

関西学院大学専門職大学院 経営戦略研究科

2011年度秋学期入学試験

ビジネススクール(経営戦略専攻)
「国際経営コース」入学試験

Fall Semester Entry 2011
Business School (International Management Course)
Entrance Examination

筆記試験 (英語小論文) 問題
Written Examination
(Essay in English)

(注意事項)

- 監督者から試験開始の指示があるまで、問題用紙の内容は見ないでください。
- 解答は、すべて英語で記入してください。
- 試験場においては、すべて監督者の指示に従ってください。
- 机の上には筆記用具、受験票、時計のほかは置かないでください。
それら以外の物はカバンに入れ、床の上に置いてください。
- 筆記用具および時計は、計算機能や翻訳機能などを組み込んだ物の使用は認めません。時計のアラームは解除し、携帯電話等は電源を切ってください。
- 不正行為者は試験を無効とします。

Notes:

- Please do not look at the contents of the examination paper until the examination is started by the supervisor.
- Please complete all answers in English.
- Please follow the directions of the supervisor in all respects within the examination room.
- Nothing but writing implements, examination slip, and a watch may be placed on the desk. You are not permitted to use either writing implements or a watch that incorporate calculation or translation functions. Cancel the alarm function of your watch, and switch off your cell phone completely.
- Cheating in the examination will result in disqualification.

Please read the following newspaper article from 2011/6/18 and answer the following question.

Question 1: Describe how these changes will influence the leading convenience store chains' profits. In answering this question, please specify your rationale as explicitly as possible.

TOKYO (Nikkei)—Japan's leading convenience store chains are taking steps to prolong the shelf life of boxed lunches and other freshly prepared foods.

By reformulating recipes and modifying packaging to add shelf life, the companies aim to boost the competitiveness of their stores while reducing garbage caused by unsold products that have reached their expiration dates.

Seven-Eleven Japan Co. will release three new spaghetti meals that are good to sell for 65 hours, which is 25 hours longer than existing products. The company will also debut sandwiches with expiration dates extended to 38 hours compared with the usual 14 hours.

FamilyMart Co. (8028) will soon sell a series of around 15 salads that are good for 16 hours longer than the existing products. To slow the growth of bacteria, the vegetables are refrigerated while shipped from wholesalers to the salad-making factories, and the water used for washing and sterilization is temperature-controlled.

Lawson Inc. (2651) introduced chilled box lunches in January that can last a day longer on the shelves.

Circle K Sunkus Co. (3337) already markets a selection of 13 chilled take-home side dishes and plans to double the selection this fall.

Ministop Co. (9946) has modified the method for making chilled hamburgers in a way that prolongs the shelf life by a day.

Box lunches, side dishes and other food products that are delivered daily are major products for the convenience stores of Japan, accounting for roughly 34% of total sales.

Source: Nikkei English News "Convenience Stores Work To Add Shelf Life To Prepared Foods" 2011/06/18.

(The Nikkei June 18 morning edition)

Please read the following newspaper article from 2011/6/20 and answer the following two questions.

Question2: From the article below, summarize the main points of the article and provide an appropriate title.

Question3: Critically assess the author's argument on how Asahi should change its strategy.

To most beer industry watchers, Asahi Breweries Ltd.'s most pressing challenge is clear: Find a way to use the large, steady cash flow from its best-selling Asahi Super Dry to nurture new cash cows. Immediately.

The beverage giant has expanded its global operations through a series of acquisitions, but it still lags domestic rivals like Kirin Holdings Co. in its marketing ability and positioning as a food-and-beverage conglomerate.

The group's reorganization into a holding company structure on July 1 will present an excellent opportunity for a strategy review.

Exactly what kind of vehicle investors consider Asahi to be came to light May 18. That is when the company's stock made an uncharacteristically big jump, rising 6.4% from the previous day.

The spurt was triggered by a rise in the stock of Tingyi (Cayman Islands) Holding Corp., a major Chinese food company with which Asahi has investment ties. Tingyi's stock climbed to its all-time high the previous day, driven by the company's strong earnings.

Record profits

The anecdote tells us that investors regard Asahi as an "investment company," one whose market value is affected mainly by the stock prices of the businesses it has invested in. For the past several years, Asahi has been on what could amount to a 250 billion yen (\$3.1 billion) shopping spree, acquiring stakes in Tsingtao Brewery Co. of China, Schweppes Australia Pty. and Ting Hsin (Cayman Islands) Holding Corp. of China. It has also set up a joint venture with Tingy and is negotiating to buy P&N Beverages Australia Pty.

Despite these overseas investments, however, Asahi remains heavily dependent on Super Dry - the beer that sent the company's fortunes skyrocketing - for revenue and profit.

Because it has kept its strategic focus on its core beer business, the company has fallen behind domestic rivals in developing profit sources outside of beer.

Other Japanese brewers adopted holding company structures far earlier than Asahi as part of efforts to diversify. Sapporo Holdings Ltd. did so in 2003. Kirin took the step in 2007, and Suntory Holdings Ltd. followed in 2009.

Asahi President Naoki Izumiya does not mind being late to the party. "The form of the organization per se is not important," he said during a recent interview.

And who is to argue? Asahi posted record net profits for 10 years in a row through fiscal

2010 without changing its organizational structure. But its expansion through the series of acquisitions has clearly changed its organizational dynamics, at least when it comes to investment decisions. Few analysts would dispute that the holding company formula better suits the company's aggressive M&A strategy.

Synergies needed

The company is not very efficient at using its assets, other than those related to its beer business, to generate earnings. Last year, 10 billion yen of its operating profit came from its food, soft drinks and other nonbeer businesses.

The company's total operating profit from nonbeer operations, including income from its investment ties with Tingyi and other companies, totaled roughly 20 billion yen. But the overall return on assets related to these businesses and investments is not much higher than 3%, compared with more than 12% for the beer (domestic liquor) business.

In short, the company is not using the profits from its beer business efficiently enough to raise the profitability of other businesses.

Much of the blame should be placed on the company's half-baked investment strategy, which Izumiya acknowledges has not been firmly based on a clear and coherent vision for a more profitable future for the group.

Observers say the company needs to continue pursuing acquisitions in order to achieve its target of raising group sales to 2-2.5 trillion yen by 2015 and to become one of the top 10 food players in the world.

In looking for acquisitions, an analyst at a foreign brokerage said, "it is crucial for the company to pay more attention to expected synergies within the group, instead of simply adding new businesses."

Source: Nikkei English News, "Asahi realizes Super Dry cannot sustain it forever" 2011/06/20

(The Nikkei Weekly 2011/06/20 issue)