國際學碩士學位論文

A Comparative Study:
The Impact of managing partners' and foreign stockholding on corporate enterprise value in Japanese and Korean firms

비교 연구: 일본과 한국의 경영자가 보유한 주식이

회사 가치에 미치는 영향

2014년 8월

서울大學校 國際大學院

國際學科 国際地域學專攻

嶋田 陽介

A Comparative Study: The Impact of managing partners' and foreign stockholding on corporate enterprise value in Japanese and Korean firms.

A thesis presented by

Shimada Yosuke

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A Comparative Study: The Impact of managing partners' and foreign stockholding on corporate enterprise value in Japanese and Korean firms.

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委 員 長　　文 輝 昌　　　　　　　(인)

副委員長　　安 德 根　　　　　　　(인)

指 導 教 授　　金 顕 哲　　　　　　(인)

Graduate School of International Studies Seoul National University

THESIS ACCEPTANCE CERTIFICATE

The undersigned, appointed by

The Graduate School of International Studies
Seoul National University

Have examined the thesis entitled

A Comparative Study: The Impact of managing partners' and foreign stockholding on corporate enterprise value in Japanese and Korean firms.

Presented by Shimada Yosuke

Candidate for the degree of Master of International Studies and hereby certify that it is worthy of acceptance

Committee Chair

Moon, Hwy-Chang

Vice Committee Chair

Ahn, Dukgeun

Committee Member

Kim, Hyun-Chul

Date: August 2014

Abstract

A Comparative Study: The Impact of managing partners' and foreign stockholding on corporate enterprise value in Japanese and Korean firms.

Shimada Yosuke
International Area Studies
Graduate School of International Studies
Seoul National University

Japan and Korean firms are highly competitive in similar fields. However, the structure of the corporate governance is different, especially structure of the shareholders. Japan has a Main Bank system in which bank can be a big shareholder. On the other hand, in Korea, owner has a dominant power over the whole group companies.

Managers basically try to expand and improve the value of the company in both Japan and Korea. It means that Alignment effects are bigger than Entrenchment effects in both countries.

Also, there is a certain point in which Entrenchment effects can be bigger than Alignment effects. In the range, managers try to enjoy their position and would satisfy their assets enough. That's why in both countries manager's shareholdings can be negative. However, once shareholdings are bigger than

around 50%, manager would consider their firm's assets as their own private assets. In this case, alignment effects will show up again.

Eventually both Japan and Korea show similar results in terms of impacts of manager's shareholdings on firm's value even the structure of corporate governance is different.

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Introduction

1. Introduction and Background Information

Japanese and Korean firms have various similar aspects and also different aspects. In terms of shareholdings, Japanese and Korean situations are so different. In Japan, generally separation of ownership and management are common and manager's shareholding are low. Also, there is a Main Bank System in Japan. Therefore, bank is a big shareholder of firms and recently foreigners' shareholdings have been increased.

On the other hand, in Korea traditionally firms are owed by an owner family and the family dominates the whole firms. However, owner doesn't have big shareholdings but instead affiliate companies have big shareholdings so that the owner can have strong power over whole group. Also, bank doesn't have much shareholding but foreigners are big shareholder in Korea, especially after [1]the IMF problem in 1997.

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[1] *THE 1997-98 ASIAN FINANCIAL CRISIS* The Asian financial crisis involves four basic problems or issues: (1) a shortage of foreign exchange that has caused the value of currencies and equities in Thailand, Indonesia, South Korea and other Asian countries to fall dramatically, (2) inadequately developed financial sectors and

Since around 90s several research about manager's shareholdings in terms of corporate governance have been conducted. Manager's shareholdings could be explained mainly by agency theory, which is elaborated by Jensen・Meckling（1976）. According to Agency theory, the ratio of shareholdings can affect firm values since shareholders such as manager, employee, bank and foreigner etc have different interest and intention.

In short, Shareholder is a trustor and manager can be a trustee.

Next, about effect of shareholdings on firm's value there are [2]Alignment and Entrenchment effects. According to Alignment effect, the increase of manager's shareholdings accords with the relationship of interests with the other shareholders and then manager will conduct to increase the value of the firms.

On the other hand, according to Entrenchment effects, manager tries to increase individual interests to resist oppression by the other shareholders.

In terms of corporate governance, shareholdings should be distributed to

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mechanisms for allocating capital in the troubled Asian economies, (3) effects of the crisis on both the United States and the world, and (4) the role, operations, and replenishment of funds of the International Monetary Fund.

[2] Alignment and Entrenchment effects are considered based on Alignment theory and Entrenchment theory in this thesis.

various people, firms, bank and foreigners etc and outside shareholders such as bank or foreigners play an important role to monitor the company's behavior.

In general, Japanese and Korean firms are competitive in similar fields but structures of shareholders are different. Therefore, how shareholdings of managers affect a firms' value would be much different in both countries. It will be significant to see the firm's value from the corporate governance point.

1-2 Composition of the thesis

In the second chapter, I will analyze the preceding researches.

In the first section, I want to see the theories which are related to the topic. Those are important factor to explain the relevance between shareholdings and enterprise values. And next I will take a look at researches about shareholdings of the manager and enterprise values, and also try to see the relevance between administrative action and enterprise value.

In this research, I conducted the comparative studies between Japan and Korea. Therefore I try to see the preceding researches in both countries about relevance between shareholdings and enterprise values.

In the third chapter, I will explain research question and hypothesis. Research

question and hypothesis are based on the preceding research but the preceding research is conducted in Japanese market.

In the fourth chapter, I will mention about methodology and verification. I use multiple regressions in this research which is based on the preceding research but I change the independent valuables a little bit for Korean market since characteristic of Japanese firms and Korean firms are different. I take different features of both countries into consideration.

In the fifth chapter, I will see the results of the data. Important thing in this chapter is if the each hypothesis is supported or not. And also I conducted supporting research to analyze the data in detail.

In the sixth chapter, I try to analyze the data following the fifth chapter. Based on the hypothesis, I want to analyze what is the feature and unique point in Japanese firms and also Korean firms, and what is the differences about effects of shareholdings by managers between Japanese and Korean firms.

In the seventh chapter, I want to conclude about what I researched and analyzed in this thesis. I'd like to focus on why the similar and different points are shown even if composition of the shareholders in both countries is so different. I try to see how Japanese main-bank system and Korean owner family management have an impact on each firm.

Literature Review

2-1 Agency Theory

First of all, I need to define and recognize the relations between shareholders who possess the firms and manager in order to consider how manager have an impact on firm's value. When we think of the structure of a corporation, it is natural to define that there is an Agency relationship between shareholders and manager because manager is selected by shareholders, that is, manager is asked to manage a company as a trustee. Relationship between Trustee and Trustor is always existed in a company's structure. According to Jensen/Meckling (1976), Agency relationship is that principal makes a contract to work for him/her including decision-making with agent, and it is just agency relationship between manager and shareholders. Although more and more firms try to separate possessing and managing, there is some possibility that manager does not always act to maximize shareholder's interests. Therefore, shareholders have to consider ways to deal with those conflicting interests.

For example, giving enough rewards and incentives not to act improperly or spending costs to monitor or restrict the manager's behavior is one of the

main measures to cope with those problems. So, agency costs will be big to a certain extent in order to make manager behave well as an agent by paying sufficient money or spending costs for monitoring. If company couldn't spend much money for incentives or monitoring, in that case manager may utilize company's resources to maximize their own interests. As a result of the case, firm's value would be decreased and make a big damage towards shareholders.

  In other words, as manager's shareholdings are decreased, dividend from the firm is decreased as well, and as a result, manager tries to make a use of firm's resources for their own interests.

However, what is important as to conflicting interests as decreasing manager's shareholdings is that manager may lose chance to create new business or escape from taking a huge responsibility. Manager would decrease their motivation for managing.

In this thesis, manager is also shareholder, so trustor and trustee play the same role. However, hypothesis and model are made on the premise that manager is an agent and at least behaves as trustee by being selected by shareholders.

Agency theory

Agent relations as Shareholder can be a trustor and Manager can be a trustee.

For example, when decreasing stock price, it decrease the interests as a shareholder, and then manager tries to appropriate the firm's assets. As a result, it decreases the firm's value. Jesen/Meckling(1976)

2-2 Preceding researches

Some research has been conducted about manager's shareholdings. In 1988, Morck,Shleifer and Vishny conducted a research targeting American firms. In the research, when manager's shareholdings are between 0% and 5%, the firm's value can be maximized. When they have 5% to 25%, the firm's value could be decreased.

In 1999, Short/Keasy conducted a research in Great Britain and he concluded that manager's shareholdings to 15.58% could have a positive impact on firm's value but from 15.58% to 41.84% the firm's value could have a negative impact, and then from 41.84% the firm's value will go up again positively.

In 2000, Teshima conducted a research about Japanese firms for a year in 1998 and he concluded that firm's value could be maximized around 20% of manager's shareholdings. And he mentions that there are the relations between manager's shareholdings and firm's value, which draws like a

mountain: increasing up to around 20% and decreasing gradually. In 2011, Shimami followed the Teshima's research and he conducted for 6 years from 2005 to 2010 about Japanese firms. He explained that firm's value could be up to around 40% and then drop to around 50% and then going up. It means that there is a point which can be negative but go back to positive effect again in some point.

On the other hand, in Korea Kim Woo-taek, Jang Dae-hong, Kim kyeong-Su in 1993.   They conducted a research 1980 to 1985 and they concluded that 20% and 25% are turning point. The firm's value can be increased to 20% and between 20% and 25% the value can be dropped but going up again from 25%.

Kim Yong Suk. Lee Jae-Chun in 2000 conducted a research targeting listed 168 firms for 10 years 1987 to 1996. According to the research, as the owner manager's shareholdings have increased, firm's value has decreased. But firm's value goes up over 25%. This means that management entrenchment hypothesis works for the low shareholdings and convergence of interest hypothesis works for the high shareholdings.

3. Research Question and Hypothesis

In this research, I would like to expand [3]Shimami's research in 2011. His research focused on Japanese manufacture firms from 2005 to 2010 listed on the Tokyo stock exchange market.

First, I will update it from 2009 to 2013. New research aims after the Lihman Brothers Collapse because the methodology of this research takes account of international effects using GDP. Generally firms show better performance after the Lihman Brothers Collaspe.

Second, I would like to apply this method to Korean market. There are several research have conducted before as I mentioned above but each has used different ways and research results are not actually consistent. Therefore I will use the Shimami's method for both Japanese and Korean firms in the same conditions. Japanese and Korean firms both are competitive in the international market and also most of these are manufacture fields. This method, which I will explain in the next section, can take care of research and development cost. So, it would fit to both countries.

In this research, I will focus on manufacture fields but in Korean

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[3] Shimami was Master of Business Administration of Kobe university at that time. He followed Teshima's research who is a professor of a Sensyu university.

firms, I will mainly focus on Chaebol since Chaebol has unique characteristic in Korea and owner family has a strong and dominant power over the whole affiliated companies.

Based on the information, I will consider the three hypotheses.

<u>Alignment effects and Entrenchment Effects</u>

If the manager's shareholdings is increased, interests with the stakeholders is accorded and manager will act to increase the firm's values ~**Alignment Effects**~

Increase of the manager's shareholdings would cause to resist the pressure from the other shareholders, and tries to increase own interests. ~**Entrenchments Effect**~ Morck/Shleifer/Vishny(1998)

<u>Hypothesis</u>

I.   : The ratio of manager's stock-holding has positive relationship with corporate enterprise value in both countries.   (Agency Theory- Jensen/Meckling 1976)

II. : The manager's shares of corporate stocks in the company has a partially negative impact in both countries.(Entrenchment Theory. Alignment Theory- Morck/Shleifer/Vishny 1988)

III. : Influence of manager's stock-holding in Korea is bigger than in Japan. (based on 1 and 2) In Japan, around 15-20% is max. In Korea, 25-35%

4. Methodology and Model Verification
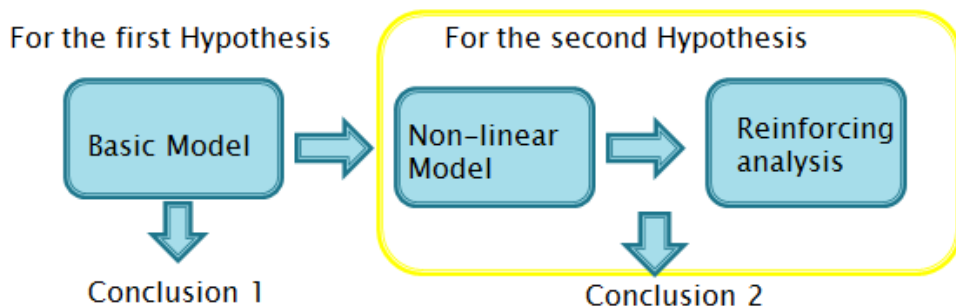
First, I will use basic linear model for the first Hypothesis.

Second, I will use the non-linear model in order to check if the negative point would exist or not by using the Cubic function.

Last, if the first and second model doesn't make a proper come out, Supplemental analysis will be useful to know the specific values.

Verification of Hypothesis 1

Using basic linear model

$$Q_i = \alpha + \beta_1 MGT_i + \sum \beta_k CONT_{i,k} + \varepsilon_i$$

Verification of Hypothesis 2

Using non-linear model

$$Q_i = \alpha + \beta_1 MGT_i + \beta_2 MGT_i^2 + \beta_3 MGT_i^3 + \sum \beta_k CONT_{i,k} + \varepsilon_i$$

Non-linear model is conducted to analyze if there is a partially negative point or not. And MGT2 is squared of MGT and MGT3 is cubed of MGT as well. This non-linear model is used to confirm the hypothesis 2.

Piecewise linear regression analysis

Supplemental analysis

: Piecewise linear regression can divide the section of the MGT and remove the effects of other sections. It makes possible to analyze the each section. This analysis can narrow down the section and analyze more detail. If there is a negative section, negative range and critical point can be confirmed based on non-linear model.

$$Q_i = a + \beta_1 MGT_{i,a\sim b} + \beta_2 MGT_{i,b\sim c} + \beta_3 MGT_{i,c\sim} + \Sigma \beta_k CONT_{i,k} + \varepsilon_i$$
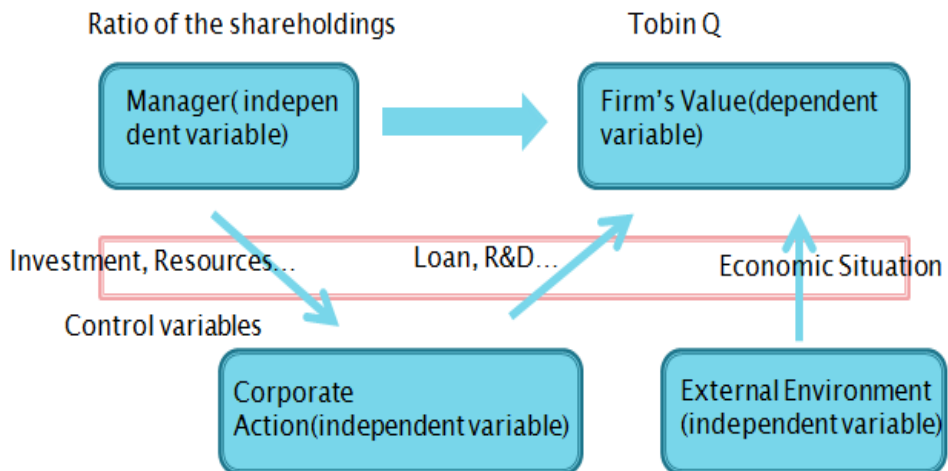
Definition of the Variables

1. Dependent Variables

<u>Q</u>:[4] Tobin's q

: In most of the previous research, Tobin's Q is used as a variable of the firm's value. Therefore, I will use Tobin Q as dependent variables.

In this research, I will use Simple q from five different Tobin Qs, which have been used by Teshima and Shimami[5].

Independent Variables

<u>MGT</u>: ratio of stock-holding by manager

In this research, MGT is defined as the ratio of stock-holding by manager in Japan. On the other hand, in Korea MGT is defined as the ration of stock-holding by owner and affiliated companies as well because Korean firms are mainly owned by an owner family and they dominate the whole affiliated companies. The definition of 'manager' is not only manager but also corporate manager and family of the manager, and assets management firms. However, auditor, investment firms, holding company, school and incorporated foundation are excluded since these organizations don't participate in management actively. And relatives and assets management

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[4] According to Lindenberg/Ross(1981), Market Value(Equity + Debt + Preferred Stock) ÷ Replacement Value(Plant + Equipment + Inventories).
[5] Simple Q is used by Teshima (2000) and other ways is hard to predict.

firms are judged by the annual report's adders.

FIN: Ratio of shares by financial institution

According to the [6]annual report, financial institution is chosen from financial section of situation of shareholdings excluding security firms.

In general, financial institution has big shareholdings in Japan because of main-bank system, so it could play an important role to monitor firms and it could be pressure of the governance as well. On the other hand, it doesn't have big shareholdings compared to Japanese firms in Korea.

In Japan, there is a limitation of the stocks which financial institution can have. If the ration of the financial institution is large, it means many financial institutions have shareholdings. What's a main different with other shareholders is that they can be shareholder as well as creditor. As a creditor, they have to monitor a company strictly because their interests are consistent with company's interests. In fact, it can be considered that the role of the financial institution is stronger as a creditor than as a shareholder. In other ward, shareholdings of the financial institution can have an impact on the firm's value.

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[6] Annual report is *Yukasyouken hokokusyo* in Japan and *Saobu bogoso* in Korea. In Japan, annual report is published in March. In Korea, annual report is published in November.

<u>CORP</u>: Ratio of shares by other corporations

According to the annual report, corporate is chosen from corporate section of the situation of shareholdings.

This section is similar in both countries. Generally affiliated companies or trading partners share the stockholdings, and they don't make a strong pressure on a company. That's why sometimes corporate section has a negative affect towards company's value. It would give a chance for manager to do business freely without any pressure from outside. In this case, entrenchment effects could show up[7].

On the other hand, Korean firms have large shareholdings among affiliated companies, especially Korean Chaebol. Almost 30% of the shareholdings are by affiliated companies including manager's shareholdings. This is a unique characteristic of the Korean firms. Owner basically doesn't have many shareholdings by themselves but instead affiliated companies have each shareholding, and after all owners can have strong power over the all group companies.

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[7] According to McConnell/Servaes (1990) and Lichtenberg/ Pushner (1994), there is no correlation between shareholdings of corporate and firm's value. And based on Japan's data, sharing among group companies and trading companies have a negative impact on firm's value.

FOR: Ratio of shares by foreigners

According to the annual reports, foreigners are chosen from the section of the situation of foreign corporate. Foreigners require transparent management, their rights and dividend, so in general they have a positive affect towards firm's value.

In fact, in both Japan and Korea, foreigners play a role to monitor a company since their purpose to invest is obviously interests. In both countries, foreigners have around 30% of shareholdings. From this high number, it can be considered that foreigners have power enough to influence firm's value. Thanks to them, more and more firms have had to be transparent and reinforced to monitor.

GDPC: Percent change of shareholders from previous year

GDP is change rate from previous year. GDP is used to know and control how much macro economics have an influence on the firm's value. According preceding researches, Short/Keasey(1999) used dummy variable for annual year and tried to exclude the influence of the macroeconomics. Also,

Nishizaki/Kurasawa(2002) defined macroeconomics as factor which have an influence on firm's value. Based on this, in this research GDP is used as independent variable in both countries.

RD_AST: Ratio of research and development expenditure

It is research and development expenditure and it shows whether firm conduct a research positively or not judged from a firm's stock aspect. In this research, manufacturing companies are main target, and also Japan and Korea are strong in manufacturing sector, so research and development expenditure would at least have an influence to a certain extent.

DA : Ratio of dependent of loan

It shows dependent of loan. Jensen (1986) mentioned that efficiency of the organization can be achieved through monitoring towards manager by creating loan, and it would influence Tobin's Q if it leads to increasing profitability.

On the other hand, according to Morck/Shleifer/Vishny (1988), loan and profitability have negative relations and as a result it will give a negative effect towards Tobin's Q.

Therefore, there are various understandings and views about loan's influence. In this research, this is used as variable since financial institution is set as a control variable as a position of creditor.

ASTGRW: Growth rate of total assets from previous year

It is total assets from previous year. GDP's change from previous year mentioned above can't be controlled by manager but this growth rate is the result of business action and it can influence on firm's value as a micro factor. This variable can be changed through business action and management in a daily life.

LN_AST: Logarithm of total assets

It is logarithm of total assets and this shows the scale of a company.
Kole (1995) mentioned that there is a positive relation between shareholdings of manager and firm's value, and this is bigger in small-sized company than large-sized company. Therefore he suggested the scale of company should be considered.

<u>GAPEX_AST</u>: Ratio of total assets' investment capital

It is total assets' investment capital. McConnell/Muscarella (1985) has conducted research 1975 to 1981 with 658 firms as sample and they concluded that there is a positive effect responding to the announcement of that price will make capital expenditure increase.

When total assets' investment capital is enough, firm can invest in facilities and business etc, so business can be conducted continuously. Therefore, it can influence positively towards Tobin's Q through the stock price.

<u>Cont</u>

α：Constant term

β：coefficient

CONT: control variables

4-1 Sample choice.

In Japan, data are taken out of annual report (Tokyo Exchange Market) from 2009 to 2013 with the same time data reported at March. All data is from single company.

Targeted firms for this research is manufacturing companies excluding service, financial, security, wholesale, insurance, transportation and foreign corporate. This is because research and development expenditure would influence on firm's value directly, and many preceding researches have used it as a control variable.

On the other hand, in Korea, data are taken out of annual report (KOSPI) from 2009 to 2013 with the same time data reported at November. Other conditions are same with Japanese situation.

Figure1 shows the basic data of the Japanese samples using for the research.

Sample : Manufacturing industry 2009~2013

Japan : Listed on Tokyo Exchange Market・・・580 samples

Tobin Q: Corporate enterprise value : Average 1.069

	Total firms	Min	Max	Median	Average	Standard Deviation
TobinQ	580	0.175	5.450	0.934	1.069	0.637
MGT	580	0.001	59.300	0.149	5.295	12.411
FIN	580	5.800	61.300	31.600	31.149	11.293
CORP	580	1.000	64.530	12.800	16.970	12.719

FOR	580	0.200	59.500	21.840	22.324	12.213
GDPC	580	-5.530	4.650	1.950	0.471	3.417
RD_AST	580	0.000	16.412	2.045	2.975	2.969
DA	580	0.000	82.151	23.956	25.052	18.485
ASTGRW	580	-33.345	93.190	0.986	2.007	11.384
LN_AST	580	10.318	13.051	11.586	11.632	0.589
CAPEX_AST	580	0.410	99.118	70.033	66.762	18.476

MGT: Ratio of the manager's shareholdings : <u>Average 5.295 Median 0.149</u>

In some companies, owner-manager has big shareholdings but in most companies manager has small shareholdings.

Figure 1(Japan)

Figure2 shows the basic data of the Korean samples using for the research.

Sample : Manufacturing industry 2009~2013

Korean : Listed on KOSPI, Mainly Chaebol ・・・198 samples

Tobin Q: Corporate enterprise value : Average 1.069

MGT: Ratio of the manager's shareholdings: <u>Average 33.024 Median 32.680</u>

Manager's shareholdings in Korea are relatively centered at around 33%.

Figure 2(Korea)

	Total Firms	Min	Max	Median	Average	Standard Deviation
TobinQ	198	0.286	5.203	0.827	0.997	0.680
MGT	198	0.008	83.970	32.680	33.024	14.402
CORP	198	4.000	50.750	8.570	11.556	8.4963
FOR	198	0.360	54.000	20.980	21.673	14.452
GDPC	198	0.319	6.320	2.775	2.991	1.968
RD_AST	198	0.087	14.200	1.617	2.624	2.639
DA	198	0.000	49.831	16.183	16.861	11.962
ASTGRW	198	-22.606	188.000	7.991	10.701	19.122
LN_AST	198	10.860	14.189	12.766	12.708	0.663
CAPEX_AST	198	20.368	94.160	73.333	70.259	15.322

5. Results of the Data

➢ Japanese firms.

1. Linear Model.

Figure 3 shows MGT t >0 and P-Value satisfies the significance level.

Therefore, manager's shareholdings have a positive effect.

Hypothesis 1: Shareholdings have positive relationship with corporate enterprise value

Hypothesis 1 is satisfied

Figure 3(Linear Model)

	Coefficient	Standard Error	t	P-Value
Intercept	1.270	0.5194	2.445	0.014779
MGT	0.0152	0.00290	5.255	2.16E-07
FIN	0.000596	0.00251	0.236	0.00212
CORP	-0.00019	0.00242	-0.0773	0.0038
FOR	0.0231	0.00260	8.893	9.85E-18

GDPC	0.00263	0.00658	0.399	0.0689
RD_AST	0.0109	0.008471	1.294	0.019591
DA	-0.0039	0.00148	-2.635	0.008664
ASTGRW	0.00762	0.002154	3.541	0.000434
LN_AST	-0.100	0.045157	-2.215	0.02719
CAPEX..	0.00627	0.001294	4.851	1.62E-06

2. Non-linear mode

Figure 4 shows that MGT1 is t>0 and also P-Value satisfies the significance level. However, MGT2 and MGT3 doesn't satisfy the P-Value but it implies that there will be a negative point; MGT2<0 and MGT3>0. Only MGT1 is satisfied.

Hypothesis 2 : The manager's shareholdings of corporate stocks in the company has a partially negative impact.

It is not supported, so supplemental analysis will be conducted.

  Using supplemental analysis

Figure 4 (Non-linear Model)

	Coefficient	Standard Error	t	P-Value
Intercept	0.690999	0.527002	1.311189	0.190376
MGT1	0.059632	0.016692	3.572479	0.000387
MGT2	-0.00151	0.001016	-1.48846	0.13724
MGT3	9.3E-06	1.47E-05	0.633294	0.526821
FIN	0.002341	0.002501	0.936089	0.349664
CORP	0.001188	0.002397	0.495384	0.62054
FOR	0.023824	0.002582	9.22637	7.13E-19
GDPC	0.004438	0.006476	0.685389	0.493406
RD_AST	0.007782	0.008381	0.928562	0.35355
DA	-0.00417	0.001478	-2.82128	0.004967
ASTGRW	0.005539	0.002164	2.559414	0.010768
LN_AST	-0.06137	0.045163	-1.35882	0.174797
CAPEX..	0.006484	0.001274	5.09104	5E-07

3. Supplemental analysis

I would like to do supplemental analysis to make a more specific research and
to get a specific data.

I conducted calculations by dividing some sections and I chose the clearer
point to analyze.

Figure5 shows that there is a negative point between 35%-45% and then it
will be a positive after 45%. I assume that firm's value would be a negative
around 30~35% and then would be back to positive again from around 45%.
Therefore Hypothesis 2 is satisfied.

Figure 5 (Supplemental analysis)

	Coefficient	Standard Error	t	P-Value
Intercept	0.978501	0.496529	1.970683	0.049246
MGT0-35	0.024843	0.003485	7.128046	3.11E-12
MGT35-45	-0.00323	0.002766	-1.16962	0.00226
MGT45over	0.006842	0.003027	2.260515	0.00241

FIN	0.001968	0.002388	0.824187	0.41018
CORP	0.001858	0.002151	0.864023	000387
FOR	0.024518	0.002412	10.16688	2.03E-22
GDPC	0.003586	0.006206	0.577789	0.563636
RD_AST	0.017274	0.008122	2.12686	0.033863
DA	-0.00209	0.001387	-1.50859	0.13196
ASTGRW	0.005995	0.002071	2.895165	0.003936
LN_AST	-0.08501	0.044067	-1.92905	0.054223
CAPEX..	0.005388	0.00122	4.416202	1.2E-05

➢ [8]Korean firms

1. Linear Model

Figure 6 shows MGT t >0 and P-Value satisfies the significance level.

Therefore, manager's shareholdings have a positive effect.

This result supports the Hypothesis 1 in Korea as well.

Hypothesis 1: Shareholdings have positive relationship with corporate

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[8] For Korean firms, MGT includes manager and family's shareholdings and also shareholdings among group companies.

enterprise value.

However, MGT is not high even it is significant. It's because Agency Theory might not work. The ratio of manager's shareholdings are centered at around 30%.

Figure 6 (Linear Model)

	Coefficient	Standard Error	t	P-Value
Intercept	5.933243	1.178087	5.036339	1.11E-06
MGT	0.000737	0.003839	0.192061	0.000402
CORP	0.001418	0.005918	0.239603	0.00109
FOR	0.03341	0.004665	7.161173	1.78E-11
GDPC	0.003903	0.022501	0.173446	0.0862488
RD_AST	0.046465	0.016947	2.741745	0.006705
DA	0.007789	0.003921	1.986286	0.048462
ASTGRW	0.004302	0.002345	1.834056	0.068235
LN_AST	-0.41875	0.088653	-4.7234	4.54E-06
CAPEX..	-0.00983	0.003175	-3.0952	0.002269

2. Non-linear model

Figure 7 shows that MGT1 is t>0 and also P-Value satisfies the significance level. Also, MGT2 and MGT3 satisfies the P-Value and it clearly shows that there will be a negative point and will be back to positive again; MGT2<0 and MGT3>0.

So, hypothesis 2 is satisfied.

Hypothesis 2: The manager's shareholdings of corporate stocks in the company has a partially negative impact.

Figure 7 (Non-linear model)

	Coefficient	Standard Error	t	P-Value
Intercept	4.111394	1.273861	3.227507	0.001477
MGT1	0.077827	0.023488	3.313451	0.001109
MGT2	-0.00196	0.00065	-3.02323	0.002856
MGT3	1.4E-05	5.29E-06	2.642243	0.008941
CORP	0.009135	0.006175	1.47938	0.140739
FOR	0.035715	0.004626	7.721355	7E-13

GDPC	0.009399	0.02201	0.427041	0.669846
RD_AST	0.032398	0.016992	1.906624	0.058119
DA	0.012125	0.004017	3.01852	0.002898
ASTGRW	0.005017	0.002294	2.187211	0.029981
LN_AST	-0.36423	0.089645	-4.063	7.15E-05
CAPEX..	-0.00798	0.00316	-2.52626	0.012367

I would like to narrow down the section to understand the negative point.

Therefore, I will use a reinforcing analysis.

3. Supplemental analysis

I conducted calculations by dividing some sections and I chose the clearer point to analyze.

Figure8 shows that there is a negative point between 70%-80% and then it will be a positive after 80%. I assume that firm's value would be a negative around 65~75% and then would be back to positive again from around 80%. Therefore Hypothesis 2 is satisfied.

Figure 8 (Supplemental analysis)

	Coefficient	Standard Error	t	P-Value
Intercept	5.808078	1.212441	4.7904	3.4E-06
MGT0-70	0.001662	0.004295	0.387	0.000691
MGT70-80	-0.00075	0.005163	-0.14458	0.0000289
MGT80over	0.000161	0.007772	0.02078	0.000834
CORP	0.001743	0.005982	0.291354	0.771107
FOR	0.033315	0.004699	7.090497	2.74E-11
GDPC	0.003667	0.022777	0.160972	0.872291
RD_AST	0.046314	0.017038	2.718288	0.007186
DA	0.008023	0.003973	2.019554	0.044873
ASTGRW	0.004182	0.002398	1.743942	0.08283
LN_AST	-0.41016	0.090896	-4.51239	1.14E-05
CAPEX..	-0.01003	0.00322	-3.11493	0.002133

6. Analyze the Data

Japanese Firms
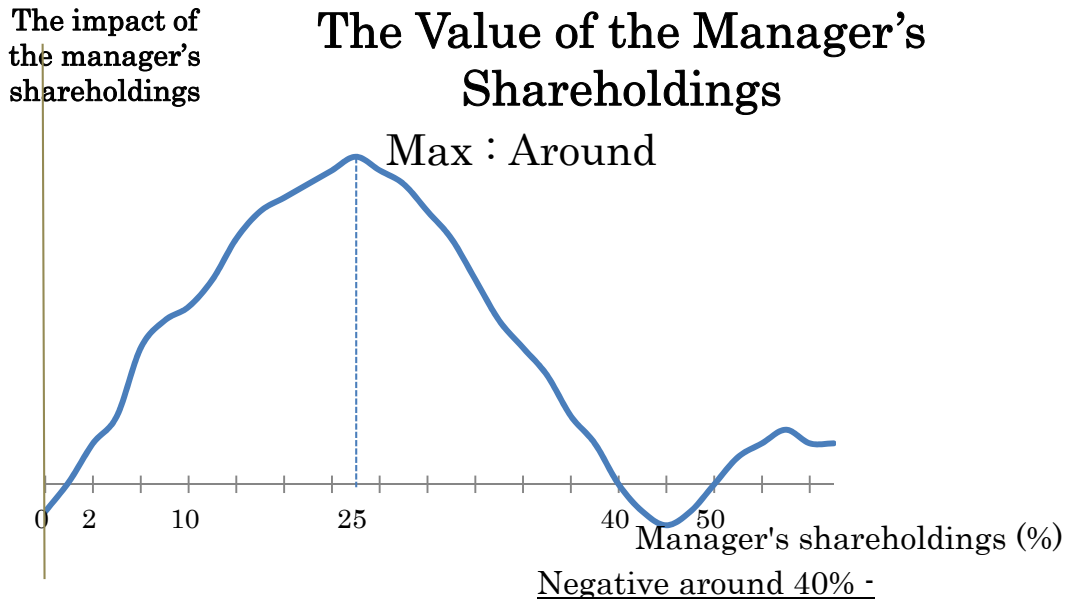
The impact of
the manager's
shareholdings

The Value of the Manager's Shareholdings
Max：Around

0 2 10 25 40 50 Manager's shareholdings (%)

Negative around 40% -

First, Manager's stock-holding has positive relationship with corporate enterprise value. (Confirmed the Alignment effects)

Second, there is a partially negative point. And, there are negative points when manager's shareholding is close to 0%. It is not easy for them to utilize the company's assets. That's why they try to gain reward to increase and expand the company's values as a trustee.　From this point of view, it can be mentioned that Alignment effects would be bigger in Japan than in Korea.

Also, once manager's assets have achieved to a certain level, manager's

motivation towards the incentives will be decreased, and then entrenchment

effects to stay their position show up.

When manager's shareholdings are over 45%~50%, manager's individual

assets and owing a company could be accorded, and then a positive effect

show up again.
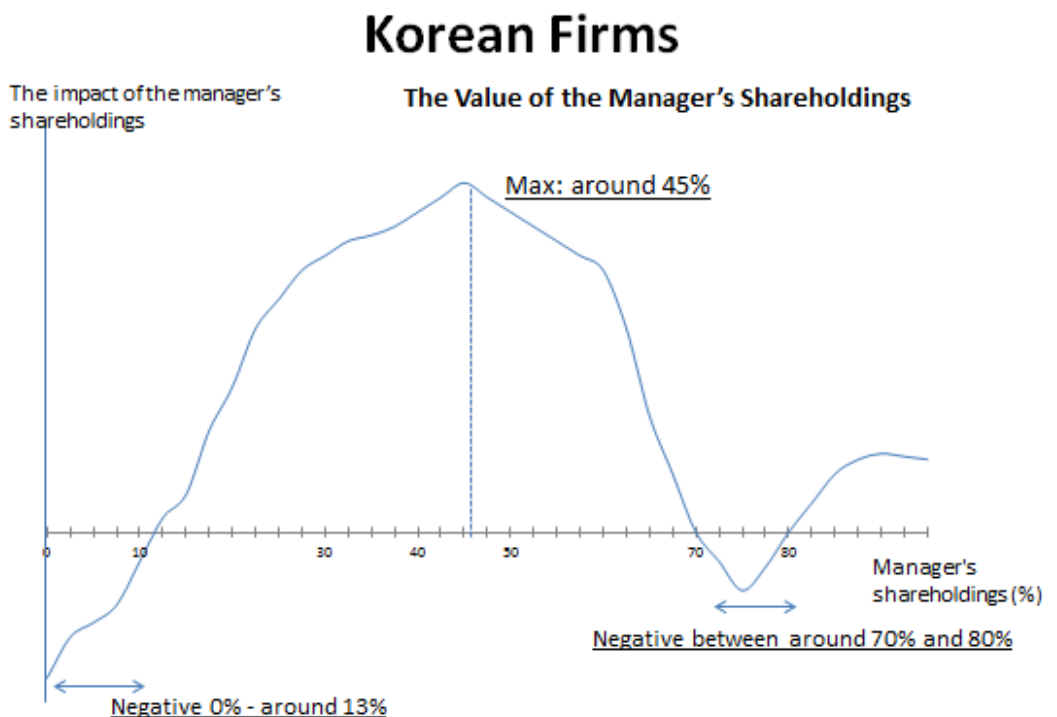
Korean Firms

The impact of the manager's shareholdings

The Value of the Manager's Shareholdings

Max: around 45%

Manager's shareholdings (%)

Negative between around 70% and 80%

Negative 0% - around 13%

First, manager's stock-holding has positive relationship with corporate

enterprise value. (Confirmed the Alignment effects)

Second, there is a partially negative point. Especially, the value of the firms can be negative between 0% and 15%. In the low level of the shareholdings, Entrenchment effects can be bigger.(-) Preceding researches support this idea. Generally Entrenchment effects can be bigger in Korea than in Japan.

Dominant owner tries to maximize their individual interests sacrificing the small shareholders. Conflict of interests between dominant shareholder and small shareholders are serious around 10% of manager's shareholdings.(-)

On the high shareholdings, manager and other shareholders share the mutual interests.(+)

6-1 Considering differences and similarities

In both Japan and Korea, the increase of the manager's shareholding has a positive effect. (Alignment effect)

However, Entrenchment effect could exist in a certain section and it shows a negative point. But it doesn't affect in a whole perspective.

As for Japanese firms, manager's shareholdings are so low compared to Korean firms. Manager's private usage of the firm's resource is hard and taking a responsibility to manage a company as an agency can lead the

increase of the firm's value and stock price because in this way they try to gain much reward. Alignment effect can be higher.

However, once manager's assets reach to a certain enough level, manager's intention by incentive would be getting less, and then Entrenchment effect shows up.

When shareholdings is over 45%~50%, possessing company and individual assets are accorded and then positive effects show up again.

On the other hand, in Korean firms, mainly Chaebol, Owner is a Manager. Owner's shareholdings are actually not high but affiliated companies have shareholdings among them possessing around 30%, which makes owner dominate and control the whole affiliated companies. This is the main Korean Chaebol shareholdings' structure.

Korean firm's value can be max around 45% and they possess shareholdings around 30% on average. This seems to be a little bit more effective than Japanese cases since Japanese firm's shareholdings by manager are around 5% but firm's value can be max when shareholdings reach to around 25%.

Japan takes Main bank System (around 30%). Preceding researches and this research show financial institution have positive influences.

Bank can be not only shareholder but also creditor, so they exert strong power to monitor a company.(+) Bank's power can be stronger than manager in

terms of shareholdings. That's why the impact could be less.

On the other hand, in Korea, Owner family or group companies have around 30% shareholdings and have strong power. Compared to Japanese firms, Korean firm assets can be considered as owner's family assets. It would be more than Alignment effects and Entrenchment effects. The impact of the shareholdings could be higher as they possess more shareholdings.

6-2 Analyze the Data from the foreigner's aspects

First, in both countries, foreigners are relatively big shareholder even both countries have different structure of the corporate governance.

Second, consequently, foreign shareholders give a positive effect to the firm's value. (+)

Foreign shareholders play a role to monitor a company's act, which makes firms perform properly in terms of corporate governance.

6-3 Considering Hypothesis 3

Hypothesis 3：<u>Influence and impact of manager's stock-holding in Korea is bigger than in Japan.</u>

Korean firm's enterprise value would be Max around 45%. It is more effective

than Japan in terms of increasing the firm's value since Korean manager's

have around 30% shareholdings on average. Japanese firms: Average 5%

(Median 0.149%): Max around 25%.   Support the Hypothesis 3.

7. Conclusion

First, managers basically try to expand and improve the value of the company

in both Japan and Korea. It means that Alignment effects are bigger than

Entrenchment effects in both countries.

Second, there is a certain point in which Entrenchment effects can be bigger

than Alignment effects. In the range, managers try to enjoy their position and

would satisfy their assets enough. That's why in both countries there are

partially negative. However, once shareholdings are bigger than around 50%,

manager would consider their firm's assets as their own private assets. In this

case, alignment effects will show up again.

Third,bBoth Japan and Korea show similar results even the structure of

shareholder and corporate governance is different. Point is that in the Korean firm's owner has strong power and dominate the whole group companies in terms of shareholdings, and results show it is proper attitude to improve firm's value because manager's shareholdings have positive effects even the ratio of the shareholdings are so high.

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9. Appendix A Piecewise

Graphs below are used to analyze the data which is calculated by multiple regressions.

It is non-linear model in which I conducted in three sections to narrow down the ratio of shareholdings.

In Japan,

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.690999	0.527002	1.311189	0.190376	-0.34433	1.726327	-0.34433	1.726327
MGT	0.059632	0.016692	3.572479	0.000387	0.026839	0.092425	0.026839	0.092425
MGT2	-0.00151	0.001016	-1.48846	0.13724	-0.00351	0.000484	-0.00351	0.000484
MGT3	9.3E-06	1.47E-05	0.633294	0.526821	-2E-05	3.82E-05	-2E-05	3.82E-05
FIN	0.002341	0.002501	0.936089	0.349664	-0.00257	0.007253	-0.00257	0.007253
CORP	0.001188	0.002397	0.495384	0.62054	-0.00352	0.005897	-0.00352	0.005897
FOR	0.023824	0.002582	9.22637	7.13E-19	0.018751	0.028896	0.018751	0.028896
GDPC	0.004438	0.006476	0.685389	0.493406	-0.00828	0.01716	-0.00828	0.01716
RD_AST	0.007782	0.008381	0.928562	0.35355	-0.00868	0.024247	-0.00868	0.024247
DA	-0.00417	0.001478	-2.82128	0.004967	-0.00707	-0.00127	-0.00707	-0.00127
ASTGRW	0.005539	0.002164	2.559414	0.010768	0.001287	0.009791	0.001287	0.009791
LN_AST	-0.06137	0.045163	-1.35882	0.174797	-0.1501	0.027357	-0.1501	0.027357
CAPEX..	0.006484	0.001274	5.09104	5E-07	0.003982	0.008986	0.003982	0.008986

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.08229	0.506415	2.137159	0.033012	0.087611	2.076969	0.087611	2.076969
MGT0-5	0.000948	0.027745	0.034157	0.972764	-0.05355	0.055443	-0.05355	0.055443

MGT5-25	0.028488	0.005495	5.184763	3.01E-07	0.017696	0.03928	0.017696	0.03928
MGT 25over	0.005093	0.002109	2.414856	0.016057	0.000951	0.009236	0.000951	0.009236
FIN	0.003115	0.002494	1.249176	0.212116	-0.00178	0.008013	-0.00178	0.008013
CORP	0.003392	0.00219	1.549176	0.121897	-0.00091	0.007694	-0.00091	0.007694
FOR	0.025055	0.002512	9.973393	1.08E-21	0.020121	0.029989	0.020121	0.029989
GDPC	0.005206	0.006369	0.817423	0.41403	-0.0073	0.017715	-0.0073	0.017715
RD_AST	0.013718	0.008358	1.641292	0.101291	-0.0027	0.030134	-0.0027	0.030134
DA	-0.00163	0.001422	-1.1464	0.252115	-0.00442	0.001163	-0.00442	0.001163
ASTGRW	0.006246	0.002121	2.945064	0.003361	0.00208	0.010412	0.00208	0.010412
LN_AST	-0.1004	0.044995	-2.23141	0.026044	-0.18878	-0.01203	-0.18878	-0.01203
CAPEX..	0.005547	0.001262	4.396667	1.31E-05	0.003069	0.008025	0.003069	0.008025

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.040093	0.523116	1.988265	0.047263	0.012612	2.067575	0.012612	2.067575
MGT0-1	-0.03879	0.110359	-0.35148	0.725358	-0.25555	0.177973	-0.25555	0.177973
MGT1-25	0.038881	0.005955	6.529236	1.47E-10	0.027185	0.050578	0.027185	0.050578
MGT25over	0.00464	0.002143	2.165054	0.0308	0.000431	0.00885	0.000431	0.00885
FIN	0.002851	0.002429	1.173434	0.241114	-0.00192	0.007622	-0.00192	0.007622
CORP	0.003301	0.002143	1.540288	0.124048	-0.00091	0.007511	-0.00091	0.007511
FOR	0.025248	0.002448	10.31174	5.75E-23	0.020439	0.030057	0.020439	0.030057
GDPC	0.005566	0.006271	0.887467	0.375204	-0.00675	0.017884	-0.00675	0.017884
RD_AST	0.016683	0.008209	2.032323	0.042586	0.00056	0.032806	0.00056	0.032806
DA	-0.00194	0.001398	-1.38854	0.165518	-0.00469	0.000805	-0.00469	0.000805
ASTGRW	0.005711	0.002087	2.736082	0.006412	0.001611	0.009811	0.001611	0.009811
LN_AST	-0.10078	0.045572	-2.21133	0.027411	-0.19029	-0.01126	-0.19029	-0.01126
CAPEX..	0.006197	0.001228	5.045867	6.09E-07	0.003785	0.008609	0.003785	0.008609

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.985975	0.51863	1.901114	0.057794	-0.0327	2.004646	-0.0327	2.004646
MGT0-2	0.076723	0.073826	1.039251	0.299131	-0.06828	0.221728	-0.06828	0.221728
MGT2-25	0.0285	0.005528	5.155675	3.5E-07	0.017642	0.039358	0.017642	0.039358
MGT25over	0.005619	0.00215	2.613072	0.009211	0.001395	0.009843	0.001395	0.009843
FIN	0.003032	0.002493	1.216319	0.22437	-0.00186	0.007928	-0.00186	0.007928
CORP	0.00346	0.002191	1.579164	0.114856	-0.00084	0.007764	-0.00084	0.007764
FOR	0.025647	0.002477	10.35594	3.9E-23	0.020783	0.030512	0.020783	0.030512
GDPC	0.005248	0.006372	0.823624	0.410499	-0.00727	0.017764	-0.00727	0.017764
RD_AST	0.014707	0.008378	1.755409	0.079729	-0.00175	0.031163	-0.00175	0.031163
DA	-0.00137	0.001425	-0.96082	0.337054	-0.00417	0.001429	-0.00417	0.001429
ASTGRW	0.006328	0.00212	2.984414	0.002964	0.002163	0.010493	0.002163	0.010493
LN_AST	-0.09689	0.045536	-2.12781	0.033784	-0.18633	-0.00745	-0.18633	-0.00745
CAPEX..	0.005777	0.001251	4.619353	4.77E-06	0.003321	0.008234	0.003321	0.008234
	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.867455	0.507407	1.709583	0.08789	-0.12917	1.864082	-0.12917	1.864082
MGT0-10	0.063908	0.013764	4.643107	4.27E-06	0.036873	0.090943	0.036873	0.090943
MGT10-25	0.023877	0.005628	4.242468	2.58E-05	0.012822	0.034931	0.012822	0.034931
MGT25over	0.006192	0.002108	2.937277	0.003446	0.002051	0.010332	0.002051	0.010332
FIN	0.002995	0.002476	1.210014	0.226778	-0.00187	0.007858	-0.00187	0.007858
CORP	0.003203	0.002177	1.470867	0.141882	-0.00107	0.00748	-0.00107	0.00748
FOR	0.026217	0.002465	10.63567	3.27E-24	0.021375	0.031059	0.021375	0.031059
GDPC	0.005349	0.00633	0.845013	0.39846	-0.00708	0.017781	-0.00708	0.017781
RD_AST	0.014228	0.008291	1.716048	0.086699	-0.00206	0.030512	-0.00206	0.030512
DA	-0.00106	0.001413	-0.75172	0.452534	-0.00384	0.001713	-0.00384	0.001713
ASTGRW	0.006501	0.002107	3.085121	0.002134	0.002362	0.01064	0.002362	0.01064
LN_AST	-0.08998	0.044887	-2.00448	0.045493	-0.17814	-0.00181	-0.17814	-0.00181

CAPEX..	0.005938	0.001243	4.778618	2.25E-06	0.003497	0.008378	0.003497	0.008378

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.025819	0.53137	1.930519	0.054041	-0.01787	2.069512	-0.01787	2.069512
MGT0-1	-0.07146	0.110686	-0.64565	0.518769	-0.28887	0.145941	-0.28887	0.145941
MGT1-40	0.020184	0.003531	5.716345	1.76E-08	0.013249	0.027119	0.013249	0.027119
MGT40over	0.000264	0.00229	0.115212	0.908318	-0.00423	0.004762	-0.00423	0.004762
FIN	0.001338	0.002396	0.558353	0.576824	-0.00337	0.006043	-0.00337	0.006043
CORP	0.002403	0.002149	1.11826	0.263929	-0.00182	0.006625	-0.00182	0.006625
FOR	0.025096	0.002463	10.18858	1.68E-22	0.020258	0.029935	0.020258	0.029935
GDPC	0.004522	0.006302	0.717637	0.473277	-0.00786	0.0169	-0.00786	0.0169
RD_AST	0.015111	0.008274	1.826249	0.068338	-0.00114	0.031363	-0.00114	0.031363
DA	-0.00186	0.001405	-1.32619	0.185312	-0.00462	0.000897	-0.00462	0.000897
ASTGRW	0.006701	0.002079	3.22322	0.00134	0.002618	0.010785	0.002618	0.010785
LN_AST	-0.08938	0.046474	-1.92315	0.054962	-0.18066	0.001906	-0.18066	0.001906
CAPEX..	0.005739	0.001235	4.647115	4.19E-06	0.003314	0.008165	0.003314	0.008165
	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%

	係数	標準誤差	t	P-値	下限95%	上限95%	下限95.0%	上限95.0%
切片	0.779525	0.510329	1.527497	0.127195	-0.22284	1.781891	-0.22284	1.781891
MGT0-2	0.040517	0.03367	1.203361	0.229339	-0.02562	0.106651	-0.02562	0.106651
MGT2-40	0.022903	0.003362	6.811829	2.47E-11	0.016299	0.029508	0.016299	0.029508
MGT40over	0.00127	0.002245	0.565767	0.571776	-0.00314	0.005681	-0.00314	0.005681
FIN	0.002744	0.002421	1.133524	0.257473	-0.00201	0.0075	-0.00201	0.0075
CORP	0.00284	0.002135	1.330318	0.183948	-0.00135	0.007032	-0.00135	0.007032
FOR	0.025041	0.00243	10.30346	6.18E-23	0.020268	0.029815	0.020268	0.029815
GDPC	0.005511	0.006265	0.879582	0.379458	-0.00679	0.017816	-0.00679	0.017816
RD_AST	0.016387	0.008252	1.985709	0.047547	0.000178	0.032595	0.000178	0.032595
DA	-0.00226	0.00141	-1.60449	0.109163	-0.00503	0.000507	-0.00503	0.000507
ASTGRW	0.005894	0.002081	2.83238	0.004785	0.001807	0.009982	0.001807	0.009982
LN_AST	-0.07337	0.045212	-1.62281	0.105187	-0.16217	0.015433	-0.16217	0.015433
CAPEX..	0.005564	0.001229	4.528453	7.25E-06	0.003151	0.007978	0.003151	0.007978

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.851244	0.501021	1.699017	0.089865	-0.13284	1.835328	-0.13284	1.835328
MGT0-5	0.003367	0.027296	0.123338	0.901883	-0.05025	0.056979	-0.05025	0.056979

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
MGT5-40	0.022692	0.003346	6.781205	3E-11	0.016119	0.029264	0.016119	0.029264
MGT40over	0.000939	0.002232	0.420894	0.673992	-0.00344	0.005323	-0.00344	0.005323
FIN	0.002765	0.002421	1.142073	0.253906	-0.00199	0.00752	-0.00199	0.00752
CORP	0.002841	0.002133	1.33166	0.183507	-0.00135	0.00703	-0.00135	0.00703
FOR	0.024715	0.002473	9.995158	8.95E-22	0.019859	0.029572	0.019859	0.029572
GDPC	0.005494	0.006264	0.877072	0.380819	-0.00681	0.017797	-0.00681	0.017797
RD_AST	0.015588	0.008215	1.897519	0.058267	-0.00055	0.031724	-0.00055	0.031724
DA	-0.00245	0.001409	-1.74008	0.082387	-0.00522	0.000316	-0.00522	0.000316
ASTGRW	0.005853	0.002081	2.81229	0.005089	0.001765	0.009941	0.001765	0.009941
LN_AST	-0.07673	0.044588	-1.72092	0.08581	-0.16431	0.010845	-0.16431	0.010845
CAPEX..	0.005456	0.001241	4.397976	1.31E-05	0.003019	0.007892	0.003019	0.007892

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.584884	0.501159	1.167061	0.243676	-0.39947	1.569239	-0.39947	1.569239
MGT0-10	0.066619	0.013507	4.932173	1.07E-06	0.040089	0.093149	0.040089	0.093149
MGT10-40	0.022294	0.003317	6.720661	4.42E-11	0.015778	0.028809	0.015778	0.028809
MGT40over	0.002182	0.002224	0.980949	0.327036	-0.00219	0.00655	-0.00219	0.00655
FIN	0.0031	0.0024	1.291616	0.197017	-0.00161	0.007815	-0.00161	0.007815
CORP	0.002943	0.002112	1.393515	0.16401	-0.00121	0.007092	-0.00121	0.007092
FOR	0.025826	0.002419	10.67826	2.23E-24	0.021075	0.030576	0.021075	0.030576
GDPC	0.005874	0.006206	0.94647	0.344312	-0.00632	0.018064	-0.00632	0.018064
RD_AST	0.015577	0.008127	1.916793	0.055767	-0.00038	0.031539	-0.00038	0.031539
DA	-0.00185	0.001395	-1.32877	0.184458	-0.0046	0.000887	-0.0046	0.000887
ASTGRW	0.005858	0.002061	2.841879	0.004646	0.001809	0.009906	0.001809	0.009906
LN_AST	-0.06334	0.044362	-1.42785	0.153886	-0.15047	0.023791	-0.15047	0.023791
CAPEX..	0.005771	0.001218	4.737962	2.73E-06	0.003379	0.008163	0.003379	0.008163

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.25457	0.537131	2.335685	0.019855	0.19956	2.30958	0.19956	2.30958
MGT0-1	0.073299	0.093005	0.788116	0.430958	-0.10938	0.255976	-0.10938	0.255976
MGT1-50	0.006966	0.002539	2.743883	0.006264	0.001979	0.011952	0.001979	0.011952
MGT50over	0.008436	0.0048	1.757493	0.079373	-0.00099	0.017863	-0.00099	0.017863
FIN	0.001161	0.002516	0.461495	0.64462	-0.00378	0.006103	-0.00378	0.006103
CORP	0.002966	0.002198	1.349322	0.177772	-0.00135	0.007283	-0.00135	0.007283
FOR	0.026047	0.002512	10.36801	3.51E-23	0.021113	0.030982	0.021113	0.030982
GDPC	0.004217	0.006475	0.651333	0.515095	-0.0085	0.016935	-0.0085	0.016935
RD_AST	0.018213	0.008478	2.148201	0.032121	0.00156	0.034866	0.00156	0.034866
DA	-0.00078	0.001452	-0.53673	0.591663	-0.00363	0.002072	-0.00363	0.002072
ASTGRW	0.007745	0.002148	3.605536	0.000339	0.003526	0.011965	0.003526	0.011965
LN_AST	-0.11515	0.046792	-2.46092	0.014155	-0.20706	-0.02324	-0.20706	-0.02324
CAPEX..	0.005848	0.001283	4.558748	6.31E-06	0.003329	0.008368	0.003329	0.008368

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.967833	0.499094	1.939179	0.052975	-0.01247	1.948133	-0.01247	1.948133
MGT0-41	0.022717	0.003323	6.836715	2.1E-11	0.016191	0.029244	0.016191	0.029244
MGT41-50	-0.004	0.002822	-1.41816	0.156693	-0.00955	0.001541	-0.00955	0.001541
MGT50over	0.00766	0.003162	2.42208	0.015744	0.001448	0.013871	0.001448	0.013871
FIN	0.002391	0.002406	0.993539	0.320871	-0.00234	0.007117	-0.00234	0.007117
CORP	0.001441	0.002176	0.662241	0.508086	-0.00283	0.005714	-0.00283	0.005714
FOR	0.024452	0.002422	10.09657	3.74E-22	0.019695	0.029209	0.019695	0.029209
GDPC	0.005011	0.006223	0.805162	0.421064	-0.00721	0.017234	-0.00721	0.017234
RD_AST	0.015888	0.008146	1.950348	0.051627	-0.00011	0.031888	-0.00011	0.031888

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
DA	-0.00303	0.001411	-2.1469	0.032224	-0.0058	-0.00026	-0.0058	-0.00026
ASTGRW	0.006347	0.002072	3.062469	0.002299	0.002276	0.010417	0.002276	0.010417
LN_AST	-0.0812	0.044294	-1.83321	0.067296	-0.1682	0.0058	-0.1682	0.0058
CAPEX..	0.005222	0.001226	4.258971	2.4E-05	0.002813	0.00763	0.002813	0.00763

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.114982	0.506708	2.200442	0.028178	0.119728	2.110237	0.119728	2.110237
MGT0-35	0.023107	0.00405	5.705844	1.87E-08	0.015153	0.031061	0.015153	0.031061
MGT35-50	0.001527	0.002601	0.58707	0.55739	-0.00358	0.006635	-0.00358	0.006635
MGT50over	0.0065	0.003209	2.025811	0.043252	0.000198	0.012802	0.000198	0.012802
FIN	0.001471	0.002438	0.603315	0.546541	-0.00332	0.006259	-0.00332	0.006259
CORP	0.002102	0.002213	0.949837	0.3426	-0.00224	0.00645	-0.00224	0.00645
FOR	0.024701	0.002466	10.01641	7.46E-22	0.019857	0.029545	0.019857	0.029545
GDPC	0.004851	0.006334	0.76582	0.444102	-0.00759	0.017291	-0.00759	0.017291
RD_AST	0.017652	0.008296	2.127768	0.033787	0.001357	0.033947	0.001357	0.033947
DA	-0.00132	0.001412	-0.93733	0.348987	-0.0041	0.00145	-0.0041	0.00145
ASTGRW	0.006821	0.002106	3.238593	0.001271	0.002684	0.010958	0.002684	0.010958
LN_AST	-0.09912	0.04489	-2.20805	0.027641	-0.18729	-0.01095	-0.18729	-0.01095
CAPEX..	0.005678	0.001244	4.563858	6.16E-06	0.003235	0.008122	0.003235	0.008122

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	0.969148	0.498378	1.944602	0.052317	-0.00975	1.948041	-0.00975	1.948041
MGT0-35	0.023912	0.003437	6.956594	9.65E-12	0.017161	0.030664	0.017161	0.030664
MGT35-50	-0.00308	0.002739	-1.12438	0.261327	-0.00846	0.0023	-0.00846	0.0023
MGT50over	0.007193	0.003153	2.281176	0.022908	0.001	0.013387	0.001	0.013387
FIN	0.001959	0.002395	0.817728	0.413856	-0.00275	0.006663	-0.00275	0.006663

CORP	0.001806	0.002173	0.831114	0.406259	-0.00246	0.006074	-0.00246	0.006074
FOR	0.02469	0.002418	10.21234	1.37E-22	0.019942	0.029439	0.019942	0.029439
GDPC	0.004731	0.006216	0.761199	0.446855	-0.00748	0.01694	-0.00748	0.01694
RD_AST	0.017594	0.00814	2.161464	0.031077	0.001606	0.033581	0.001606	0.033581
DA	-0.00204	0.001391	-1.46297	0.14403	-0.00477	0.000697	-0.00477	0.000697
ASTGRW	0.006025	0.002075	2.903801	0.00383	0.00195	0.0101	0.00195	0.0101
LN_AST	-0.08437	0.044181	-1.90953	0.056698	-0.17114	0.002413	-0.17114	0.002413
CAPEX..	0.005346	0.001223	4.369866	1.48E-05	0.002943	0.00775	0.002943	0.00775

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.218069	0.515646	2.362219	0.018503	0.20526	2.230878	0.20526	2.230878
MGT0-45	0.009358	0.002671	3.503645	0.000495	0.004112	0.014605	0.004112	0.014605
MGT45-50	-0.00354	0.004768	-0.74196	0.458417	-0.0129	0.005828	-0.0129	0.005828
MGT50over	0.006329	0.003267	1.937032	0.053238	-8.9E-05	0.012746	-8.9E-05	0.012746
FIN	0.001156	0.002482	0.465787	0.641547	-0.00372	0.006032	-0.00372	0.006032
CORP	0.00179	0.002252	0.79465	0.42715	-0.00263	0.006214	-0.00263	0.006214
FOR	0.025328	0.002504	10.11644	3.15E-22	0.020411	0.030246	0.020411	0.030246
GDPC	0.004609	0.006444	0.715161	0.474804	-0.00805	0.017267	-0.00805	0.017267
RD_AST	0.0155	0.008431	1.838396	0.066527	-0.00106	0.03206	-0.00106	0.03206
DA	-0.00155	0.001441	-1.07372	0.283406	-0.00438	0.001283	-0.00438	0.001283
ASTGRW	0.007254	0.002143	3.384635	0.000762	0.003044	0.011464	0.003044	0.011464
LN_AST	-0.10521	0.045786	-2.29794	0.021929	-0.19514	-0.01528	-0.19514	-0.01528
CAPEX..	0.005663	0.001272	4.452713	1.02E-05	0.003165	0.008161	0.003165	0.008161

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	1.244437	0.514419	2.419114	0.015872	0.234039	2.254836	0.234039	2.254836
MGT0-43	0.010518	0.002851	3.689466	0.000246	0.004919	0.016118	0.004919	0.016118
MGT43-50	-0.00063	0.003699	-0.16989	0.865161	-0.00789	0.006636	-0.00789	0.006636
MGT50over	0.006316	0.003265	1.934705	0.053524	-9.6E-05	0.012728	-9.6E-05	0.012728
FIN	0.001305	0.002483	0.525351	0.599545	-0.00357	0.006182	-0.00357	0.006182
CORP	0.001927	0.002249	0.856721	0.391961	-0.00249	0.006345	-0.00249	0.006345
FOR	0.025313	0.002502	10.11624	3.15E-22	0.020398	0.030227	0.020398	0.030227
GDPC	0.003814	0.006436	0.592621	0.553671	-0.00883	0.016455	-0.00883	0.016455
RD_AST	0.016615	0.008437	1.969289	0.049406	4.33E-05	0.033186	4.33E-05	0.033186
DA	-0.0016	0.001441	-1.11357	0.265937	-0.00444	0.001226	-0.00444	0.001226
ASTGRW	0.007426	0.002137	3.475539	0.000549	0.003229	0.011623	0.003229	0.011623
LN_AST	-0.10841	0.045623	-2.37619	0.017823	-0.19802	-0.0188	-0.19802	-0.0188
CAPEX..	0.005673	0.00127	4.467975	9.54E-06	0.003179	0.008167	0.003179	0.008167

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	4.111394	1.273861	3.227507	0.001477	1.598233	6.624555	1.598233	6.624555
MGT(支配)	0.077827	0.023488	3.313451	0.001109	0.031488	0.124166	0.031488	0.124166
MGT2	-0.00196	0.00065	-3.02323	0.002856	-0.00325	-0.00068	-0.00325	-0.00068
MGT3	1.4E-05	5.29E-06	2.642243	0.008941	3.54E-06	2.44E-05	3.54E-06	2.44E-05
CORP(機関)	0.009135	0.006175	1.47938	0.140739	-0.00305	0.021317	-0.00305	0.021317
FOR	0.035715	0.004626	7.721355	7E-13	0.02659	0.044841	0.02659	0.044841
GDPC	0.009399	0.02201	0.427041	0.669846	-0.03402	0.052823	-0.03402	0.052823
RD_AST	0.032398	0.016992	1.906624	0.058119	-0.00113	0.065922	-0.00113	0.065922
DA	0.012125	0.004017	3.01852	0.002898	0.0042	0.020049	0.0042	0.020049
ASTGRW	0.005017	0.002294	2.187211	0.029981	0.000492	0.009543	0.000492	0.009543
LN_AST	-0.36423	0.089645	-4.063	7.15E-05	-0.54108	-0.18737	-0.54108	-0.18737
CAPEX..	-0.00798	0.00316	-2.52626	0.012367	-0.01422	-0.00175	-0.01422	-0.00175

In Korea

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	5.654381	1.218886	4.638976	6.61E-06	3.249678	8.059083	3.249678	8.059083
MGT0-10	-0.10059	0.044626	-2.25413	0.025361	-0.18863	-0.01255	-0.18863	-0.01255
MGT10-50	-0.00065	0.00512	-0.12605	0.899832	-0.01075	0.009456	-0.01075	0.009456
MGT50over	-0.0029	0.004031	-0.71926	0.472888	-0.01085	0.005053	-0.01085	0.005053
CORP(機関)	3.88E-05	0.005882	0.00659	0.994749	-0.01157	0.011644	-0.01157	0.011644
FOR	0.033703	0.004609	7.312913	7.66E-12	0.024611	0.042796	0.024611	0.042796
GDPC	0.00756	0.022261	0.339606	0.734538	-0.03636	0.051478	-0.03636	0.051478
RD_AST	0.037939	0.017132	2.214443	0.02802	0.004139	0.071738	0.004139	0.071738

DA	0.010361	0.004011	2.583074	0.010565	0.002448	0.018275	0.002448	0.018275
ASTGRW	0.004811	0.002391	2.012259	0.045643	9.42E-05	0.009527	9.42E-05	0.009527
LN_AST	-0.39177	0.090047	-4.35069	2.24E-05	-0.56942	-0.21412	-0.56942	-0.21412
CAPEX..	-0.00998	0.003149	-3.16917	0.001789	-0.01619	-0.00377	-0.01619	-0.00377

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	5.16246	1.185421	4.35496	2.2E-05	2.823779	7.501141	2.823779	7.501141
MGT0-10	-0.068	0.045481	-1.49516	0.136576	-0.15773	0.021726	-0.15773	0.021726
MGT10-40	0.009293	0.006356	1.462035	0.145428	-0.00325	0.021832	-0.00325	0.021832
MGT40over	0.001003	0.004263	0.235375	0.814178	-0.00741	0.009413	-0.00741	0.009413
CORP(機関)	0.003174	0.005951	0.533376	0.594414	-0.00857	0.014915	-0.00857	0.014915
FOR	0.033193	0.004547	7.300061	8.25E-12	0.024222	0.042163	0.024222	0.042163
GDPC	0.00652	0.021943	0.297154	0.766682	-0.03677	0.049811	-0.03677	0.049811
RD_AST	0.029406	0.017215	1.708169	0.089282	-0.00456	0.063368	-0.00456	0.063368
DA	0.011726	0.003984	2.943415	0.003662	0.003866	0.019585	0.003866	0.019585
ASTGRW	0.004901	0.00229	2.139856	0.033677	0.000382	0.00942	0.000382	0.00942
LN_AST	-0.37819	0.087105	-4.34177	2.32E-05	-0.55003	-0.20634	-0.55003	-0.20634
CAPEX.	-0.00894	0.003132	-2.85461	0.004801	-0.01512	-0.00276	-0.01512	-0.00276

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	4.883777	1.228544	3.975257	0.000101	2.46002	7.307534	2.46002	7.307534
MGT0-40	0.015039	0.006062	2.480893	0.013998	0.00308	0.026998	0.00308	0.026998
MGT40-49	0.005424	0.004695	1.155181	0.249506	-0.00384	0.014686	-0.00384	0.014686
MGT49over	0.00377	0.004004	0.941454	0.3477	-0.00413	0.011669	-0.00413	0.011669
CORP(機関)	0.004906	0.00592	0.828772	0.408301	-0.00677	0.016585	-0.00677	0.016585
FOR	0.032765	0.00458	7.154279	1.9E-11	0.02373	0.0418	0.02373	0.0418
GDPC	0.003533	0.022064	0.160128	0.872955	-0.04	0.047063	-0.04	0.047063

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
RD_AST	0.030778	0.017423	1.76649	0.078963	-0.0036	0.065152	-0.0036	0.065152
DA	0.010125	0.003928	2.577781	0.010722	0.002376	0.017874	0.002376	0.017874
ASTGRW	0.005207	0.002375	2.192699	0.029577	0.000522	0.009893	0.000522	0.009893
LN_AST	-0.37186	0.089788	-4.14152	5.24E-05	-0.549	-0.19472	-0.549	-0.19472
CAPEX.	-0.00838	0.00315	-2.65965	0.008509	-0.01459	-0.00216	-0.01459	-0.00216

	係数	標準誤差	t	P-値	下限 95%	上限 95%	下限 95.0%	上限 95.0%
切片	5.222655	1.221485	4.275659	3.05E-05	2.812824	7.632487	2.812824	7.632487
MGT0-50	0.007628	0.004963	1.537119	0.125973	-0.00216	0.017419	-0.00216	0.017419
MGT50-60	9.16E-05	0.004417	0.020731	0.983482	-0.00862	0.008805	-0.00862	0.008805
MGT60over	0.000729	0.004538	0.160638	0.872553	-0.00822	0.009683	-0.00822	0.009683
CORP(機関)	0.001562	0.005901	0.264674	0.791555	-0.01008	0.013204	-0.01008	0.013204
FOR	0.03418	0.004675	7.311525	7.72E-12	0.024957	0.043403	0.024957	0.043403
GDPC	0.005457	0.022345	0.244218	0.807333	-0.03863	0.049541	-0.03863	0.049541
RD_AST	0.038339	0.017255	2.221831	0.027507	0.004296	0.072381	0.004296	0.072381
DA	0.007544	0.003919	1.924868	0.05578	-0.00019	0.015275	-0.00019	0.015275
ASTGRW	0.005574	0.002407	2.315952	0.021657	0.000826	0.010322	0.000826	0.010322
LN_AST	-0.38272	0.090471	-4.2303	3.67E-05	-0.56121	-0.20423	-0.56121	-0.20423
CAPEX..	-0.00892	0.003243	-2.75054	0.006541	-0.01532	-0.00252	-0.01532	-0.00252

초록

비교 연구: 일본과 한국의 경영자가 보유한 주식이 회사 가치에 미치는 영향

Shimada Yosuke
국제지역학
서울대학교 국제대학원

한일 기업은 비슷한 분야에서 경쟁하고 있지만 기업의 지배 구조는 크게 다르다. 특히 주식 소유 구조의 경우에는 그 차이가 극명하다. 메인뱅크제도를 가진 일본은 은행이 주식을 대량으로 보유하고 있다. 한편, 한국에서는 기업의 소유자가 큰 힘을 가져, 그룹 기업 전체를 지배하고 있다.

기본적으로 한일 양국의 경영자들은 모두 기업의 가치를 향상시키고 확장 시키려고 노력한다. 이것은 한일 양국에서 아라인멘트 효과가 엔트렌치멘트 효과를 상회하고 있다는 것을 의미한다.

마찬가지로, 엔트렌치멘트 효과가 아라인멘트 효과를 웃도는 부분이 있다. 그 부분에서는 경영자는 자신의 지위를 유지하고 자산을 지키려고한다.

이러한 부분에 있어서는 양국 모두 경영자의 지분이 부정적인 영향을 준다는 것이다. 그러나 일단 주식 보유 비율이 약 50 % 이상이 되면 경영자는 기업의 재산을 자신의 개인 자산으로 간주하기 시작해 아라인멘트 효과가 다시 나타난다. 그 부분에서 다시 긍정적인 효과가 나타나는 셈이다.

결국 한일에서 기업의 지배 구조는 다르지만, 경영자의 지분이 기업에 주는 가치는 유사한 결과를 나타낸다.