

# Japanese Management Accounting

**A World Class Approach to Profit Management**

Yasuhiro Monden  
University of Tsukuba

Michiharu Sakurai  
Senshu University

Editors

Forewords by Ronald V. Hartley  
American Accounting Association

and Robert A. Howell

Professor of Management and Accounting,  
New York University, and President  
Howell Management Corporation

TECHNISCHE HOCHSCHULE DARMSTADT
Fachbereich 1
Geschäftsbibliothek
Betriebswirtschaftslehre
Inventar-Nr. : 46.463
Abstell-Nr. : A 12/2467
Sachgebiete: .....
.....
.....

**Productivity Press**

Cambridge, Massachusetts

Norwalk, Connecticut

# Contents

<b>Acknowledgements</b>	<b>xi</b>
<b>A Note from the Publisher</b>	<b>xiii</b>
<b>Forewords</b>	<b>xvii</b>
<b>Preface</b>	<b>xxi</b>
<b>PART I: Cost Management Systems in the Japanese Manufacturing Environment</b>	<b>1</b>
<b>1 Recent Trends in Japan's Cost Management Practices</b>	<b>3</b>
Takao Makido School of Economics, Nagoya University	
<b>2 Total Cost Management System in Japanese Automobile Corporations</b>	<b>15</b>
Yasuhiro Monden Institute of Socio-Economic Planning, University of Tsukuba	
<b>3 Cost Accounting and Control in the Just-In-Time Production System: The Daihatsu Kogyo Experience</b>	<b>35</b>
Yasuhiro Monden Institute of Socio-Economic Planning, University of Tsukuba	
<b>4 Cost Planning and Control Systems in the Design Phase of a New Product</b>	<b>49</b>
Masayasu Tanaka Department of Industrial Administration, Science University of Tokyo	

<b>5</b>	<b>Principles of QC Circle Activities and Their Effects on Productivity in Japan: A Corporate Analysis</b>	<b>73</b>
	Akira Ishikawa School of International Politics and Economics, Aoyama Gakuin University	
<b>6</b>	<b>Framework of the Just-In-Time Production System</b>	<b>83</b>
	Yasuhiro Monden Institute of Socio-Economic Planning, University of Tsukuba	
<b>7</b>	<b>Planning and Control of Maintenance Costs for Total Productive Maintenance</b>	<b>97</b>
	Kiyoshi Okamoto Professor of Accounting, Hitosubashi University	
<b>8</b>	<b>Using a Structured Matrix as a Decision Support System in Materials Flow and Cost Planning</b>	<b>115</b>
	Hiroshi Sugiura Systems Planning Section, Fukuyama Ironworks, NKK Steel Yasuhiro Monden Institute of Socio-Economic Planning, University of Tsukuba	
<b>PART II: Profit Planning and Control Systems in Japan</b>		<b>141</b>
<b>9</b>	<b>Management Control Systems in Japan</b>	<b>143</b>
	Yasuhiro Monden Institute of Socio-Economic Planning, University of Tsukuba	
<b>10</b>	<b>Performance Measurement Techniques and Goal Setting: A Comparison of U.S. and Japanese Practices</b>	<b>163</b>
	Michiharu Sakurai School of Business, Senshu University Larry N. Killough and Robert M. Brown Virginia Polytechnic Institute and State University	
<b>11</b>	<b>Full Cost-Based Transfer Pricing in the Japanese Auto Industry: Risk-Sharing and Risk-Spreading Behavior</b>	<b>177</b>
	Yasuhiro Monden	

Institute of Socio-Economic Planning, University of Tsukuba  
Teruya Nagao  
Institute of Social Sciences, University of Tsukuba

- 12 Profit Management at Kyocera Corporation:  
The Amoeba System 197**  
Kazuki Hamada  
School of Commerce, Seinan Gakuin University  
Yasuhiro Monden  
Institute of Socio-Economic Planning, University of Tsukuba
- 13 Decision Support Systems Based on a Structured Matrix 211**  
Kyosuke Sakate  
Professor of Accounting, Soka University  
Takayuki Toyama  
Senior Industry Specialist, IBM Japan
- 14 Profitability Analyses of Yen Appreciation: A Case Study 229**  
Tamio Fushimi  
School of Business Administration, Keio University
- 15 The Transition of Long-Range Planning Systems:  
The Case of NEC Corporation 241**  
Toyohiro Kōno  
Professor of Business Administration, Gakushuin University  
Yoshihiro Suzuki  
Vice President, NEC Corporation
- 16 A Japanese Survey of Factory Automation  
and Its Impact on Management Control Systems 261**  
Michiharu Sakurai  
Professor of Accounting  
Senshu University  
Philip Y. Huang  
CPIM, Associate Professor of Management Science  
Virginia Polytechnic Institute

<b>PART III: Japanese Cost Accounting Practices and Standards</b>	<b>281</b>
<b>17 Characteristics and Practical Applications of Japanese Cost Accounting Systems</b>	<b>283</b>
Takao Yoshikawa Professor of Accounting, Yokohama National University	
<b>18 How Japanese Companies Allocate Corporate Costs</b>	<b>295</b>
Takeyuki Tani School of Management, Kobe University	
<b>19 Software Cost Accounting Mechanisms in Japan</b>	<b>313</b>
Michiharu Sakurai Professor of Accounting, Senshu University Wallace J. Growney Professor of Management and Computer Science, Susquehanna University	
<b>20 Rebuilding a Cost Accounting System from a Service Cost Standpoint: The Case of Mitsubishi Kasei</b>	<b>329</b>
Yoshikazu Miyabe Director, Mitsubishi Kasei	
<b>21 Cost Management Problems in Multikind, Low- or Medium-Volume Production</b>	<b>343</b>
Shinichi Inoue Faculty of Economics, Kagawa University	
<b>22 Problems with Japanese Cost Accounting Standards</b>	<b>355</b>
Yoshihiro Hirabayashi School of Commerce, Osaka City University	
<b>23 Physical Distribution Cost Accounting Standards Set by Japan's Ministry of Transport</b>	<b>369</b>
Osamu Nishizawa School of Commerce, Waseda University	
<b>PART IV: The Organizational Aspect of Management Accounting in Japan</b>	<b>379</b>

---

<b>24</b>	<b>The Organization of Management Accounting Functions in Japanese Corporations</b>	<b>381</b>
	Katsuyasu Kato, Professor of Management Yoshitaro Harasawa, Professor of Organization Theory Yoshikazu Toyoshima, Professor of Management Accounting Kazumasa Kikuchi, Professor of Accounting Tadashi Kuriyama, Professor of Economic Statistics All Faculty of Economics, Tohoku University	
<b>25</b>	<b>Corporate Strategies and Divisionalized Management Control at Matsushita</b>	<b>399</b>
	Tamio Fushimi School of Business Administration, Keio University	
<b>26</b>	<b>Characteristics of Performance Control Systems in Japanese Corporations</b>	<b>413</b>
	Yasuhiro Monden Institute of Socio-Economic Planning, University of Tsukuba	
<b>27</b>	<b>Personnel Evaluation and Incentive Systems in Japanese Corporations</b>	<b>425</b>
	Satoru Takayanagi Institute of Socio-Economic Planning, University of Tsukuba	
<b>28</b>	<b>Internal Auditing in Japan: A Survey</b>	<b>433</b>
	Shigeo Aoki School of Business, Asia University Michiharu Sakurai School of Business, Senshu University	
	<b>PART V: Other Topics</b>	<b>447</b>
<b>29</b>	<b>Applying Quantitative Methods to Cost and Management Accounting Practices: A U.S. –Japanese Comparison</b>	<b>449</b>
	Yutaka Kato School of Management, Kobe University	

<b>30</b>	<b>The Relationship Between Environment and Budgeting Systems in Japanese Corporations</b>	<b>475</b>
	Hiromitsu Kojima Department of Economics, Hokkaido University	
<b>31</b>	<b>Financial Characteristics of Japanese Corporations</b>	<b>487</b>
	Rinya Shibakawa Institute of Socio-Economic Planning, University of Tsukuba	
<b>32</b>	<b>The Dividend Policy of Japanese Corporations</b>	<b>505</b>
	Yasuhiro Yonezawa Institute of Socio-Economic Planning, University of Tsukuba	
<b>33</b>	<b>Total Factor Productivity Analysis: Measuring the Impact of Privatization at Nippon Telegraph and Telephone Corporation</b>	<b>517</b>
	Muneya Sato School of Commerce, Yokohama City University	
	<b>About the Editors</b>	<b>531</b>
	<b>Index</b>	<b>533</b>