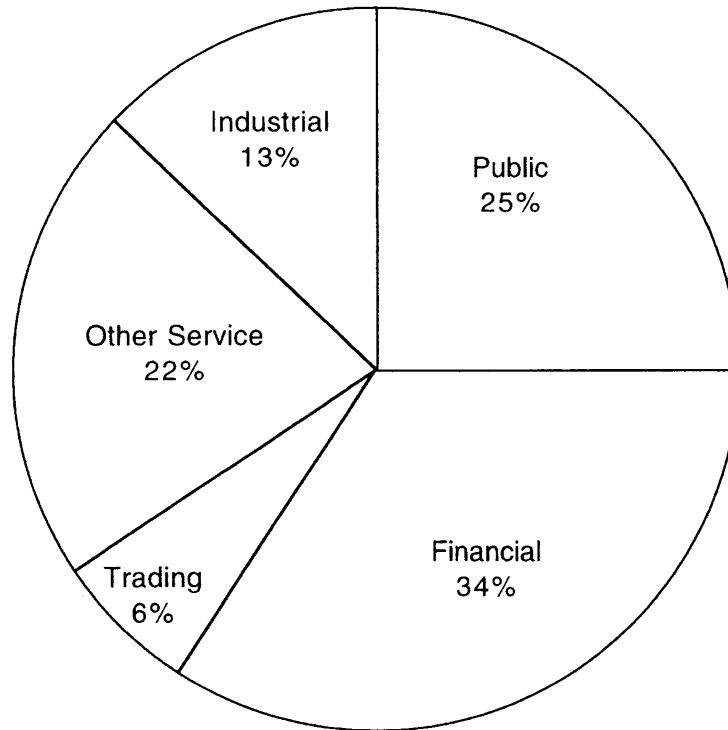




**Figure 18: Stability of Strategies**



**Figure 19:**  
**Placement of Tokyo University**  
**Law and Economics Undergraduates in 1997**



Source: *Tokyo Daigaku Shimbun* (June 10, 1997).