文館　平成6年7月　18.8×12.9cm　298頁　3,500円

（保険など）

421　英佛獨和保険用語新辭典　A New English, French and German-Japanese Insurance Dictionary　下村重美著　太陽堂　昭和5年2月　17.4×11.7cm　558頁　3円50銭

422　英独仏和保険用語辞典　木村栄一監修　保険研究所出版部　1977年12月　17.5×11.2cm　632頁　15,000語

422―2　改訂新版　1987年12月

422―3　改訂3版　1991年12月

423　生命保険用語独和辞典　'93年改訂版　生命保険文化研究所　平成5年6月　21.0×14.7cm　290頁　5,200語　ラテン字体

＊　昭和57年3月初版。

424　五カ国語工業所有権用語辞典　英語・日本語・スペイン語・仏語・独語　法律用語・関連用語　フランシス・J・ケイス著　土井輝生（日本語担当）　ジャパンタイムズ　昭和57年9月　21.0×14.7cm　250頁　3,800円

425　六カ国語対訳特許用語辞典　六カ国語対訳特許用語辞典刊行委員会編　パテント社　1991年11月　B5判　1,426頁　78,000円

426　英独仏伊西葡パン経済用語六カ国語辞典　パン社編　秀文インターナショナル　昭和53年　B6判　636頁　1,500円

あとがき

本原稿は平成八年度成城大学教員特別研究助成による研究成果の一部である。

8000余　30,000円

413　法律基本用語辞典　独—日—英　Dōgakushas Elementarer Wortschatz Rechtswissenschaft　吉田諒吉編　同学社（同学社基本用語辞典シリーズ）昭和60年10月　17.2×10.6cm　474頁　5,300語　2,825円　ラテン字体

414　ドイツ商法会計用語辞典（大阪経済大学研究叢書　第17冊）松本剛著　森山書店　1990年3月　21.0×14.6cm　426頁　1,500語　8,500円　ラテン字体

415　ドイツ政治経済法制辞典　Deutsch-Japanisches Wörterbuch für Politik, Wirtschaft und Recht　田沢五郎著　郁文堂　1990年11月　20.9×14,7cm　414頁　6,000円　ラテン字体

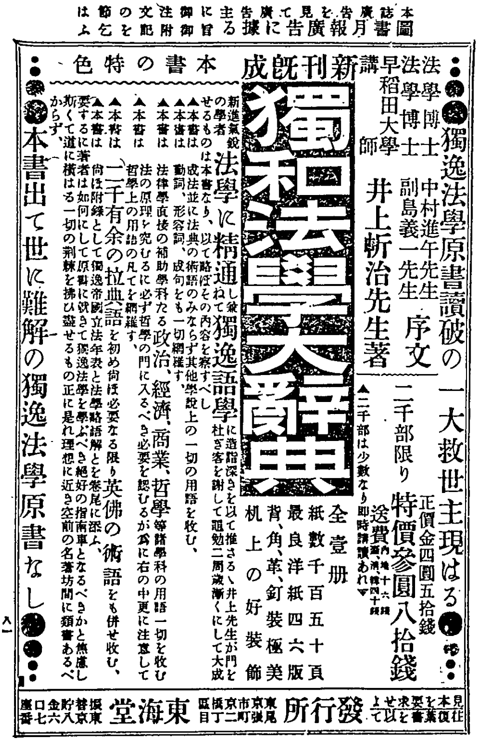
416　法律用語対訳集　ドイツ語編　法務省刑事局外国法令研究会編　社団法人商事法務研究会　平成4年3月　18.2×12cm　208頁　4,000語　2,000円　ラテン字体

417　ドイツ金融法辞典　Deutsch-Japanisches Wörterbuch zum Bankrecht　後藤紀一　Dr. Matthias Voth 著　信山社　1993年3月　21.0×14.6cm　492頁　9,800円　ラテン字体

418　独和法律用語辞典　Deutsch-Japanisches Rechtswörterbuch　ベルンド・ゲッツェ　Bernd Götze 著　成文堂　1993年7月　20.9×14.6cm　380頁　7,000円　ラテン字体

419　英仏独日四カ国語経済用語辞典　Quadrilingual Economics Dictionary. English/American French German Japanese.　フリッツ・J・デ・ヨング編著　山下　博編訳　原　書房　1993年9月　22.1×15.1cm　644頁　英・米語編3,056語　フランス語編3,159語　ドイツ語編2,796語　日本語編3,579語　13,390円

420　英・日・仏・独会計用語辞典　Accounting Terminology in English, Japanese, French and German　林　裕二　菊谷正人　松井泰則著　同



402の広告：『圖書月報』第８巻
３号（明治42年12月20日発行）

411　商業ドイツ語小辞典　Wichtige deutsche Handelswörter　三好茂美　杉山産七編　大学書林　昭和41年10月　17.0×10.0cm　400頁　独和3,300語　和独2,800語　略語400　700円　ラテン字体

412　ドイツ法律用語辞典　Deutsch-Japanisches Rechtswörterbuch　山田　晟著　大学書林　昭和56年２月　20.9×14.4cm　544頁　8,000円　ラテン字体

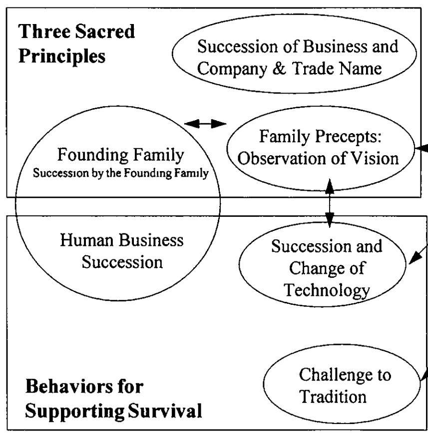
412―２　補正版　昭和60年10月　10,000円

412―３　改訂増補版　平成５年３月　21.0×14.8cm　912頁　法律用語

business. However, they always reconsider their tradition and seriously cultivate what they can transmitand change. Their brand name (Kanban) is one of the fruits produced from such efforts. The old established companies have only to stick to and continue to maintain their tradition, but also have not blindly deny their traditions. They have esteemed their traditions, have tried to conquest them and thereby they have enhanced their sustainability. We can say that it is the essence of the wisdom of the old established companies (**Figure 15**).

Heretofore, we observed the common factors for centenarian companies. It goeswithout saying that all the old established companies have accomplished the same strategic behaviors for enhancing their sustainability. In this way, several points as mentioned above were on the general theory.

Figure 15. Sustainability of the Old Established Companies



weaknesses.

The most important rational behaviors are both the succession and change of technology and transactions and the reinforcing the strengths, as mentioned above. SMMCs have survived with higher economic performance by fortifying their inheritance of technology and transaction relationships and changing them at first to make their strengths stronger yet. Then they have challenged their traditions to overcome their weaknesses.

The old established companies have precious heritage from the past. It is another essence for the company not to blindly deny all of their past, but encourage them affirmatively then change them. The challenge to tradition without the succession is not springboard for survival, nor stubborn observation of the past without challenge. This is a essence ofSMCCs management.

Enhancing Sustainability

The dialectic resolution of tradition and revolution is the reason why the old established companies have been able to survive for so long. If the companies preserve their tradition, they sacrifice their innovation. On the contrary, if they pursue only innovation, they may destroy their tradition. The old established companies have resolved and will resolve their contradiction, then enhance their strengths and overcome their weaknesses through inheriting and innovating technologies and relationships with suppliers and customers.

We usually image the old established companies as ones which have no innovation and have continued to run their traditional obsolete effects on the succession and change of technology and transactions and personal succession, so that it strengthens a company's traditions through the succession of the past.

Succession and Change to Strengths,

Challenge to Weaknesses

Furthermore, the correlation analysis reveals that the rational behaviors, the succession and change of technology and transaction, is effective to the reinforcing the strength, but there are no significant relations to overcoming the weaknesses. On the contrary, the rational behavior of the challenge to tradition is effective in overcoming the

Table 7. Correlation Analysis of Family Precepts and Rational Behaviors and Strength/Weakness

(correlation coefficient)

	Succession by Vision
Rational Behaviors	
succession and change of technology and transaction	***. 5137
challenge to tradition	. 1210
personal succession	**. 3020
Strengths / Weaknesses	
reinforcing strengths	***. 4010
overcoming weaknesses	−. 1903

significant level: ** 0.05
*** 0.01

Table 8. The Rational Behaviors and the Strength/Weakness

(correlation coefficient)

Rational Behaviors / Strengths / Weaknesses	Succession and Change of Technology and Transaction	Challenge to Tradition	Personal Succession
reinforcing strength	***. 7429	. 0752	. 1396
overcoming weakness	−. 1058	***−. 3943	−. 0406

significant level ** 0.05
*** 0.01

NB: The index, "overcoming weakness" is reverse scale, so that it has a positive correlation with challenge to the tradition.

The analysis shows that SMMCs have to reinforce their own strengths first, andthen overcome their weaknesses in competition. The theory of corporate strategy stresses the SWOT-Strengths, Weaknesses, Opportunities, and Threats-analysis, and balance between strengths and weaknesses, however it never shows which factor is important for the competition. The results reveal that reinforcing of the strengths is more important than overcoming of weaknesses when the company wants to survive and attain competitive advantage.

Succession by Vision

The family precepts has significant effect on economic performance, as shown above. It has functions to guide fundamental orientation for business, support as a mental pillar, and enhance identification of employees. A factor analysis, however, shows that they are explained by one factor, though they seem to operate individually. The family precepts guides the orientation, supports management as a mental pillar, and enhance the identification at the same time.

Our correlation analysis indicates that the family precepts positive effect onboth the succession and change of technology and transactions, and personal succession. However, it does not effect on the challenge to tradition. Thus, the family precepts selectively affect on the rational behaviors. It is a corporate vision that promotes the succession of technologies, transaction relationships, and founding family. That is, it leads to the inheritance of wisdom that resides in technology, transactions, and human factors.

The family precepts also have a positive effect on the strengths and weaknesses. It positively influences the reinforcement of the strengths, but do not affect the overcoming of the weakness. It has positive new products and businesses, and modernizing management systems. The third one is personal succession, which consists of one behavior, succeeding a business by the founding family. The succession by the family is important, but not as much as to the first two factors.

The comprehensive image of SMMCs is that they are very conservative, sticking to tradition and denying changes. However, the reality is that are very aggressive towards change. They of course succeed their heritage, on the other hand positively encourage changes to overcome themselves at the same time. Therefore, their survival comes from their continuous efforts toward succession, change, and challenge.

Strengths at First, then Weaknesses

Our factor analysis also indicates that the strengths and weaknesses of SMMCs are explained by two factors, reinforcing of strengths and overcoming of weaknesses. The first factor, the reinforcing of strengths, consists of four elements, brand or good-will, accumulated technologies, close connections with communities, and unchanging traditional products. The second one, overcoming of weaknesses, consists of two elements, hurdling inflexibility and outdated old image.

Table 6. Factor Analysis of Strengths/Weaknesses

Strengths / Weaknesses	Factor 1 Reinforcing of Strengths	Factor 2 Overcoming of Weaknesses
brand or good-will	.5589	−.2254
accumulated technology	.8583	−.1140
close connection with community	.3307	−.5336
unchanging traditional products	.8704	−.0141
inflexibility of the company	−.0875	.8826
an old image of the company	−.0419	.5873

per employee. The behaviors enhance increasing profits. The SMMCs' basic corporate objective seems not to pursue the scale merit, but to increase profit. This is very different from the behaviors of so called Japanese companies where the market share is the first and most important aim. Here dwells the second essence of the SMMCs' management.

Succession, Change, and Challenge

The old established companies do not undertake rational behaviors individually, nor seek strength and weakness one by one, instead they pursue the consistencies in them. They seek synergy and synchrony, both in the behaviors and strengths/weaknesses, so that they can enjoy the totality or integration.

Table 5. Factor Analysis of the Rational Behaviors

Rational Behaviors	Factor 1 Succession and Change of Technology and Transaction	Factor 2 Challenge to Tradition	Factor 3 Personal Succession
observation of tradition	.2992	-.7839	.1874
developing new products	.3818	.6644	.2831
modernization of systems	.2903	.6233	.1050
succession and change of technology	.8943	.1445	.0246
searching new suppliers and customers	.3680	.3439	.3494
inheritance of unique technology	.8730	-0385	.0007
maintaining good transaction relationships	.5359	.3126	.2560
succession by the founding family	-.0016	.0037	9422

A factor analysis reveals that rational behaviors for the survival can be categorized into three factors. The first factor is called succession and change of technology and transaction, which consists of three behaviors, inheriting one's own technology and developing it, observing unique technology, and maintaining good relationships with suppliers and customers. The second factor is the challenge to tradition, which consists of three behaviors, observing tradition, endeavoring to develop

Table 4. Economic Performance and Rational Behavior and Strengths/Weaknesses

FACTORS	Capital under avg	Capital above avg	Sales under avg	Sales above avg.	Profit under avg	Profit above avg
Rational Behaviors						
observation of tradition	2.03	2.60	2.07	2.30	2.15	2.15
developing new products	2.24	2.30	2.24	2.33	2.25	2.42
modernization of systems	2.04	1.80	2.07	1.83	**2.09	1.62
succession and change of technology	1.98	2.30	1.96	2.21	2.00	1.86
searching new suppliers and customers	2.00	2.10	2.02	2.00	2.10	1.77
inheritance of unique technology	2.53	3.00	*2.36	3.00	2.42	2.69
maintaining good transaction relationships	***1.75	1.20	***1.76	1.21	1.63	1.36
succession by the founding family	1.64	1.70	1.59	1.79	1.58	1.85
Strengths / Weaknesses						
brand or good-will	1.61	1.45	1.63	1.50	1.60	1.57
accumulated technology	2.14	2.36	2.07	2.37	2.13	1.93
close connection with community	2.11	2.55	2.20	2.19	2.11	2.07
unchanging traditional products	2.12	2.64	2.10	2.42	2.19	1.86
inflexibility of the company	3.06	3.27	3.05	3.00	***2.94	3.79
an old image of the company	3.11	3.55	3.09	3.16	*3.04	3.64

FACTORS	Capital under avg.	Capital above avg.	Sales under avg.	Sales above avg.	Profit under avg	Profit above avg.
developing new products	2.32	2.11	2.19	2.50	2.11	2.65
modernization of systems	2.07	1.84	2.03	1.94	1.96	2.09
succession and change of technology	2.03	1.95	***1.82	2.63	1.91	2.09
searching new suppliers and customers	1.98	2.16	2.00	2.06	2.14	1.82
inheritance of unique technology	2.49	2.53	***2.24	3.47	2.30	2.86
maintaining good transaction relationships	***1.73	1.26	1.64	1.58	1.63	1.48
succession by the founding family	1.55	1.95	1.61	1.72	1.58	1.73
Strengths / Weaknesses						
brand or good-will	**1.67	1.35	**1.50	1.90	1.54	1.70
accumulated technology	2.15	2.05	**1.98	2.63	1.98	2.33
close connection with community	2.19	2.15	2.17	2.29	2.20	1.92
unchanging traditional products	2.20	2.05	***1.93	2.95	2.11	2.14
inflexibility of the company	3.02	3.20	3.07	2.95	2.96	3.48
an old image of the company	3.12	3.15	3.12	3.05	*2.95	3.62

FACTORS	Capital under avg	Capital above avg.	Sales under avg.	Sales above avg.	Profit under avg.	Profit above avg
developing new products	2.17	2.44	2.30	2.21	2.19	2.40
modernization of systems	2.00	1.94	2.06	1.86	2.02	2.00
succession and change of technology	2.02	1.83	2.09	1.70	2.00	2.14
searching new suppliers and customers	2.07	1.83	2.09	1.89	2.09	1.95
inheritance of unique technology	2.52	2.53	**2.69	2.00	2.51	2.75
maintaining good transaction relationships	1.59	1.58	1.65	1.40	1.69	1.52
succession by the founding family	1.61	1.72	1.58	1.75	1.74	1.43
Strengths / Weaknesses						
brand or good-will	1.58	1.67	**1.70	1.32	1.59	1.64
accumulated technology	2.12	2.13	**2.25	1.68	2.09	2.43
close connection with community	2.20	1.79	2.22	1.80	2.29	1.96
unchanging traditional products	2.20	1.94	*2.27	1.74	2.25	2.10
inflexibility of the company	3.06	3.44	**2.92	3.67	3.13	2.95
an old image of the company	3.27	3.00	***2.89	3.89	3.28	2.86

significant level: * 0.10 ** 0.05 *** 0.01 (mean)

NB: Scores are measured in 5 point scales, where 1 shows very important and 5 very unimportant.
Respondents are divided into two groups in each performance index based on each average.

Table 3. Survival and Rational Behaviors and Strengths/Weaknesses

FACTORS	Survival Year under avg.	Survival Year above avg.
Rational Behaviors		
observation of tradition	2.12	1.92
developing new products	2.20	2.44
modernization of systems	2.05	1.96
succession and change of technology	2.05	1.88
searching new suppliers and customers	2.00	2.08
inheritance of unique technology	**2.74	1.96
maintaining good transaction relationships	1.57	1.75
succession by the founding family	1.65	1.65
Strengths / Weaknesses		
brand or good-will	1.66	1.42
accumulated technology	**2.25	1.76
close connection with community	2.19	2.15
unchanging traditional products	2.21	2.04
inflexibility of the company	2.96	3.26
an old image of the company	3.13	3.00
Significant level	*	0.10
	**	0.05
	***	0.01

NB: Scores are measured in 5 point scales, where 1 shows very important and 5 very unimportant.
Respondents are divided into two groups in each performance index based on each average.

Not Market Share, but Profit

On the other hand, we analyze these behaviors through economic performance. The performance is evaluated in terms of scale such as capital, sales volume, number of employees, sales per employee, and profit, for instance, ordinary profit, profit per employee, profit per capital, and profit per sales (**Table 4**).

Both the behaviors and strengths/weaknesses have positive effects on the scale, capital and number of employees. They have both positive and negative effects on the sale volume, but negative influence on the sales per employee. Hence,the behaviors for surviving and reinforcing incline to hamper their growth in scale.

There are positive effects on the profit, profit per sales, and profit

- They have observed tradition and have not expanded their own businesses beyond their capabilities.
- They have always attempted to develop new products and new businesses.
- They have modernized, rationalized, and up-dated their management systems.
- They have inherited their own technology, and reinforced and developed it.
- They have always searched for new suppliers and customers.
- They have observed unique technology.
- They have kept good relationships with suppliers and customers.
- They have inherited business by the founding family.

The behaviors have produced not only their strengths, but also weaknesses as following. The old established companies reinforce the strengths while reducing weaknesses through the behaviors.

- strength of the brand, or good-will
- strength of accumulated technology
- strength of close connections with communities
- strength of the unchanging traditional products
- weakness of inflexibility of the company
- weakness of old image of the company

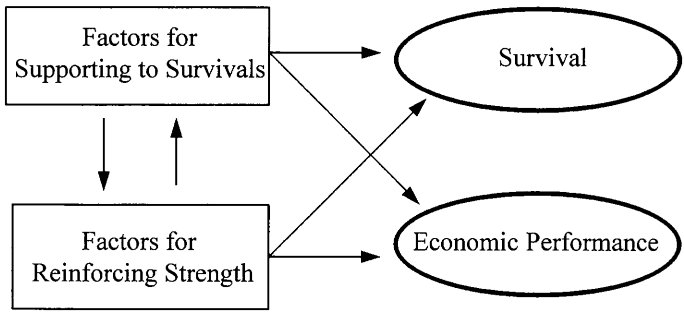
An analysis of our data shows that allbehaviors and all strengths/weaknesses do not affect the survival. Only the observation of unique technology and the accumulated technology have positive influences on it. That is to say, one of the SMMCs' wisdom concerns on the succession and accumulation of their unique technologies (**Table 3**).

In short, the three sacred principles are not necessarily exclusive factors for sustainability. If those alone are not conditions for survival, then what else makes them survive?

In Search of the Essence of SMMCs' Management

SMMCs survive not because they are lucky enough, but because they have had strong intentions and rational behaviors in overcoming troubled times. We will analyze these rational behaviors and competitiveness of the companies based on the following framework (See **Figure 14**).

Figure 14. Framework for the Analysis



Wisdom in Technology

The followings are the behaviors that have been found to contribute to survivals of SMMCs. And it is these intentions or rational behaviors which are the foundation of the long-lived SMCs[4].

Table 2. The Three Sacred Principles and Economic Performance

(means)

Economic Performance		Continuity of Business: continued	changed	Significant level of t Value
sales	(10 thous.)	632,369	338,906	0.393
profit	(10 thous.)	14,172	6,752	0.339
capital	(10 thous.)	6,241	9,731	0.463
number of employees	(person)	156	57	0.170
sales per employee	(10 thous.)	4,191	4,839	0.596
profit per employee	(10 thous.)	106	143	0.324
profit capital ratio	(%)	502.06	379.77	0.587
profit sales ratio	(%)	6.11	4.10	0.263
sales capital ratio	(%)	13,943.95	12,582.31	0.755
Economic Performance		**Continuity of Brand**: continued	changed	Significant level of t Value
sales	(10 thous.)	350,812	502,798	0.342
profit	(10 thous.)	11,564	6,979	0.353
capital	(10 thous.)	7,175	6,256	0.826
number of employees	(person)	116	114	0.979
sales per employee	(10 thous.)	3,197	5,773	0.020
profit per employee	(10 thous.)	105	133	0.414
profit capital ratio	(%)	461.57	481.89	0.923
profit sales ratio	(%)	7.18	3.64	0.068
sales capital ratio	(%)	12,854.97	14,107.02	0.758
Economic Performance		**Family Precepts**: yes	no	Significant level of t Value
sales	(10 thous.)	598,927	251,601	0.316
profit	(10 thous.)	13,614	8,354	0.513
capital	(10 thous.)	8,721	1,821	0.030
number of employees	(person)	138	66	0.236
sales per employee	(10 thous.)	3,903	5,521	0.313
profit per employee	(10 thous.)	114	132	0.642
profit capital ratio	(%)	499.02	434.46	0.781
profit sales ratio	(%)	5.81	5.04	0.727
sales capital ratio	(%)	14,207.59	12,434.41	0.701
Economic Performance		**Control by the Founding Family**: complete	incomplete/no	Significant level of t Value
sales	(10 thous.)	436,526	983,582	0.269
profit	(10 thous.)	11,461	15,922	0.695
capital	(10 thous.)	3,253	34,345	0.099
number of employees	(person)	115	120	0.952
sales per employee	(10 thous.)	3,847	8,413	0.009
profit per employee	(10 thous.)	103	230	0.265
profit capital ratio	(%)	506.21	198.68	0.347
profit sales ratio	(%)	5.80	3.02	0.372
sales capital ratio	(%)	14,253.83	8,904.94	0.414

scale.

The succession of the founding family in both ownership and management has negative influences on scales of capital and sales per employee. It is becoming more and more difficult for the family to continue the dictatorship as their company grows. If the families want to make their companies bigger, they should relyon visionary succession through the family precepts, rather than the personal one.

companies have been making all out efforts to survive unstable environments. They have influenced wisdom of management. What, then, are the wisdom?

The Three Sacred Principles

The following characteristics are the three sacred principles of the old established companies, which are said to be the essential factors for their successes.

- long-lived business, brand, and good-will, in other words the continuity of business and brand
- corporate philosophy, principles, and family precepts
- succession of the founding family

It might be contradictory to judge thecompanies' success in terms of economic performance, because the success is in their longer survival itself. However, they live in the economic world, where entity can survive without economic rationality. Thus the survival must go hand in hand with the economic performance.

An analysis of the means comparison shows that the continuity of business doesnot have an effect on the performance, while the continuity of brand has a positive effect on sales volume but a negative effect on the profit rate (**Table 2**). When a company wants to raise sales volume, it may change brands, but when it seeks profits it should not change. Hence, the continuity is a useful weapon for a profit oriented company, but not for the market share or scale orientation.

The existence of family precepts has apositive effect on capital. It has no significant effects, but similar effects on other variables. Thus, the family precepts, or corporate philosophy enhances its growth in

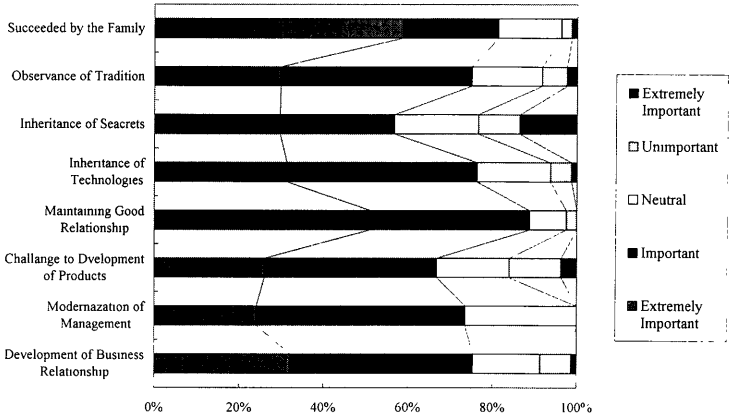


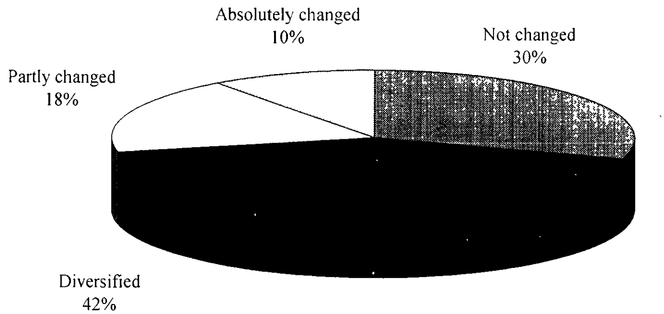
Figure 13. Why Can the Companies Survive for a Long Time?

as reason for their success (see **Figure 13**). Thus, as the result of our research shows, the old established companies have accumulated theirown history and experiences through centuries ; Although they have not been subject to the stream of time and environmental changes, they have worked hard and overcome them. And even now they are experiencing great change in upheaval. In order to overcome their problems, they are endeavoring to modernize their management system and to develop business and products.

The Dialectics of Old Established Companies' Management

The results of our mail survey indicate that old established

Figure 12. Change of Main Business



Why Can the Companies Survive for a Long Time?

Comprehensively speaking, the old established companies, mostly SMCCs, have tended to be succeeded by the family of a founder, and they seldom deviate from their traditional main-business and change both their company name and trade name. Why can they survive for more than 100 years through environmental changes?

The most important factor is to maintain good relationships with suppliers andcustomers from generation to generation (see **Figure 13**). Considering the fact which these companies regard the development of suppliers as important, a good relationship with suppliers and customers has been the base of their survival for over 100 years. In other words, the old established companies cannot maintained their success for such a long period without the cooperation of others.

Secondly, the companies surveyed pointed out that succession by family, the observance of tradition, and the inheritance of technologies

Figure 10. Past and Future Succession

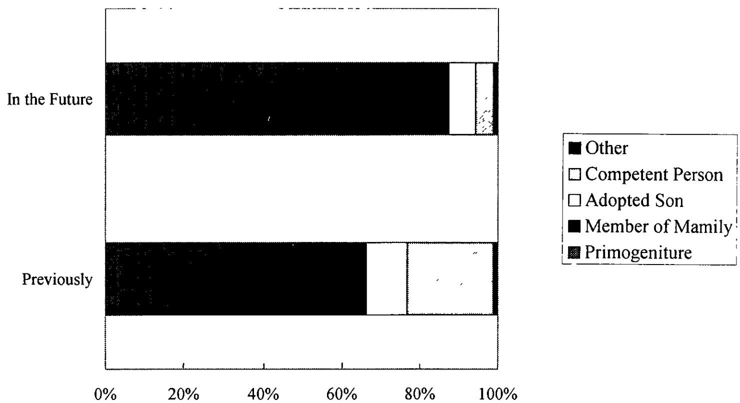


Figure 11. Change of Company and Trade Name

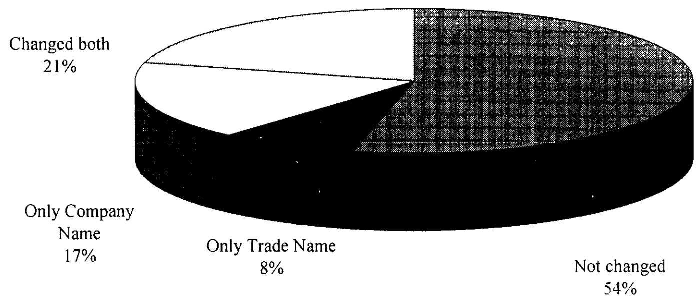
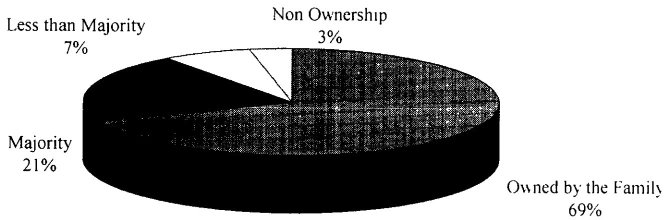


Figure 9. Classification on Ownership



succeeds to the head of the company. 22% of them are succeeded by a member of the family regardless of a eldest or not, and 7% are succeeded by an adopted son. However, the proportion of companies which do not care about the succession by family members in the future tends to be increasing, though a majority of them still desire to continue the succession by families (see **Figure 10**).

With regard to the company name and the trade name, 54% of these companies hadnever changed them, and only 24% had changed both. The companies which changed only the trade name were 8%, and the companies which changed only the company name were 17% (see **Figure 11.** and **Figure 12**). From this, we can see that many companies have succeeded both their company name and trade name. Nonetheless, a few companies have changed their name, in compliance with business restructuring strategies such as diversification and the changing of main business caused by environmental changes.

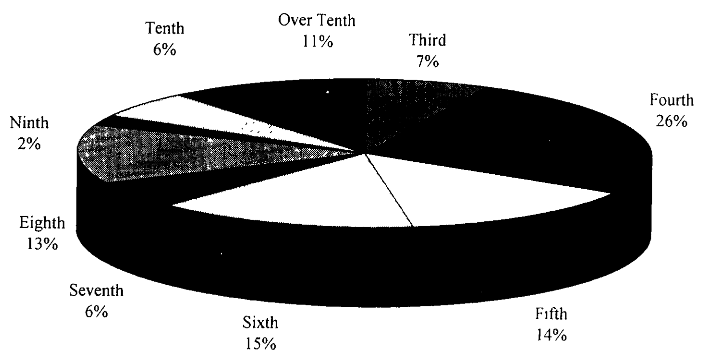
types and styles of family precepts have differed? And it has been the roles of contemporary leaders to exploit such wisdom and experiences.

Succeeding Business and Family

It goes without saying that only a founding father cannot continue to manage and maintain a centenarian company. Even the shortest lived companies in our research have been succeeded by three generations, and the longest one has been succeeded by 46 generations. The average in all these companies is about 7 generations at present (see **Figure** 8). Furthermore, 69% of them are governed by founding family, and 21% of them have the founding family as majority stock holders. In this way, most of them have been governed by the founding family until this days.

Concerning the successors who inherit the companies and family businesses, 65% of them are "primogeniture" which means the eldest

Figure 8. Classification on Generation



exist and function as the fundamental business guideline, as the mental pillar and the identification as members of the company (see **Figure 7**). Unfortunately, due to space constraints, we will not be able to refer to each family precepts in this paper. According to other research concerning them, most of them have transmitted experiences and belief of founders and primogenitors, who wished to see their businesses and families flourish through the generations[3)]. Therefore, lessons, exhortations and warnings were described in most family precepts. In addition, there are various types and styles of family precepts, for example itemization, traditional Japanese poetry, pictures and verbal transmission.

It is a fact that the old established companies have transmittedtheir wisdom and experiences for a long time, even though how and what

Figure 7. Existence of Family Precepts

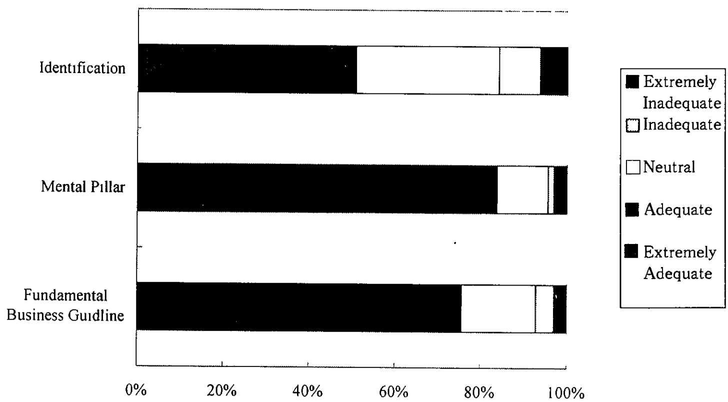


Table 1. General Analysis of Old Established Companies

	Mean	Minimum	Maximum
Age	197.82	100	1277
Generations	7.23	3	46
Present Çapital	66.42 mil. yen	0.35 mil. yen	1588.42 mil. yen
Number of Employee	115.74	1	1499
Amount of Sales	49.58 bill. yen	10 mil. yen	119.172 bill. yen
Net Profit	119.56 mil. yen	- 25 mil. yen	1944 mil yen

Transmitting Family Precepts

General image of the old established companies is that they have their own family precepts, which have been transmitted from the beginnings and have contributed to their long-time survival. In fact, we could confirm that 83% of the old established companies have transmitted their family precepts (see **Figure 6**). These family beliefs

Figure 6. Existence of Family Precepts

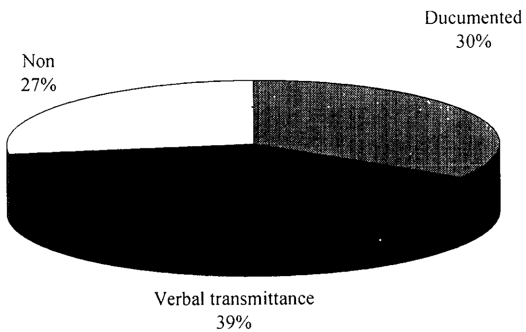


Figure 4. Classification on Numbers of Employees

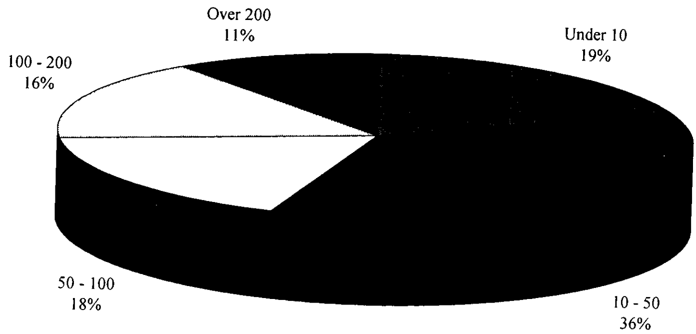
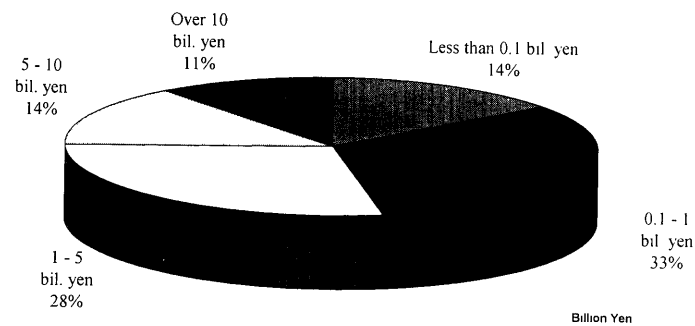


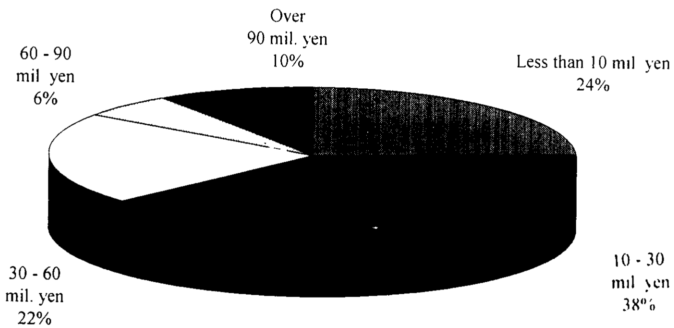
Figure 5. Classification on Sale Amount



Based on scale, the companies with a capitalization of 10-30 million yen comprised 38% of those surveyed and less than 10 million yen 24% (see **Figure 3**). With regard to number of employees, the companies of 50-100 employees made up 18 % those surveyed, and the companies of more than 100 are 27% (see **Figure 4**). In regard to sales amount, the companies of 100-1000 million yen numbered 33%, and 1-5 billions yen were at 28%. Furthermore, 10% of them are relatively the large companies capitalized at 90 million yen, with the number of employees over 200, and the amount of sales at 10 billion yen (see **Figure 5**).

Thus, the old established companies which we can depict from the general analysis as above, show the mean characteristics as being 198 years old, with a capitalization of 66.42 million yen, a sales amount of 4.95 billion yen, and employees of 115 (**Table 1**).

Figure 3. Classification on Scale



Most of the 90 SMCCs which responded to our questionnaire were established in the Edo era (1604-1868). Half of them have survived for 100-150 years and 30% of them for more than 200 years (see **Figure 1.** and **Figure 2**).

Figure 1. Years of Initiation

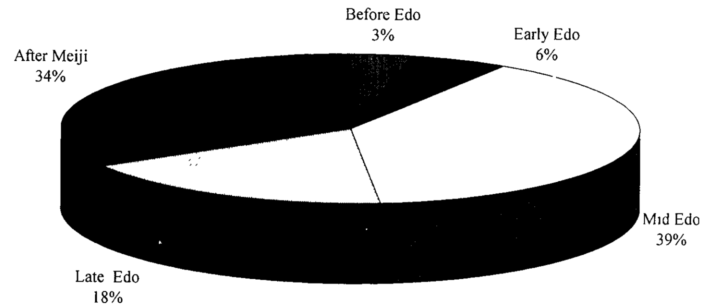
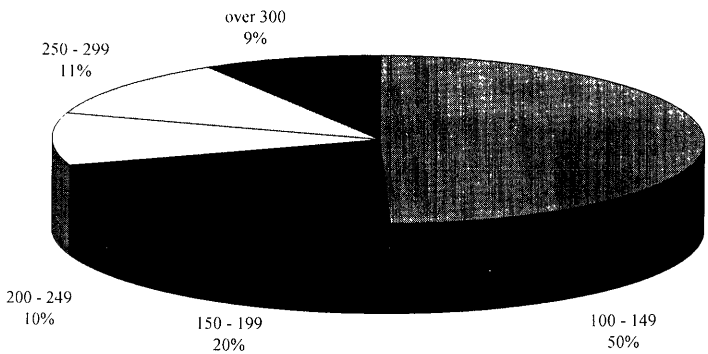


Figure 2. Years of Survival



that even thecompanies which prosper as excellent companies at one time, may experience a decline in their performance or sometimes go bankrupt. However, it is said that a company must be a "going-concern," and it is a basic premise that a company should survive and exist forever. In other words, the most fundamental mission for both large firms and SMCs is to develop a strategy for a long successful existence.

From such a point of view, the strategic management of the old established companies called "Shinise", which have survived over 100 years and established their brand names (Kanban), can be said to have strategies worth emulating. Therefore we would like to make it clear in this paper, how these companies have been able to survive through the years and howthey have overcome many environmental changes and maintained their competitiveness. We would also like to clarify what and how they have gained practical experiences and wisdom in this paper.

Through answering these research questions, we can discover the essence of thestrategic corporate behaviors for long-lasting survival[2].

Small and Medium Sized Companies Surviving over 200 Years

In Japan, there are only a few large centenarian companies the likes of Mitsui, Mitsubishi and Sumitomo. In contrast with these large companies, however, there are many small and medium sized centenarian companies (SMCCs), which have overcome difficulties and changes in different eras. As the first step to clarify management secrets of these old established companies, we shall provide an overview of SMCCs based on quantitative research.

Sustainability of the Japanese Old Established Companies

Naoto Iwasaki
Makoto Kanda

What is "Shinise"?

Japanese small and medium sized companies (SMCs) have faced critical situations due to the recent economic and industrial changes around the world, such as the recovery of the US economy and firms, economic outcrop of companies in NIEs, and the production base of Japanese companies' shifting abroad, all adding to the domestic economic recession since 1991.

SMCs are under contract to the larger firms, which are gradually attaining economic recovery through implementing business restructuring and business process re-engineering (BPR). These factors haveinfluenced the raison-d'être of SMCs which have focused on specific products and technologies, because large companies began to produce components by themselves in order, to reduce the number of components and product lines, and commonly to use common components among different products. These acts caused an increase in the proportion of occupational change and the discontinuance of SMCs' business compared with large firms, and make the difference of performance between large firms and SMCs more notable[1).

It is not avoidable that many companies are born and/or die, and