

Global Enterprise Management

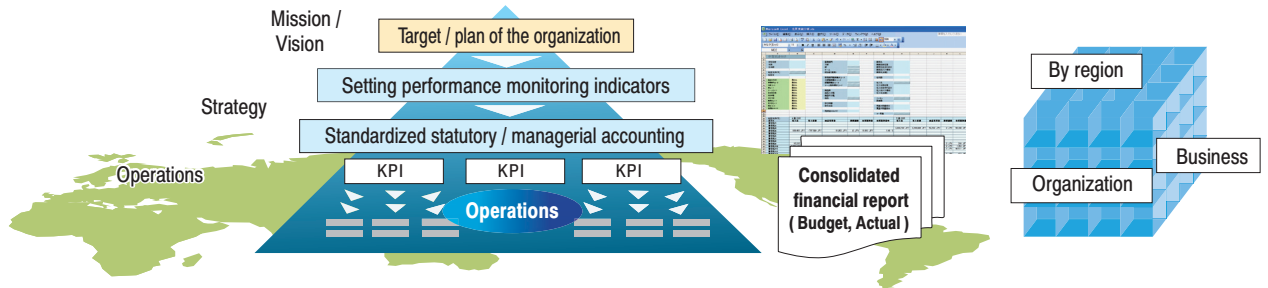
Consolidated enterprise management has taken on an even greater significance in recent years. For the statutory accounting, companies are required to prepare the annual securities report based on the consolidated financial statements, as well as preparing the quarterly consolidated financial statements at an earlier date. However, in reality there are large numbers of companies that do not practice managerial accounting, which includes overseas subsidiaries in their monthly or quarterly reports on a consolidated basis.

As major advances are made in corporate globalization, the reinforcement of consolidated enterprise management that complies with the management approach based on IFRS, and that covers not only financial information but also logistics and project management information has become an essential task for companies that require prompt management decisions. ABeam Consulting offers various services relating to the reinforcement of consolidated enterprise management in a comprehensive manner.

The Need for Reinforced Consolidated Enterprise Management

The external environment surrounding companies	Issues facing each company
<ul style="list-style-type: none"> Intensified corporate competition on a global scale The need for swift and accurate decision-making by management Disclosure of enterprise management through responses to the management approach Shortening the enterprise management cycle by the quarterly statutory reporting Demands for earlier financial closing by the market and investors Full application (adoption) of IFRS 	<ul style="list-style-type: none"> Information needed for decision-making cannot be provided in a timely manner Vicious circle of the PDCA cycle caused by the inaccuracy of the forecast Discrepancies between the statutory accounting and managerial accounting Delays in obtaining management information from subsidiaries Management figures of overseas subsidiaries are unclear

There is a need to reinforce global consolidated management that goes beyond the boundaries of statutory and managerial accounting



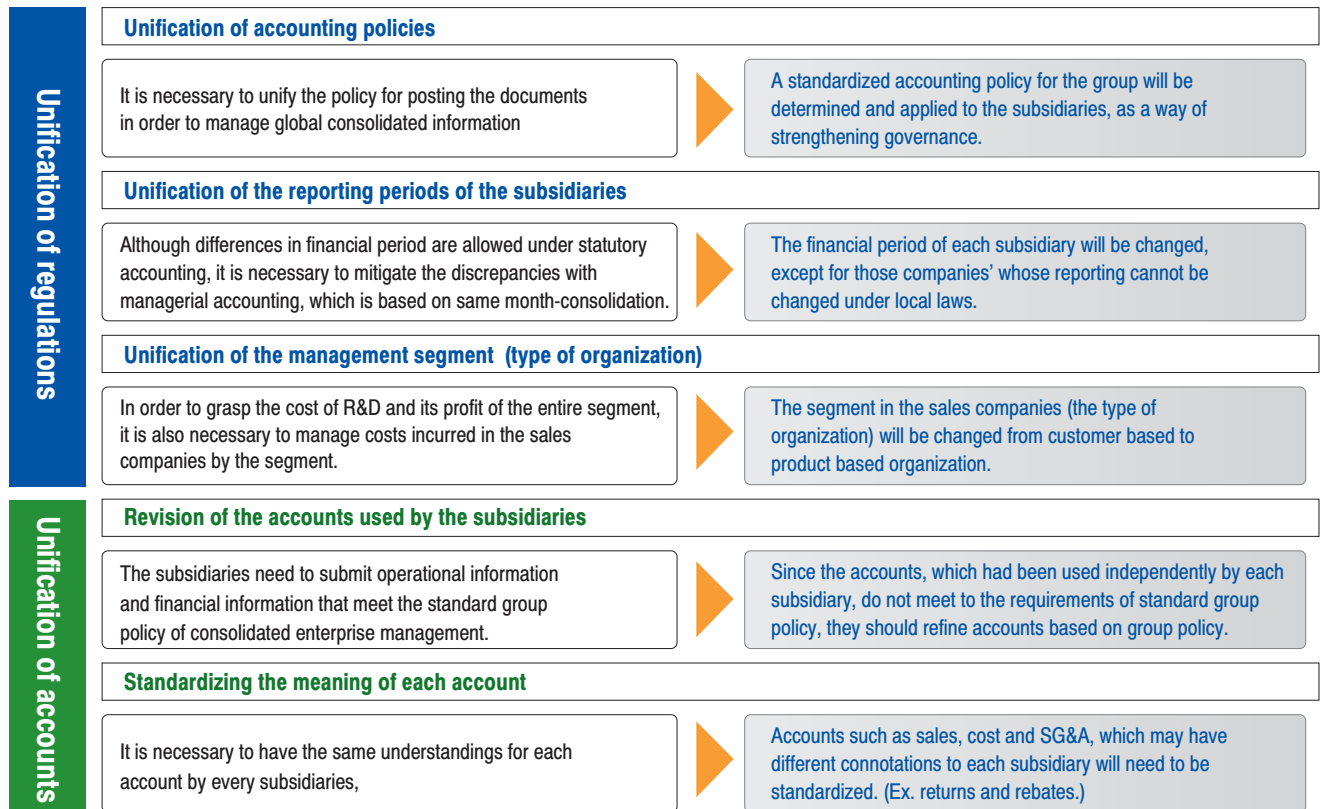
Framework of Consolidated Enterprise Management

In order to reinforce consolidated management, it is necessary to visualize management information according to the objective of each type of management, upon defining the necessary timing, accuracy and scope. ABeam Consulting proposes to define the framework of consolidated enterprise management for each purpose as follows and proposes developing a system that will provide the information when necessary.

	Logistic (PSI) information			Managerial consolidated information		Statutory accounting information					
Objectives	Enterprise management					Release to the public, compliance with laws					
Cycle	Daily	Weekly		Monthly		Quarterly	Half-yearly	Yearly			
Timing (Example Schedule)	1st business day		Every Thursday	5th business day		6th business day			10th business day		Disclosure during the month
Target data (Scope of management)	Results	Plan		Results	Budget	Results	Budget				
	Global PSI	Production plan	Global PSI	Accounting, logistics and other KPI	Accounting, logistics	Accounting, logistics and other KPI					
	Logistics information from manufacturing to sales (quantity, amount)			Monthly financial information (PL, BS)		Quarterly financial information (PL, BS, CF)					
Segment	Region, company, business area, item			Region, company, business area		Segments for release to the public based on accounting standards / laws					
Data processing	Unification / conversion of master code (material, customer)			Simplified consolidated processing		Statutory consolidated processing					
Scope of targeted companies	Subsidiary subject to enterprise logistics management			Subsidiary subject to enterprise financial management		Scope of consolidation pursuant to standards for preparation of consolidated financial statements					

The Focus of Reinforcement Support of Consolidated Management

Consolidated enterprise management under common rules will be very important, In order to reinforce the consolidated management on a global basis. To achieve them a standardization of accounting rules within the group will become necessary. ABeam Consulting will engage in this project from the following perspectives.



Example of Consolidated Management Infrastructure

