

We provide insights into a corporate activity that directly targeting individual/retail investors from a survey on shareholder perks, which are periodical noncash gift to shareholders offered by more than a third of listed companies in Japan. Our results illustrate that Japanese companies provide shareholder perks as a way of payout but independent from dividend policy, with a goal to increase individual, retail shareholders and make them long term holders. Japanese companies use shareholder perks also as an Investor Relations activity, which is an important channel to reach out to potential investors and enhance relationship between the shareholders and the company. While there are concerns that shareholder perks violate the principle of equal treatment of all shareholders because shareholder perks favor retail investors, voices that address this issue is rarely heard even from institutional investors.

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