Impact of The Clarity of the Content of the Corporate Philosophy Expression on Corporate Financial Performance -The Health Beverage Industry in Japan Before and After The COVID-19 Pandemic: The Case of Yomeishu Seizo And Ito En

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Abstract

The purpose of the paper is to analyze the impact of the clarity of the expression of the corporate philosophy on the corporate financial performance of Japanese health beverage companies before and after the COVID-19 pandemic. Two companies were selected as a case study according to the clarity of the expression of their corporate philosophies and then their corporate financial performance was compared from the perspective of profitability in FY 2018-2022. The results showed, across all indicators used, the figures were more stable for the company which has a clearly expressed corporate philosophy. The author considers that a clear expression of the corporate philosophy would enable companies and employees to make appropriate and timely decisions in line with the current situation, and the company as a whole could focus on more profitable projects and measures, which in turn might lead to the stability of the corporate financial performance. On the other hand, a non-clear expression of the corporate philosophy would make companies and employees spend time and effort to unify the interpretation of such corporate philosophy, cause delays in decision-making, and ultimately hurt the stability of the corporate financial performance. Therefore, what this paper suggests based on the findings is that clarifying the content of the expression of the corporate philosophy would be able to lead to the stability of the corporate financial performance, and consequently might be the key to the survival of companies.

Keywords: management, corporate philosophy, financial performance, corporate survival, Japanese companies