

# *Abstracts*

## **A Study on a Poetic Sentence Composition Support System as a Typical Product of Japanese Language Industry**

Yoshihiko Nitta

Systems that support the composition of reviews, essays, memorandums, and other types of formal writings seem to be typical future products of Japanese language industry. So far the research and development are mainly focused on grammatical verification about clause structures, syntactic dependency and character usage.

Our view is that the special properties of Japanese sentences are to be found in simplicity of expression or frequent use of abbreviation. These properties are the main features that discriminate Japanese language from other Indo-European languages. Further, it posits that Japanese poetic sentences such as Haiku and Tanka (=Japanese poem of seventeen and of thirty-one syllables, respectively) offer numerous examples of the archetype of simplicity and abbreviation.

We believe that a useful fundamental technology for Japanese language industry will be obtained if we can formalize properly the extreme abbreviation and eloquence of the unsaid in Japanese poetic sentences, and can implement them in a sentence composing support system.

In this paper we report the examination results of our approach, especially the method for formalizing the structure of Haiku. Haiku comprises abundance of non-engineering concepts which reflect the way of thinking and writing of ordinary lives of people.

The formalization method is based on a kind of functional grammar.

## The Underlying Tone of the Integrated Financial Reporting System

Osamu Furusho

The recent discussion seeking to promote a transition from traditional financial reporting to integrated reporting, which anticipates the limits of financial statements, is not unrelated to the growing global recognition of narrative information as equal in importance to financial statements information, which is based on the decision-usefulness approach of financial reporting regulations. Narrative information, which originally played a role subordinate and supplementary to financial statements, is now evolving into a more and more complementary relationship with the latter.

Nevertheless, the debate surrounding integrated reporting is likely to be influenced by the financial reporting scope and reporting item disclosure regulations of individual jurisdictions. In other words, the process of shaping integrated reports is expected to take place gradually, rather than as a radical transition to an extremely different next-generation reporting model. Recent developments, therefore, have raised additional issues regarding the boundaries of financial reports including narrative information.

The integration of financial reports, with financial statements as their core, and non-financial reports, such as environmental reports, CSR reports, and sustainability reports, does not mean that financial statements will be in a sense dissolved and absorbed into an integrated report. Financial statements and non-financial reports, having unique roles to play, will maintain their separate existences. In shaping the overall corporate reporting framework, it is conceivable that we will see the formation of a new integrated reporting superstructure in which management commentary, governance and remuneration reporting, environmental and CSR reporting, and financial information reporting silos are integrated to the extent possible in clearly explicated relationships. In that connection, how to position financial statements and the scope of management commentary will be critical issues for the development of integrated reporting systems.

## **Empirical Analysis for Verifying Japanese Stock Market Structural Changes due to the Great East Japan Earthquake**

Hidetoshi Mitsui

The Great East Japan Earthquake, which struck on March 11, 2011, resulted in an unprecedented disruption to the Japanese economy. Japan's stock markets were severely impacted and are seen as having entered a period of instability following the disaster. This research uses financial time series analysis to test whether stock markets have undergone structural changes in the wake of the Great East Japan Earthquake. As stock market data, it uses the Nikkei Stock Average, TOPIX, and JASDAQ indices, and share prices for Tokyo Electric Power Company and other companies. The analytical approach used is to examine changes in volatility over a period spanning time before and after the Great East Japan Earthquake.

In financial time series analysis, model specification, estimation, forecasting, and other aspects of the analysis tend to focus on the following stylized facts: 1) Fat tails – Distributions of price earnings ratio with fatter tails than would be found with a normal distribution; 2) Volatility clustering – Condition in which a period of high (low) volatility follows an increase (decrease) in volatility; 3) Leverage effects – Negative correlation between stock price fluctuations and volatility; and 4) Long memory – Slow decrease in autocorrelation in time series data is and long-term impacts thereof. This research, therefore, makes use of GARCH model, which can be easily expanded for these stylized facts.

# **The Current Status of, and Key Trends in, CSR in Korea as Revealed through Responses to Stakeholders of Korean Companies**

Jae Suk Kim

This paper examines CSR in Korea as an example of CSR in Asian countries. CSR problems are problems that arise in relationships between companies and society. The stakeholder concept and stakeholder approach are suited to the examination of relationships between companies and society. This paper, therefore, examines the current status of, and key trends in, CSR in Korea by looking at how Korean companies respond to the concerns of their primary stakeholders (Investors, employees, suppliers, and consumers) and secondary stakeholders (Government, NGOs, local communities, and society in general).

In Korea, companies, in particular those with overseas operations, have appeared to follow the international trend of recent years and make serious efforts to pursue CSR initiatives. However, while much energy has been devoted to initiatives with secondary stakeholders in mind, mainly charitable activities and activities aimed at protecting the environment, efforts addressing the concerns of primary stakeholders have been inadequate. Improvement in how Korean companies address their corporate social responsibilities requires strong interest in, and positive action to address, the concerns of primary stakeholders. For Korean companies, which strive to be viewed as trustworthy and reliable, greater efforts to pursue CSR initiatives as fellow members of society are necessary.