

CSR - Related Stock Performance and the Extended-Governances in Japan

Yoko Shirasu^a Hidetaka Kawakita^b

^a Department of Economics, Aoyama Gakuin University, 4-4-25 Shibuya, Shibuya-ku, Tokyo 150-8366, Japan, Email: shirasu@cc.aoyama.ac.jp

^b Graduate School of Management, Kyoto University, Yoshida-Honcho, Sakyo-ku, Kyoto 606-8501, Japan

Feb 2018: Draft for a conference -- comments welcome

Abstract

We empirically investigate the CSR-related stock performance effects through the power of extended-governance in Japan. Our findings are that, first, we find that activities of CSR create a better stock performance, in categories of Work, Employee, and eco at middle-term investments. This result is robustness. Second, the high segments of overseas sales and foreign investors stocks can enjoy the better stock performance in categories of Work, Employee, and eco at middle investment terms. Additionally, overseas sales area is one of the important components to progress the suitable CSR activities. Third, the evaluation of the stock market concerning CSR activities is affected by the power of corporate governance. The firms with more powerful corporate governance have better stock performance than less corporate governance. Interestingly, market inventors recognize that both Procedure and Social CSR activities are unproductiveness.

Keywords: CSR, Long-term, Foreign investors, Overseas sales, Governance

JEL Classification: G11; G32; G39