



# Reporting on intangibles, a recent survey from Japan

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Reporting on intangibles, a recent survey from Japan

Tadanori Yosano

Discussion Paper Series

# **Reporting on intangibles, a recent survey from Japan**

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## **1. Introduction**

This paper strives to explain why the Japanese Intellectual Asset-based Management (IAbM) report is more inclined for the SME-financial institution relationship with a detailed Japanese historical socioeconomic background. The Japanese Ministry of Economy, Trade and Industry (METI) first focus on the listed company-market actor relationship, however, the overlap between the IC information demand and supply was smaller than expected. This paper explains why there was the mismatch for IC information, and also addresses why non-listed SME IC information for financial institutions has been effective in IC disclosures with the previously shown empirical evidence. This paper also addresses why non-listed SME IC information for financial institutions has created some movement in the IC field by capturing main actors, such as METI, Organization for Small & Medium Enterprises and Regional Innovation, Japan (OSMERI), and other key IAbM supporters.

## **2. What is lacking in Japanese listed companies for non-financial information disclosure?**

### **2.1 The IAbM report and disclosure practice of listed Japanese companies**

The Japanese Ministry of Economy, Trade and Industry (METI) published the “Guideline for Disclosure of Intellectual Assets-based Management” in October 2005. The preceding Denmark (DMTI, 2000; DMSTI, 2003; A Guideline for Intellectual Capital Statements) and MERITUM guidelines (MERITUM, 2000; MEasuRing Intangibles To Understand and improve innovation Management) served as frequent references during the deliberation of this new guideline. The guideline’s purpose is to be a communication tool between large firms and stakeholders in the securities market with investors as central actors (Figure 1):

“[T]he value of the corporation realized in the market will increase (such as an increase in the aggregate market value), financing of the corporation will become easier; efforts for and investment in the creation and utilization of intellectual assets will increase; corporate value will further increase and intellectual assets based management will be further strengthened; and it leads to the next disclosure (SMIA, 2005, p. 27).”

[Insert here about Figure 1]

The IAbM report needs the value creation perspective from a managerial viewpoint, which is typically represented in a style shown in Table 1. First, the IAbM needs the value creation perspective of how the company has accumulated IC resources in the organization, and how they utilize these resources in accordance with their strategy till now. Secondly, the IAbM needs the strategic view of how companies plan their investments in order to acquire prospective resources that can be used to execute their future business plan. It is an essential and vital task to manage corporate resources, such as tangible and IC, into mobilized vectors along the direction indicated by corporate management strategies (Yosano, 2011, p. 8).

[Insert here about Table 1]

## **2.2 Mismatch between IC information demander and supplier**

The overlapping intellectual capital information between stakeholders need and company supply, shown in Figure 1, has been narrower than ever expected before. The disclosure practices of listed companies have not prevailed yet in 2011 (Table 2). Japanese listed companies currently disclose a lot of non-financial information via multi-media, such as the CSR report, Business Philosophy and Vision, Intellectual Property Report, and Mid-term Business Plan (Figure 2). All of them are voluntary, especially the CSR report, 439 listed companies disclosed in 2006. Why have IC report practices not prevailed, or acquired legitimacy (Yosano, 2011) within the Japanese stock market actors? In regards to information suppliers, Sumita (2008) “guess[ed] this is because it is difficult to summarize an IAbM [Intellectual Assets-based Management] report in an existing specific section of a company, whereas IP reports can be handled by the IP section, and CSR reports by the CSR

section. This indicates that an IAbM report describing the total picture of the management requires a corporate manager to grasp the total shape of the organization and establish a clear vision, and also suggests that the IAbM is more easily achieved in SME's, where there is some room for modification in the management system than in big business (ibid., p. 218).” The IAbM report needs the value creation perspective from the managerial viewpoint. We can also guess that the companies, especially large listed ones, disclose a lot through multimedia, and they would feel a slight burden if they are required to disclose an additional IAbM Report.

[Insert here about Table 2]

[Insert here about Figure 2]

When we turn our angles into information demanders that the central corporate disclosure uses, the financial analyst is not greatly interested in the non-financial information. Japanese analysts, on average, have a short-term viewpoint for corporate evaluations, especially for sell-side analysts. METI (2007)'s questionnaire's survey showed that a 64.7% of sell-side analysts have a short-term, almost one year, perspective, when they evaluate a company (Panel A of Table 3). The main reason for their short-term view is 1) they are responsible for a short-term evaluation in their company, and 2) their performance is judged within a short-term (Panel B of Table 3). They also attached great importance to the “Ease of understanding,” “Comparability,” and the “Linkage to the corporate value” (Panel C of Table 3). These results show that central information users, financial analysts, are inclined to short-term viewpoints and place a great importance on the ease of handling and controlling information from a distance (Robson, 1992). Another questionnaire survey (Sakakibara et al, 2005; Sakakibara et al, 2010), which used 324 Japanese financial analysts in 2005, showed the clear difference between large and SME listed companies. Japanese financial analysts utilize 4 of 15 IC items (corporate strategy, growth opportunity, market share, brand power, and R&D investments) to a high degree (mean score over 4 on the 5 likert scale) when evaluating large listed companies. On the other hand, they utilize only one of 15 IC items to a high degree when evaluating SME listed companies (Table 4). All of the highly utilized 4 items can be gathered from other disclose-media. Their utilization of IC information also inclined to management and management strategy, and management policies items. This

result suggests that difficulties in accessing IC hamper the use of IC. This is why the guidelines of the IAbM were introduced in 2005. However, the IAbM disclosure practice has not prevailed yet. One of the main reasons for this is the difficulty in developing the KPI (Key Performance Indicator). Actually, the IAbM Guideline places a great importance on the disclosure of the KPI (Key Performance Indicator), and they provided details not only for KPI sample categories, but some sample KPI measures, whose representatives are shown in Table 5. However, it may still be very difficult to develop exact KPI measures not just within an individual company. It is much more difficult to have common KPI measures in the same sector that are easy to understand and to compare within the same sector.

[Insert here about Table 3]

[Insert here about Table 4]

[Insert here about Table 5]

### **3. The shift from listed company-investor communications to non-listed SME-financial institution communications**

#### **3.1 The movement from the Organization for Small & Medium Enterprises and Regional Innovation, Japan**

The Japanese government shifted their IC disclosure target from listed company-investor communications to non-listed SME-financial institution communications. The Organization for Small & Medium Enterprises and Regional Innovation, Japan (OSMERI), which is affiliated with METI, set up a “Research group of Intellectual Asset-based Management for SMEs” in January 2006, and deliberated the expansion of IAbM support measures for SMEs, and issued the IAbM manual guideline for SMEs (Intellectual Asset-Based Management Manual for Small and Medium Enterprises; IAbM Manual for SMEs) in March 2007. SMEs have the advantage to establish a clear total picture of the management strategy and the shape of the organization (Sumita, 2008, p. 218) mentioned. However, especially for non-listed SMEs, they often lack long-term strategic management views and a well designed

organizational structure which progress their strategies. Therefore, the main difference of IAbM Manual for SMEs, compared with the IAbM guideline, is it focuses on the SWOT analysis to capture SME strengths and weaknesses and encourages the re-development of their long-term strategic management view considering their strong and weak attributes (Table 6). The second difference is the reduction of the detailed stakeholder communication aspects, such as the number of SRI funds and corporate ranking results. The third difference is that it has four concrete SME examples. These examples include an actual IAbM report for these firms. One of them is Showa Denikithe pilot program company from Japan for the International Integrated Reporting Council started in August 2010, who strives to introduce a new approach to corporate reporting<sup>1</sup>.

[Insert here about Table 6]

This shift has been successful thus far. A lot of non-listed companies have started disclosing their IAbM report soon after the publication of the IAbM Manual for SMEs. Figure 2 shows 50 companies disclosed a IAbM report until 2007. However, it is very difficult for METI to detect all the practices of non-listed companies. A lot of SMEs have been disclosing a IAbM report with the help of the OSMERI, Small and Medium Enterprise Management Consultants, administrative scriveners, and sometimes local lenders, which this paper will mention in the next section.

Soon after publishing the IAbM Manual for SMEs, the OSMERI initiated the research, focusing on the perception of financial institutions for IC when they lend to the SMEs. Why did they focus on SME lending? One reason is Japanese SMEs still rely heavily on loans from the financial institutions, contrary to large companies in Japan. The SME equity ratio has slightly increased from 25.1% in 2007 to 30.7% in 2009 (JSBRI, 2011, p. 423). However, a long-term loan from financial institutions holds a great amount, 32.2%, of total liabilities (ibid., p. 421). On the other hand, large company equity ratios have greatly increased from 31.9% in 2007 to 30.6% in 2009 (JSBRI, 2011, p. 423). The decrease in loans from financial institutions for large companies has been the long-term tendency in Japan (Table 7).

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<sup>1</sup> Their report demonstrates the links between an organization's strategy, governance and financial performance, and the social, environmental, and economic context where it operates.

[Insert here about Table 7]

In parallel Japanese local lenders were under the action “Program for Strengthening Relationship Banking Function,” which was introduced by the Japanese Financial Service Agencies (FSA) in March 2003. This program encouraged regional banks and cooperative financial institutions to move away from transaction lending and move toward relationship lending<sup>2</sup>. “Relationship” in the banking context implies close lender-borrower connections. Therefore, we define “relationship lending” as mutually beneficial banking transactions that occur through the accumulation of non-financial information from closer lender-borrower connections (Yosano and Nakaoka, 2011, p. 5). A lot of IC measures are considered non-financial information, and therefore, introducing the IAbM to SMEs was very appropriate with the FSA’s action program.

In February 2008, OSMERI set up a working group to strengthen financing based on SME IC information, and published two types of research reports. One is the “Guideline to Practice the Intellectual Asset-based Management for SMEs.” This guideline recommends that the SMEs disclose a two-page spread IAbM report in order to achieve two main purposes. First, was that the company can easily grasp the summary of their IAbM. Second, was that IAbM supporters, such as enterprise management consultants and administrative scriveners, would be able to have a manual. The ultimate goal was to make this IAbM practice more popular amongst SMEs. The Second type of research report established was “Surveys and Research Pertaining to Intellectual Asset-Based Finance.” This report involves questionnaire surveys conducted with all Japanese financial institutions, and analyzes in detail their perception of IC information usage and the manner of utilization towards judging a lending decision and supporting SME businesses (Yosano and Koga, 2008).

This report shows that 28% of the financial institutions utilize IC information when they evaluate borrowers in the lending decision. The usage ratio of 28% of non-financial information is less than the usage ratio (35%) for non-financial information in stock investment decisions reported in the survey analysis of institutional investors in the EU and

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2 The increase in inter-bank and market driven competition threatens the survival of regional banks and credit unions. After the 1998 deregulation, bank infrastructures were further reduced, and the occurrence of mergers and acquisitions increased. Therefore, in March 2003, the FSA introduced an action program to prevent bankruptcy (Yosano and Nakaoka, 2011a, p. 5).



US (Mavrinac and Siesfeld, 1995, p. 13). Taking into consideration the fact that the reward of financing is constant (interest income) and, therefore, the risk that financial institutions can undertake is limited differing from the volatile reward of investor investment, the use ratio of 28% in a “conservative” credit risk rating is considerably high (ibid., 2008, p. 2). However, similar with Japanese financial analysts, their utilization of IC information is inclined towards management, management strategy, and management policies (Table 8). They usually do not use a lot of accumulated IC resources and the IC creation process till now and into the future. IC resources and the IC creation process are the core components that realize the company’s management and strategy. However, lenders also think that it is very difficult to access IC information. If we analyze the same questionnaire sample in detail, we found that the lenders who utilize IC information in regards to management and business significantly, record the higher profitability than lenders who do not. We also found that the lenders, who utilize IC information in regards to network information, such as customers and suppliers, also record a higher profitability than lenders who do not. We also confirmed that utilization of network information is more effective when they are in a highly competitive region (Yosano and Nakaoka, 2011b, p. 34).

[Insert here about Table 8]

### **3.2 Current action from the OSMERI and other related SMEs-local lender relationships**

Section 3.1 shows some evidence that supports the movement from SMEs-local lender relationships in regards to the IAbM. The IAbM disclosure practice for SMEs is effective for communicating with lenders, and this OSMERI involvement is on-going. The OSMERI is currently in the final stage of the IAbM Manual for SME revisions. The upcoming version will provide six different manuals in accordance with the purposes of IAbM disclosure: 1. Venture. 2. Relationship banking. 3. Business succession. 4. Intellectual property. 5. Marketing. 6. Human resource development and recruiting (Table 8). Relationship lending is still the key purpose for IAbM disclosure and the main characteristic in the revision is that it places a great amount of importance on the relationship between IC measures and the financial result. IAbM disclosure makes it difficult for companies to transmit IC resources and information about the IC creation process to stakeholders. Hence, the challenge for this revision was to allow readers to understand current financial results more clearly by requiring

the company to disclose the relationship between how current IC resources have been accumulated and how they have been created. In addition, the revision requires the company to disclose the relationship between how it will create new IC resources and their plan to process this creation in the future and the future financial results. (Figure 3) It would also be very beneficial for readers to understand more clearly whether the company transfers in information with a value creation viewpoint. If the revised version is successful, then it might lead to a reliability enhancement and comparability of IC measures.

[Insert here about Table 9]

[Insert here about Figure 3]

Another prominent action was from the Hyogo Industry Enhancement Center and their local lender membership. Tanyou credit bank has initiated the use of the IAbM to support SME businesses since 2008 in conjunction with the Hyogo Industry Enhancement Center. Tanyou credit bank has supported SMEs to disclose the IAbM report: 9 SMEs in 2009, 11 in 2010, and 22 in September 2011 (Japan Small business research institute, Osaka branch, 2012, p. 43). The Japan Small Business Research Institute (JSBRI), Osaka branch (2012) also introduced four cases where the Tanyou credit bank supported creating an IAbM report and some of them have been financed because the IAbM reduced the IC information barrier (Ulf and Holland, 2003). Tanyou credit bank can have future confidence with business prospects that jointly produce the IAbM. JSBRI, Osaka branch, also introduced another membership lender case, such as the Tajima credit bank, Hyogo West credit bank, and Amagasaki credit bank, which started supporting the IAbM since 2009.

#### **4. Concluding remarks**

This paper strives to explain why the Japanese IAbM report practices are more inclined towards SMEs, and financial institutions are one of the most important stakeholders with a detailed historical socio-economic background. For the information supply side, it is very difficult for large firms to grasp their long-term value creation viewpoint, and disclosing a lot of information through multimedia becomes a slight burden for them. The demand side

market actors also have a short-term evaluation viewpoint and face difficulties in accessing IC information. On the other hand, it is much easier for SMEs to establish a clear total picture of the management strategy and the shape of the organization if they discuss and map the strengths and weaknesses in their organizations. Additionally, one of the important stakeholders, financial institutions, place a certain amount of importance on IC measures to make their loan decisions. The lenders who pay attention to networks, such as customers, suppliers, management, and business, actually gain a higher profit on average.

Since the 2000s, the explanation power of financial information has become weaker (Kagaya, 2012; IIRC, 2011), and the earnings volatility has dramatically become broader (Yosano, 2012, forthcoming). Therefore, the surrounding risk circumstances of companies has expanded greatly. It is very clear that the adequate evaluation of default risk and growth opportunities requires other information than financial measures. IC measures are still very prominent candidates. In Japan, the main target companies for IAbM practices are SMEs. Communication has been on-going in these non-listed SME-financial institutions, and there's hope that large listed companies will conquer the two main obstacles in the near future. First, is to grasp the long-term management viewpoints and allocate their IC resources in the proper strategic business plan. Second, is to establish adequate KPIs for stakeholders to understand and compare with the competitors in the same section. These actions would enhance the spread of IAbM disclose practices and re-inject the engine of the Japanese economy.

[May 22<sup>nd</sup> End]

[2012.5.28 1088]

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Table 1 Typical style of intellectual assets based management report by "Guidelines for Disclosure of Intellectual Assets Based Management"

<p>[Main body]</p> <p>(General) Basic management philosophy Outline of business characteristics</p> <p>(From Past to Present)</p> <p>A: Management policy in the past B: Investment (based on A) (performance figures included) C: Unique intellectual assets accumulated in the company, strengths based on them, and value creation method (based on A and B) (supporting intellectual assets indicators included) D: Actual performance in the past, such as profits (as a result of value creation C) (figures included)</p> <p>(From Present to Future)</p> <p>E: (Based on C and the assessment of the past to the present) Intellectual assets that rooted in the company and will be effective in the future, and future value creation method based on them (supporting intellectual assets indicators included) F: Identification of future uncertainty/risk, how to deal with them, and the future management policy including those elements G: New/Additional investment for maintenance and development of intellectual assets needed (in line with the management policy F) (figures included) H: Expected future profits. etc. (based on E to G) (numerical targets included)</p> <p>[Attachment]</p> <p>Other intellectual assets indicators (optional)</p> <p>Source: Guideline for Disclosure of Intellectual Assets-based Management, 2008, pp.4.</p>
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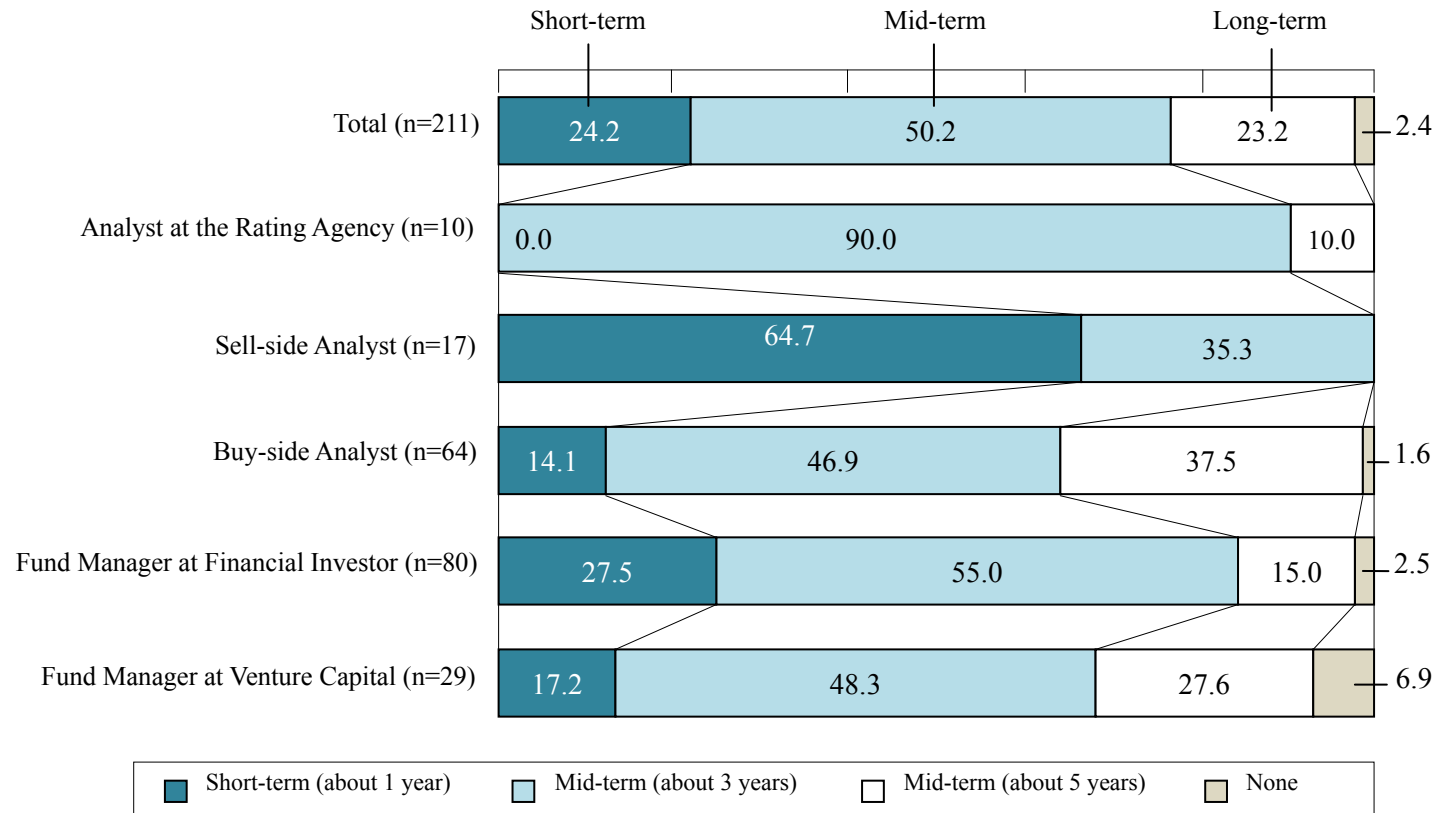
Table 2 Japanese Intellectual Capital Report Disclosure Practices

year	Listed Companies				Non-listed companies			
	Intellectual Capital Report	Intellectual Property Report	Part of Annual Report	Other Media	Intellectual Capital Report	Intellectual Property Report	Part of Annual Report	Other Media
2004		11	18					
2005	1	16	27		2	2	2	
2006	2	16	33		8	4	2	1
2007	1		2		14			2
2008	6		1		26			
2009					4			

Source: METI, [http://www.meti.go.jp/policy/intellectual\\_assets/jirei.html](http://www.meti.go.jp/policy/intellectual_assets/jirei.html)

Table 3 Questionnaire analysis of the Japanese Financial Analysts

Panel A The timeframe of corporate evaluation according to analyst typologies

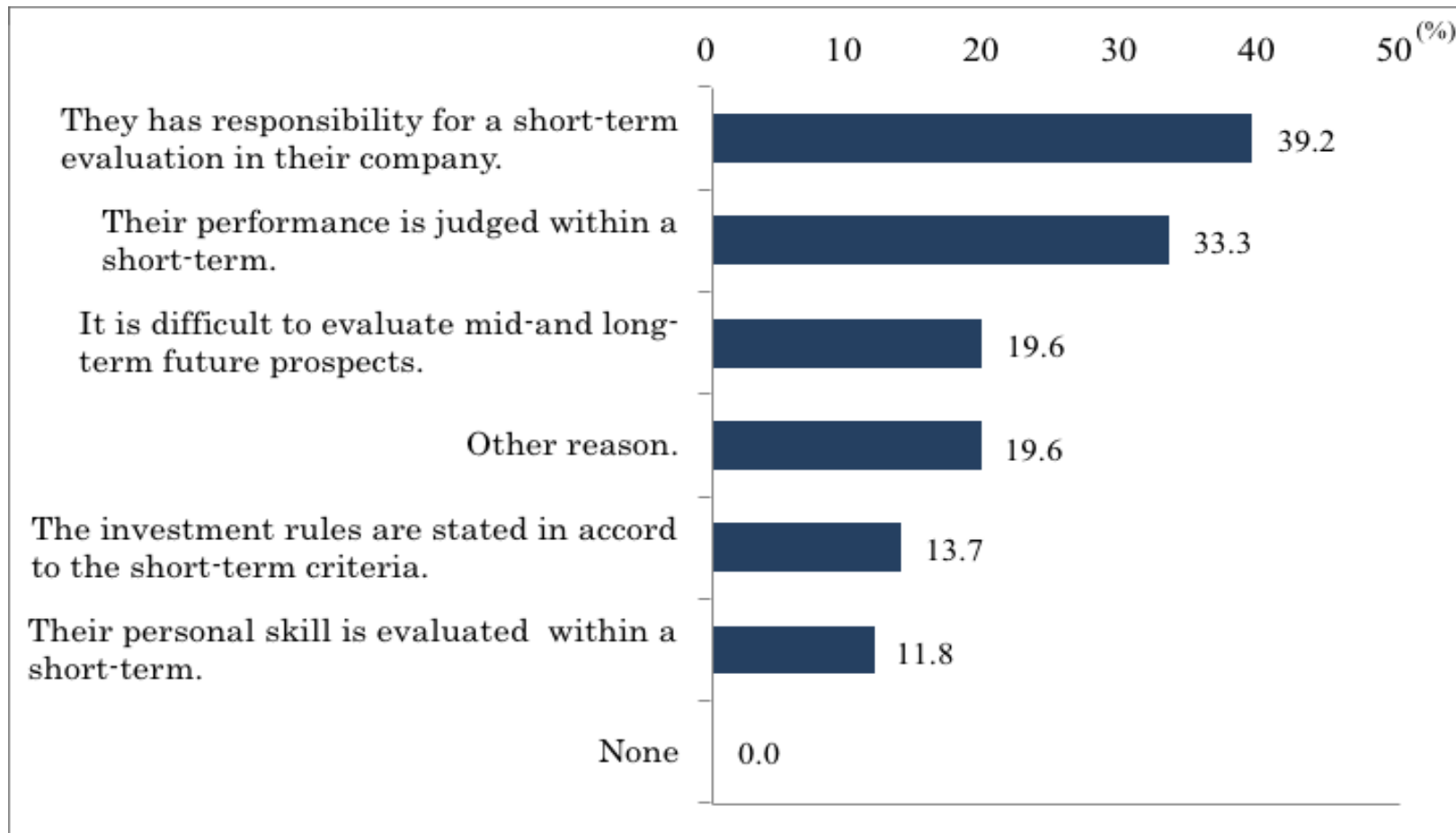


Source: METI (2007, p. 19).



Table 3 Questionnaire analysis for the Japanese Financial Analysts (Cont.)

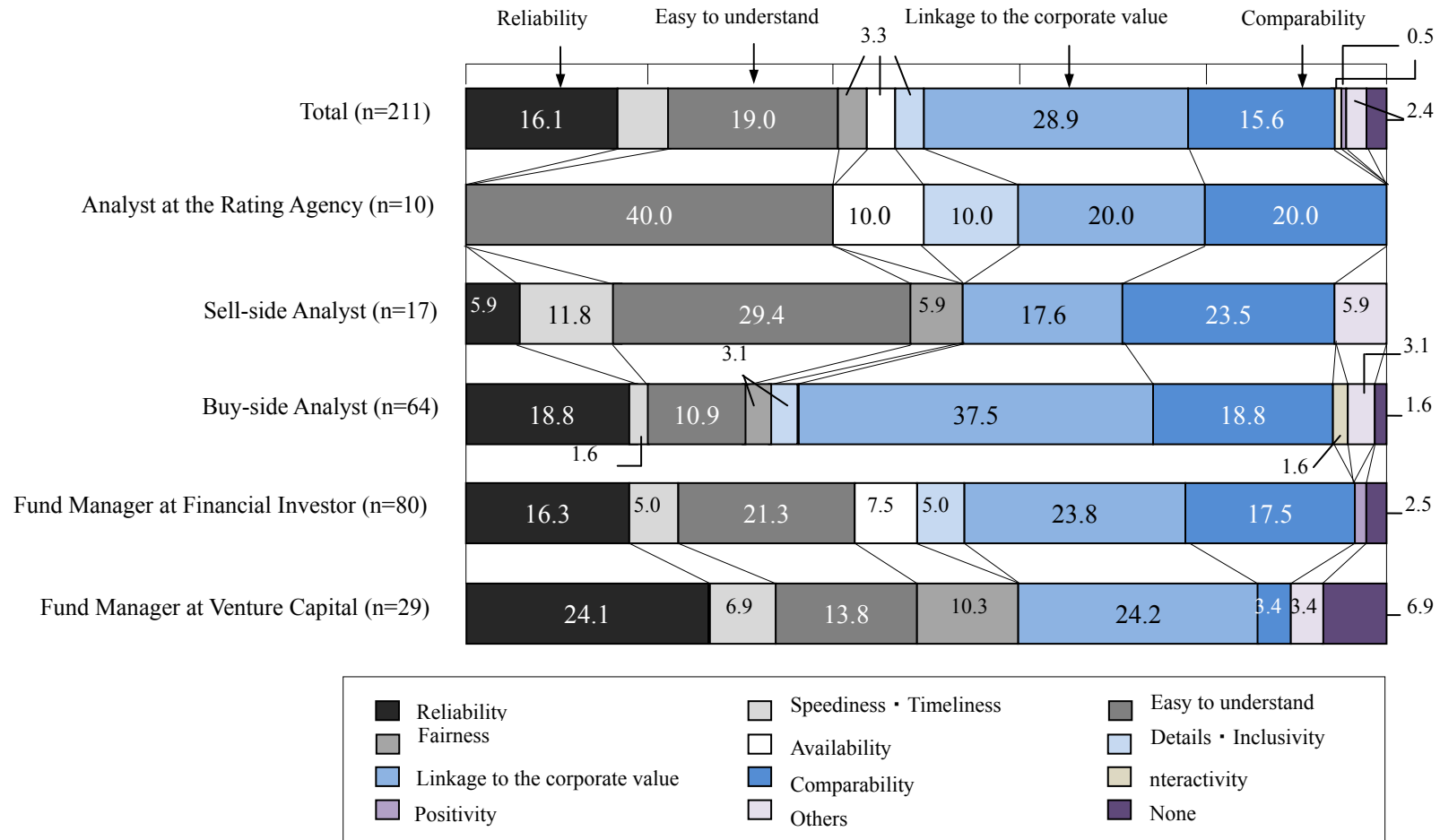
Panel B Why do financial analysts evaluate a company for the short-term? (Multiple responses)



Source: METI (2007, p. 20).

Table 3 Questionnaire analysis for the Japanese Financial Analysts (Cont.)

Panel C Desirable IR attributes for the disclosure of Intellectual Assets-based Management by each type of analysts



Source: METI (2007, p. 22)

Table 4 Financial Analy Survey: Degree of use for corporate evaluation

Japanese Large listed companies			
Intellectual capital measures	Category	Mean	Standard deviation
Corporate strategy	SC	4.44	0.804
Growth opportunities	RC	4.32	0.782
Market share	RC	4.22	0.803
Brand power	RC	4.11	0.832
R&D investments	SC	4.11	0.801
Top management quality	HC	3.97	0.811
Business alliances	RC	3.81	0.799
Customer satisfaction	RC	3.77	0.904
Top executive succession policy	SC	3.34	0.945
Employee training	HC	3.23	0.885
Corporate governance structure	SC	3.08	1.013
Employee participation	HC	3.04	1.010
Personnel turnover	HC	2.91	0.941
Quality assurance systems	SC	2.89	1.066
Employee satisfaction	HC	2.85	0.953

Japanese SME listed companies			
Intellectual capital measures	Category	Mean	Standard deviation
Top management quality	HC	4.66	0.771
Corporate strategy	SC	4.61	0.799
Growth opportunities	RC	4.47	0.894
R&D investments	SC	4.10	0.828
Market share	RC	4.00	0.997
Business alliances	RC	3.95	0.882
Brand power	RC	3.86	0.912
Top executive succession policy	SC	3.86	1.036
Customer satisfaction	RC	3.82	0.933
Employee training	HC	3.49	0.999
Employee participation	HC	3.42	1.118
Personnel turnover	HC	3.35	1.085
Employee satisfaction	HC	3.20	1.064
Corporate governance structure	SC	2.95	1.013
Quality assurance systems	SC	2.90	1.091

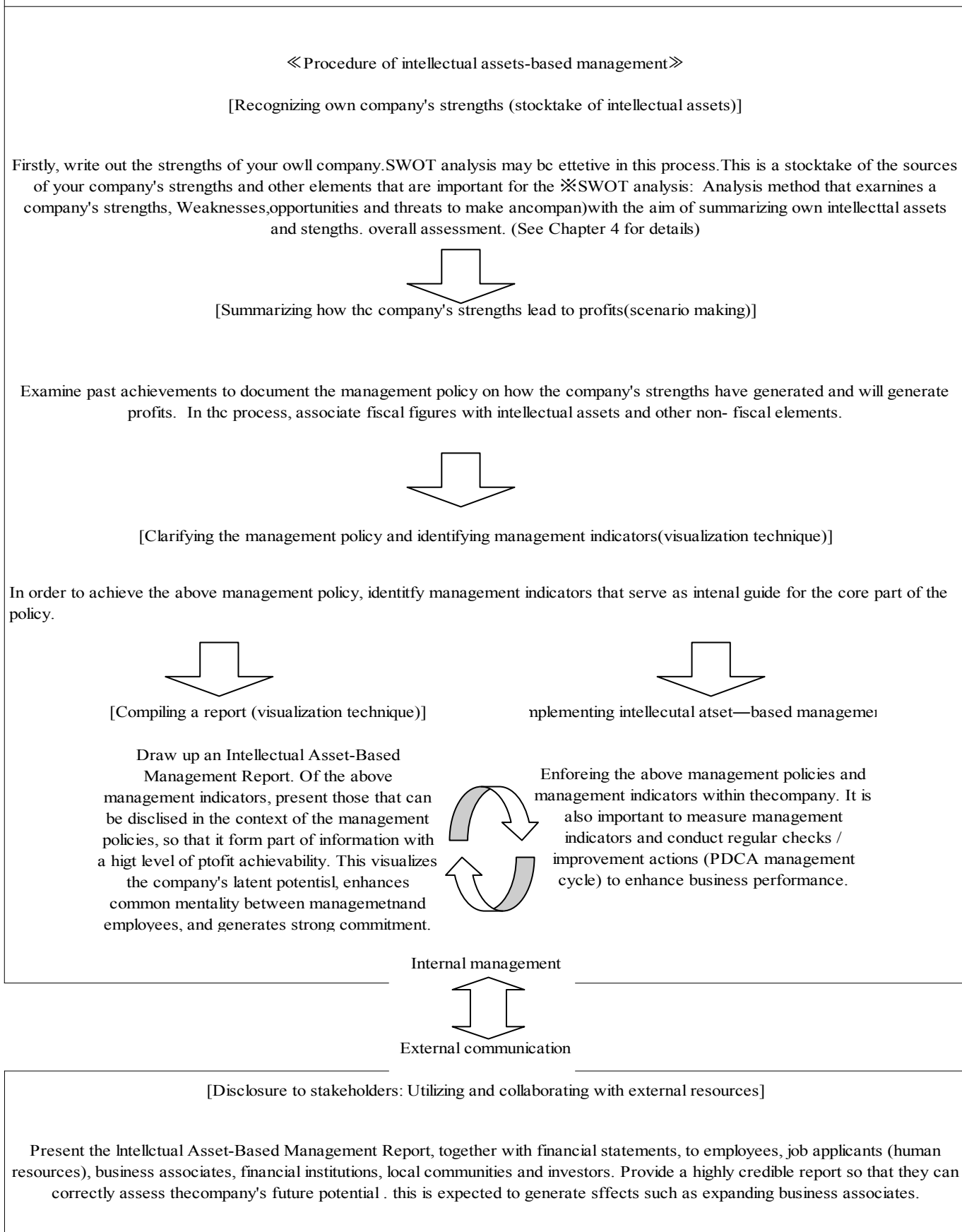
Source: Sakakibara et al. (2005, p.8)

Table 5 Intellectual Assets Categories and indicators according to the IAbM guidelines

Intellectual Assets Categories	Examples of KPI (Key Performance Indicator)s
Management stance/leadership	Degree of internal penetration of management principles
	External transmission of information by top manager (external PR activities)
	Development of future leaders (average age of subsidiary presidents)
Selection and concentration	Competitiveness of major business (sales, profit, profit rate)
	— Proportion of major business to the entire sales (sales)
	— Proportion of major business to the operating profit
	— Operating profit margin of major business
	Weighted average of the numbers of companies providing the same products/services
	Review performance of unprofitable department
	Degree of R&D concentration
External negotiating power/relationships	Differentiation of market
	Employee assessment
	Weighted average of market share of main products/services in the main business
	Degree of customer satisfaction
	Changes in customer unit price
	New customer sales ratio (in B to B business) or growth rate of new customers or members (in B to C business), compared to those in the previous year
	Price elasticity value of product sales as compared to changes in the cost of goods purchased (price pass-through capability)
Price elasticity value of the goods purchased as compared to changes in material market conditions (negotiation power)	
Knowledge creation/innovation/speed	Financing capacity
	R&D expenditure (or ability development costs) vs. sales
	Outsourced R&D cost ratio
	Number of intellectual property owned economically meaningful term
	Employees' average age and increase/decrease from the previous year
Teamwork/organizational knowledge	New products rate
	In-house improvement proposal for quality control system, number of proposals and improvements achieved
	Number of lateral projects
	Degree of employees' satisfaction
	Incentive system (including yearly contract system)
Risk management/governance	Job leaving ratio
	Compliance system
	Number of public announcements regarding risk information and speed of public announcement of problems
	Diversification of risks
	Risk of being an acquisition target
Coexistence in society	Compensation claims in pending lawsuits
	Risk of information leakage (number of trade secrets and ratio of core employees who deals with them)
	Amount of environment-related investment
	Number of SRI funds which adopted the corporation
	Corporate-image survey and ranking results

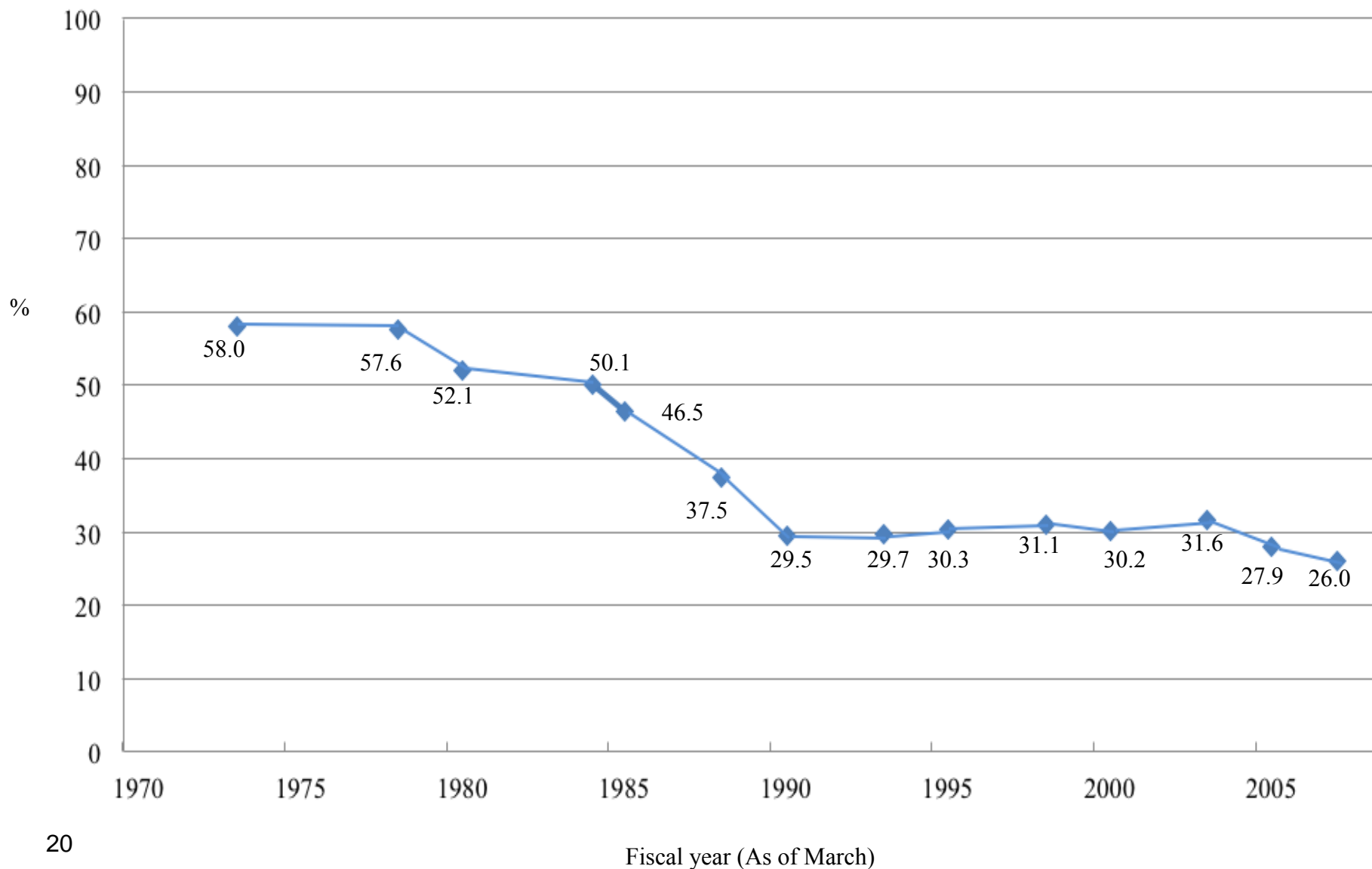
Source: Guideline for Disclosure of Intellectual Assets-based Management, 2008, pp. 14-16.

Table 6 The standard procedure of intellectual asset-based management is as follows (See Chapter 4 for details):



Source: Intellectual Asset-Based Management Manual, OSMERI, 2007, p.12.

Table 7 Dependent to loans from financial institutions for Japanese large companies



Fiscal year (As of March)

—◆— Ratio of loans from financial / institutions to Total assets

Table 8 Results of what degree lenders taking into consideration when in financing decisions

SMRJ Categories	non-financial items	evaluation level*
		average
manager	personal assets of management	3.99
	successor's presence	3.95
	capability of management	3.93
	character of management	3.78
	health condition of top management	3.61
	leadership	3.49
	age of top management	3.47
	career of management	3.41
	concentrative level of the business	3.37
	the ability of make a pala /idea	3.36
	career in the sector	3.35
	networks of management	3.25
	publicity activities	3.08
internal/external business environment	business climate/sensitivity	3.80
	status of competitors	3.73
	market share / position of the sector	3.53
business contents	history and track record of business	3.85
	superiority of technologies	3.85
	superiority of the main business	3.84
	superiority of products/services	3.81
	superiority and brand of products/services	3.68
	intellectual property (rights)	3.44
customers / suppliers	financing affordable	4.01
	financing from another main financial institutions	3.96
	presence of main financial institution	3.86
	customers and their status	3.63
	suppliers and their status	3.42
	relationship with customers	3.41
	customer satisfaction	3.32
	relationship with suppliers	3.30
employees	sales promotion/advertising campaign activities	3.12
	holders of qualifications/technologies	3.24
	know-how	3.23
	the number of employees	3.13
	turnover ratio	3.04
	average age of employees (year to year)	2.95
basic of organization	incentive system	2.77
	business schedules	3.95
	affiliates	3.88
	support system of parent company	3.66
	management philosophy	3.45
	business model	3.43
	corporate brand	3.32
	In-house mechanism	3.28
	status of research and development	3.26
	smoothness of management-labor relations	3.09
	situations of introduction of the IT system	3.06
	enhancement level of corporate education	3.03
	the number of branches	2.99
in-house improvement proposal system/the number of improvement executions	2.87	
personal evaluation system	2.81	
risk management / governance	compliance system	3.64
	legal risk management	3.60
	risk management of information leakage	3.34

\* Evaluation level is mesured by using five likert scales.

Source: Yosano and Koga, 2008, p. 15.

Table 9 Utilization and Implementation of Report

How to state the report for their own benefit

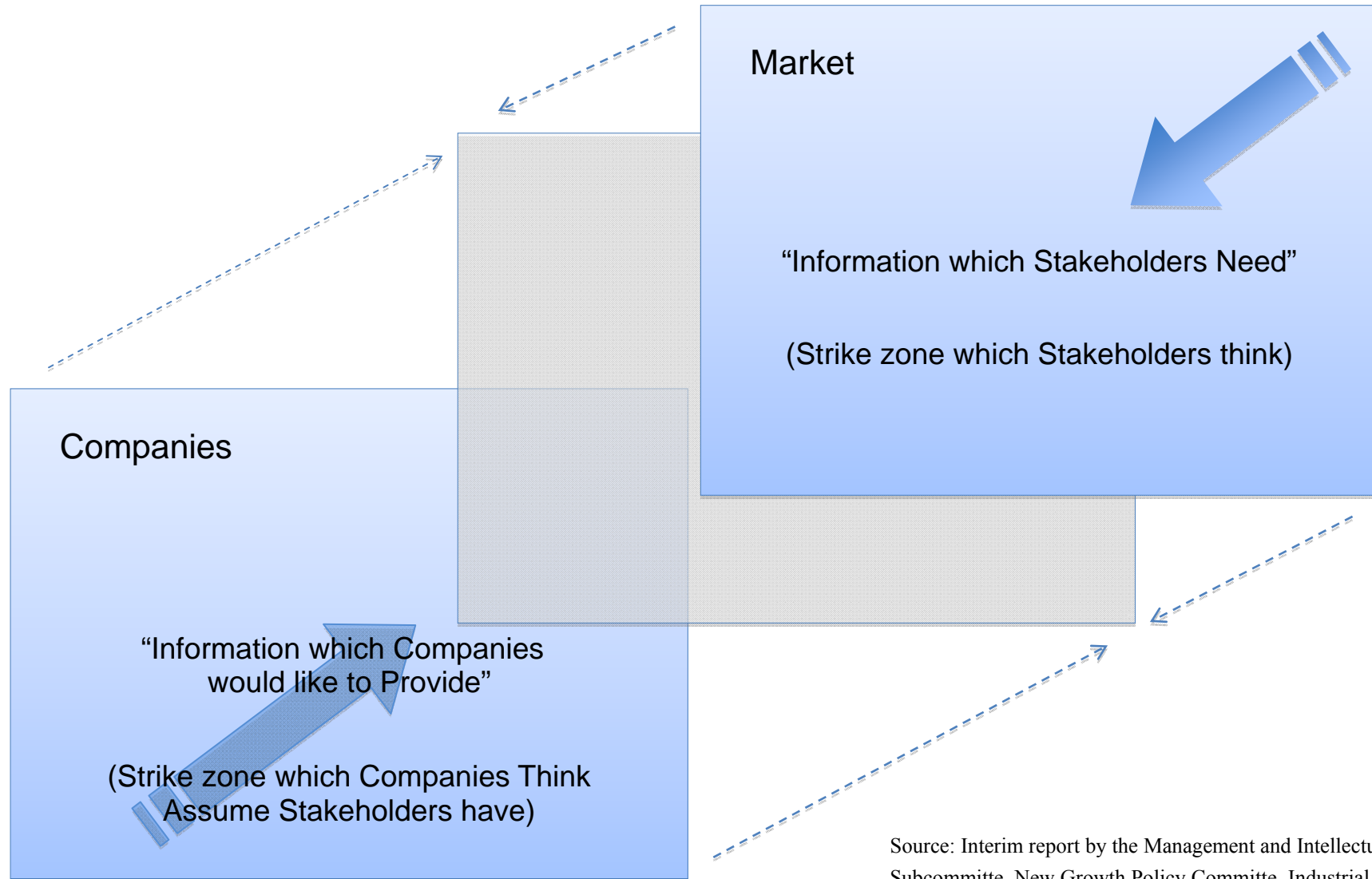
The information that should be disclosed is different from the purpose of the statement on Enhanced Value Reporting. Put the company's idea in shape in accordance with their purpose statement and target readers.

Target Reader	Purpose	Sample of the guidance
Customers and Suppliers	Company Information Session	•••••
	Business Explanation about the New Product and Service	•••••
	Collaboration with Suppliers and Partners	•••••
	Financial Results	refer to the theme : Intellectual Property
Financial Institutions	Financial Report	refer to the theme : Relationship Banking
	Technologies and Business Model	•••••
	New Business	•••••
	Business Succession	refer to the theme : Business Succession
Recruitment	Informally Promised Employment for New Graduates and Mid-Career Recruiting	refer to the theme : Human Resource Development
Employee	Business Succession	refer to the theme : Business Succession
	Business Operation Improvement	•••••
	New Employee Training	refer to the theme : Human Resource Development refer to the theme : Marketing refer to the theme : Venture

Source: The revised "Intellectual Asset-Based Management Manual for Small and Medium Enterprises," *Forthcoming*, 2012.

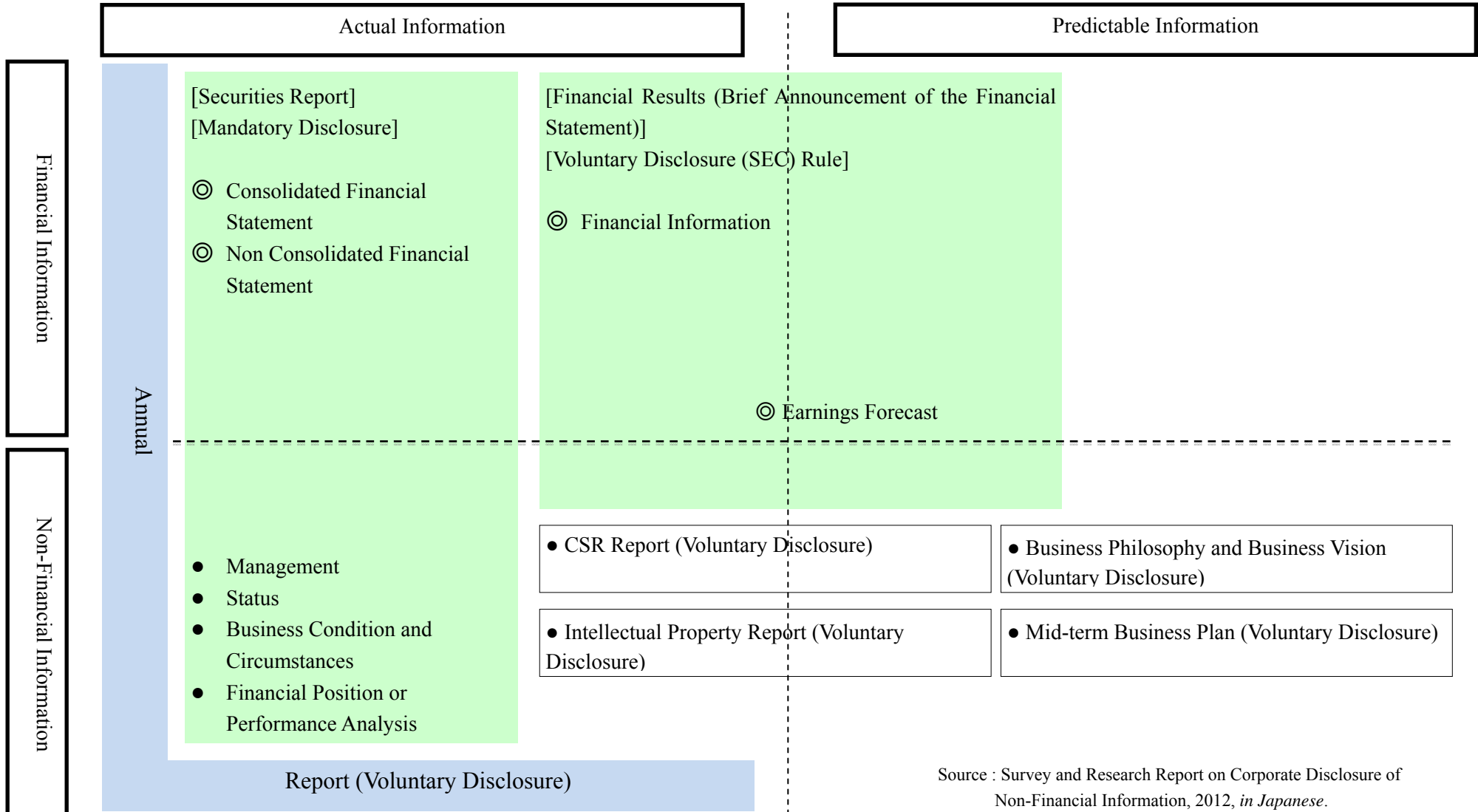


Figure 1 Stakeholders whose Central Actors are Investors



Source: Interim report by the Management and Intellectual Assets Subcommittee, New Growth Policy Committee, Industrial Structure Council, 2007, pp. 37.

Figure 2 Current Mandatory, Timely, and Voluntary Disclosure Practices of Japanese Listed Companies



Source : Survey and Research Report on Corporate Disclosure of Non-Financial Information, 2012, in Japanese.

Figure 3

