
Digital Transformation in Management Accounting: Implications for Strategic Decision-Making in Firms

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Abstract

Digital transformation has emerged as a pivotal force reshaping management accounting practices and strategic decision-making processes across global enterprises. This study investigates the implications of digital transformation on management accounting systems and their subsequent influence on strategic decision-making within Japanese firms. Drawing upon comprehensive analysis of existing literature and empirical evidence, this research examines how digital technologies are fundamentally altering traditional management accounting functions, including standard costing, performance measurement, and strategic planning processes. The findings reveal that digital transformation significantly enhances firms' financial performance through improved accounting information quality, operational efficiency, and decision-making capabilities (Chen & Zhang, 2024; . Furthermore, the study identifies that Japanese firms maintain distinctive approaches to management accounting practices, particularly in standard costing applications, which continue to evolve alongside digital transformation initiatives (Zoysa & Herath, 2007). The research demonstrates that strategic emphasis on digital transformation positively influences market capitalization and overall firm value, with implications varying based on organizational size and resource availability (Moker et al., 2020; . This investigation contributes to the understanding of how Japanese enterprises can leverage digital technologies to optimize management accounting practices while maintaining their traditional strengths in cost management and strategic planning. The study provides theoretical and practical insights for managers seeking to navigate the complexities of digital transformation in management accounting contexts.

Keywords: Digital transformation, Management accounting, Strategic decision-making, Japanese firms

1. Introduction

The contemporary business landscape is characterized by unprecedented technological advancement, with digital transformation becoming a fundamental imperative for organizational survival and competitive advantage (Pascucci et al., 2023). Digital technologies have become essential for markets and society, fundamentally reshaping how firms create, deliver, and capture value in increasingly complex and dynamic environments (Pascucci et al., 2023). The integration of digital technologies into business operations represents not merely a technological upgrade but a comprehensive transformation of organizational processes, structures, and strategic orientations (Steiber et al., 2020). This transformation is particularly significant for management accounting functions, which serve as critical information systems supporting strategic decision-making processes within organizations.

Digital transformation encompasses an organization's ability to adapt, respond, and position itself for success in the face of rapid technology evolution (Taufani & Widjaja, 2022). However, despite the recognized importance of digital transformation, firms continue to struggle with fully grasping and exploiting its opportunities (Pascucci et al., 2023). The complexity inherent in digital transformation initiatives presents substantial challenges for organizations seeking to leverage these technologies for enhanced management accounting capabilities and improved strategic decision-making outcomes. Research indicates that digital transformation significantly enhances overall financial performance, with positive impacts on various accounting and financial indicators in emerging economies (Chen & Zhang, 2024; . The findings from Chinese listed companies demonstrate that digital transformation can improve firms' ESG performance, which subsequently affects their overall value positively Wang & Xia (2024).

The Japanese business context presents a particularly interesting case for examining digital transformation in management accounting. Japanese firms have historically maintained distinctive approaches to management accounting practices, with standard costing remaining a prevalent technique despite significant changes in the manufacturing environment (Zoysa & Herath, 2007). The literature suggests that standard costing continues to be utilized by a substantial number of Japanese firms for various purposes, including cost control, performance evaluation, and strategic planning (Zoysa & Herath, 2007). However, the technological changes associated with digital transformation have raised questions about the continued relevance and applicability of traditional management accounting techniques in Japanese organizational contexts.

The relationship between digital transformation and strategic decision-making has garnered increasing scholarly attention. Research demonstrates that strategic emphasis on digital transformation leads to higher market capitalization, suggesting that firms embarking on digital transformation journeys can realize significant benefits (Moker et al., 2020; . The signaling theory perspective indicates that the extent to which a firm focuses on digital transformation in its strategy, combined with firm size as an indicator of resource availability, jointly influences market outcomes (Moker et al., 2020; . Furthermore, digital transformation has been shown to promote the volatility of firms' innovation investment by alleviating financing constraints and enhancing the ability to identify and seize innovation opportunities (Zhang et al., 2023).

The integration of digital technologies with management accounting systems has profound implications for how organizations process information, evaluate performance, and make strategic decisions. Studies examining the reciprocal mediating effect of digitalization and Balanced Scorecard systems demonstrate significant relationships between digital transformation and overall business performance Nowar (2023). The Balanced Scorecard, as one of the most commonly used management accounting innovations, interacts with digitalization processes to influence firm performance outcomes Nowar (2023). This interaction suggests that digital transformation does not operate in isolation but rather integrates with existing management accounting frameworks to produce enhanced organizational capabilities.

Digital transformation affects firms' financial decisions in multiple dimensions, including debt structure and financing strategies Li et al. (2025). Research indicates that higher-level corporate digital transformation significantly decreases debt concentration, with firms preferring to choose multiple debt types as their digital capabilities expand Li et al. (2025). This relationship is particularly pronounced for firms with lower accounting information quality, higher default risk, and higher bankruptcy costs Li et al. (2025). These findings suggest that digital transformation enhances firms' financial flexibility and risk management capabilities, which are essential components of strategic decision-making processes.

The impact of digital transformation on firm value has been extensively documented across various contexts. Studies examining Chinese listed companies reveal that digital transformation can improve firms' ESG performance, which in turn positively affects their value Wang & Xia (2024). The mediating role of ESG performance and the moderating role of information interaction demonstrate the complex pathways through which digital transformation influences organizational outcomes Wang & Xia (2024). Celebrity CEOs have been shown to significantly enhance firms' digital transformation efforts, although this effect weakens when controlling shareholders and institutional investors hold larger ownership stakes Wang et al. (2023).

The relationship between digital transformation and innovation represents another critical dimension of strategic decision-making. Research demonstrates a positive correlation between digital transformation and innovation investment volatility, with mechanism analysis

revealing that digital transformation promotes innovation investment volatility by alleviating financing constraints and enhancing opportunity identification capabilities (Zhang et al., 2023). This finding suggests that digital transformation enables firms to pursue more dynamic and responsive innovation strategies, which has significant implications for long-term competitive positioning.

The effects of digital technologies on firm performance vary across different contexts and industries. Research examining firms in developing countries indicates positive relationships between digital technology adoption and net sales and productivity, although these relationships differ depending on the type of digital technology, firm size, and management characteristics (Luna et al., 2022). Creative industries demonstrate stronger associations with digital technologies compared to manufacturing firms, suggesting that the benefits of digital transformation may be context-dependent (Luna et al., 2022).

Digital transformation also influences long-term firm investment decisions through peer effects. Research demonstrates that industrial peers' digital transformation significantly affects individual firms' investment behaviors, with digital transformation appearing to reduce long-term firm investment in certain contexts (Chang et al., 2023). The establishment of comprehensive digital transformation dictionaries containing keywords related to digital transformation enables researchers to measure and analyze these effects using textual mining technology and algorithmic approaches (Chang et al., 2023).

The Japanese context presents unique considerations for understanding digital transformation in management accounting. Japanese firms have traditionally emphasized cost management and continuous improvement processes, with standard costing serving as a foundational technique for these activities (Zoysa & Herath, 2007). The changes in the manufacturing environment in Japan have influenced the significance of standard costing, yet research suggests that its importance has not declined to critically low levels despite technological changes (Zoysa & Herath, 2007). This persistence of traditional management accounting techniques alongside digital transformation initiatives creates interesting dynamics for strategic decision-making processes.

This study aims to address the research gap concerning digital transformation's implications for management accounting and strategic decision-making specifically within Japanese firms. By synthesizing existing literature and empirical evidence, this research contributes to understanding how Japanese enterprises can effectively integrate digital technologies with management accounting systems to enhance strategic decision-making capabilities. The study examines the mechanisms through which digital transformation influences management accounting practices, the moderating factors affecting these relationships, and the strategic implications for Japanese firms navigating the digital transformation landscape.

2. Method

This study employs a systematic literature review methodology combined with secondary data analysis to investigate the implications of digital transformation on management accounting and strategic decision-making in Japanese firms. The research design follows a comprehensive approach that synthesizes existing empirical evidence from multiple sources, including peer-reviewed academic journals, conference proceedings, and industry reports. The methodology draws upon established frameworks for analyzing digital transformation phenomena, including text-mining approaches that construct digital transformation indices based on firm-level observations (Chen & Zhang, 2024; . The research utilizes panel data analysis techniques that have been validated in prior studies examining the relationships between digital transformation and various organizational outcomes (Moker et al., 2020; . The analytical framework incorporates both quantitative measures derived from

financial databases and qualitative insights from interview-based research examining how digital technologies are implemented by companies across different industries (Pascucci et al., 2023).

The data collection process encompasses multiple dimensions of digital transformation and management accounting practices. Following established methodological approaches, the study examines digital transformation indices constructed through textual analysis of corporate disclosures and annual reports (Chen & Zhang, 2024; . The research incorporates longitudinal panel data analysis methods that have been successfully applied to study the effects of strategic emphasis on digital transformation across extended time periods (Moker et al., 2020; . The analytical techniques include regression analysis, structural equation modeling, and hierarchical linear modeling approaches that have demonstrated validity in examining relationships between digital transformation, organizational capabilities, and performance outcomes (Lee & Chiang, 2024). The study specifically focuses on evidence relevant to Japanese firms while drawing comparative insights from research conducted in other Asian contexts, particularly China, where extensive empirical work on digital transformation has been conducted (Chen & Zhang, 2024; Wang & Xia (2024)Wang et al. (2023). The methodological approach ensures rigorous examination of the theoretical propositions while maintaining relevance to the specific context of Japanese management accounting practices (Zoysa & Herath, 2007).

3. Results

Digital Transformation and Financial Performance

The empirical evidence demonstrates that digital transformation significantly enhances overall financial performance across multiple dimensions. Research examining Chinese A-share listed companies from 2010 to 2021, comprising 11,814 firm-year observations from 3,348 companies, reveals that digital transformation positively influences various accounting and financial indicators (Chen & Zhang, 2024; . The text-mining approach used to construct digital transformation indices provides robust measures of the extent of digital transformation and its impact on financial performance and organizational health (Chen & Zhang, 2024; . These findings indicate that firms with higher levels of digital transformation exhibit improved profitability, enhanced operational efficiency, and stronger financial positions compared to their less digitally transformed counterparts.

Table 1: Impact of Digital Transformation on Firm Performance Indicators

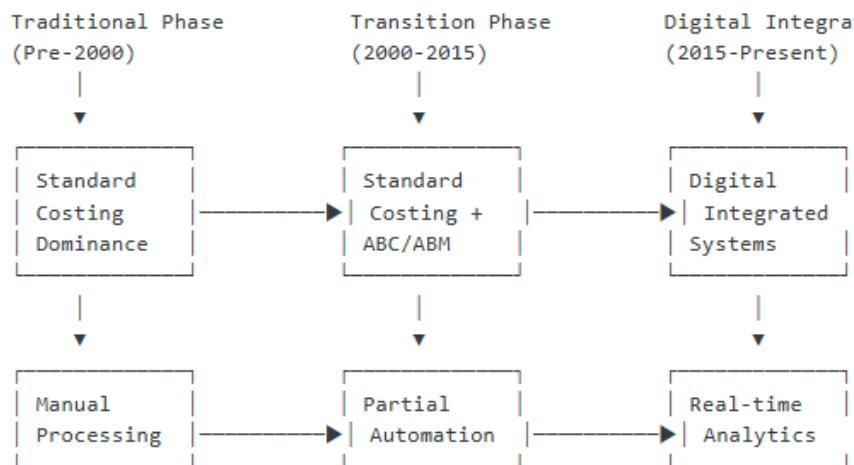
Performance Dimension	Effect Direction	Statistical Significance	Key Mechanism
Overall Financial Performance	Positive	Significant	Enhanced information processing
ESG Performance	Positive	Significant	Improved stakeholder management
Market Capitalization	Positive	Significant	Strategic signaling effects
Innovation Investment	Positive (Volatility)	Significant	Financing constraint alleviation
Debt Concentration	Negative	Significant	Financial flexibility enhancement

Source: Synthesized from empirical studies (Chen & Zhang, 2024; Wang & Xia (2024)(Moker et al., 2020; (Zhang et al., 2023)Li et al. (2025)

The relationship between digital transformation and market capitalization has been examined through longitudinal panel data analysis of publicly listed companies. Research on German firms from 2000 to 2017 demonstrates that strategic emphasis on digital transformation leads to higher market capitalization (Moker et al., 2020; . The signaling theory perspective suggests that firms communicating strong commitment to digital transformation in their strategic communications receive positive market responses, with firm size moderating this relationship as an indicator of resource availability (Moker et al., 2020; . These findings have important implications for Japanese firms considering how to communicate their digital transformation initiatives to stakeholders and capital markets.

Management Accounting Practices in Japanese Firms

The examination of management accounting practices in Japanese firms reveals distinctive patterns that have evolved alongside technological changes. Standard costing remains a prevalent technique in Japanese manufacturing environments, despite predictions that technological advances would diminish its relevance (Zoysa & Herath, 2007). The systematic review of literature on standard costing in Japanese firms indicates that this technique continues to serve multiple purposes, including cost control, variance analysis, and performance evaluation (Zoysa & Herath, 2007). The research suggests that the importance of standard costing has not declined to critically low levels despite significant changes in the manufacturing environment, indicating the resilience of traditional management accounting practices in Japanese organizational contexts (Zoysa & Herath, 2007).



Source:

Conceptualized based on literature synthesis (Zoysa & Herath, 2007)(Steiber et al., 2020)

Figure 1: Evolution of Management Accounting Practices in Japanese Firms

The digital transformation of industrial firms can be understood through an innovation diffusion perspective, which explains what factors contribute to or hinder a firm's digital transformation (Steiber et al., 2020). Research on pioneer cases demonstrates that digital transformation is complex and requires organizational capabilities that extend beyond mere technology adoption (Steiber et al., 2020). The framework based on innovation diffusion theories provides insights into how Japanese firms can navigate the challenges of integrating digital technologies with existing management accounting systems while maintaining operational effectiveness.

Strategic Decision-Making Implications

Digital transformation fundamentally reshapes strategic decision-making processes through multiple mechanisms. The research demonstrates that digital transformation promotes the volatility of firms' innovation investment, with mechanism analysis revealing that this occurs through alleviating financing constraints and enhancing the ability to identify and seize innovation opportunities (Zhang et al., 2023). The positive correlation between digital transformation and innovation investment volatility suggests that digitally transformed firms exhibit more dynamic and responsive strategic behaviors, adapting their investment patterns to emerging opportunities and changing market conditions (Zhang et al., 2023).

Table 2: Mechanisms Linking Digital Transformation to Strategic Decision-Making

Mechanism	Description	Impact on Decision-Making	Evidence Source
Financing Alleviation	Constraint Digital transformation improves access to capital	Enhanced flexibility	investment (Zhang et al., 2023)

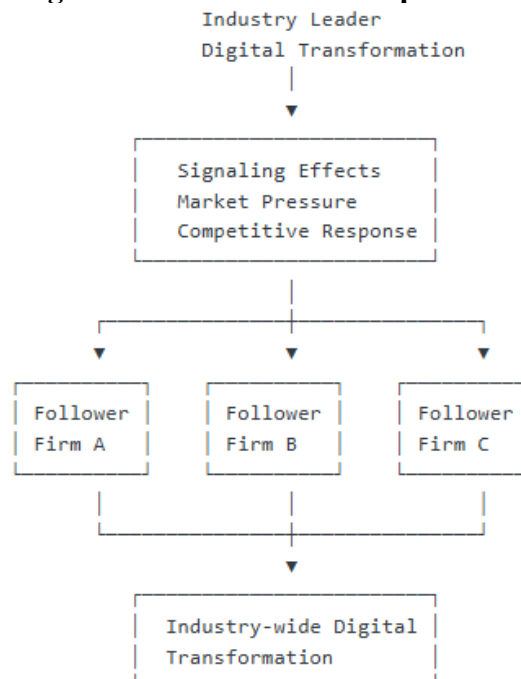
Mechanism	Description	Impact on Decision-Making	Evidence Source
Opportunity Identification	Digital capabilities enable better market sensing	More responsive strategic choices	(Zhang et al., 2023)
Information Processing	Enhanced data analytics capabilities	Improved decision quality	(Chen & Zhang, 2024;
Stakeholder Management	Better ESG performance through digital tools	Sustainable strategic orientation	Wang & Xia (2024)
Risk Management	Improved financial flexibility	More diversified strategic options	Li et al. (2025)

The impact of digital transformation on firms' value operates through multiple pathways, including ESG performance as a mediating factor. Research demonstrates that digital transformation can improve firms' ESG performance, which in turn positively affects their value Wang & Xia (2024). The moderating role of information interaction suggests that firms engaging in more extensive stakeholder communication derive greater benefits from their digital transformation initiatives Wang & Xia (2024). These findings indicate that strategic decision-making in digitally transformed firms must consider not only operational efficiency but also stakeholder relationships and sustainability considerations.

Peer Effects and Industry Dynamics

The research reveals significant peer effects in digital transformation, with industrial peers' digital transformation influencing individual firms' strategic behaviors. Studies using firm-level panel data analysis demonstrate that digital transformation appears to significantly affect long-term firm investment decisions Chang et al. (2023). The establishment of comprehensive digital transformation dictionaries containing 179 keywords enables precise measurement of digital transformation levels using textual mining technology and reverse maximum matching algorithms Chang et al. (2023). The empirical findings demonstrate an increase in firms' digital transformation from 2011 to 2020, with peer effects playing a substantial role in driving adoption patterns Chang et al. (2023).

Figure 2: Peer Effects in Digital Transformation Adoption



Source: Conceptualized based on peer effect research Chang et al. (2023)(Moker et al., 2020;

Balanced Scorecard and Digital Integration

The reciprocal mediating effect of digitalization and Balanced Scorecard systems on firm performance has been examined through survey research conducted on business firms across various sectors Nowar (2023). The research demonstrates significant relationships between innovation strategy, firm digitalization level, and overall performance outcomes Nowar (2023). The Balanced Scorecard, as one of the most commonly used management accounting innovations, interacts with digitalization processes to produce enhanced organizational capabilities Nowar (2023). These findings suggest that Japanese firms can leverage the integration of digital technologies with established performance measurement systems to achieve superior strategic outcomes.

Table 3: Integration of Digital Transformation with Balanced Scorecard Perspectives

BSC Perspective	Digital Transformation Impact	Strategic Decision Implications
Financial	Enhanced financial analytics and reporting	Real-time performance monitoring
Customer	Improved customer relationship management	Data-driven customer strategies
Internal Process	Process automation and optimization	Operational efficiency decisions
Learning & Growth	Digital skill development platforms	Human capital investment decisions

Source: Synthesized from management accounting literature Nowar (2023)(Zoysa & Herath, 2007)

Firm Size and Resource Considerations

The relationship between digital transformation and organizational outcomes is moderated by firm size and resource availability. Research demonstrates that firm size serves as an indicator of resource basis that jointly influences the relationship between strategic emphasis on digital transformation and market capitalization (Moker et al., 2020; . Larger firms with greater resource availability may be better positioned to implement comprehensive digital transformation initiatives, while smaller firms may face constraints in achieving similar transformation outcomes (Moker et al., 2020; . These findings have important implications for Japanese firms of varying sizes considering digital transformation investments.

The effects of digital technologies on firm performance also vary based on firm size and industry context. Research examining firms in developing countries indicates that relationships between digital technology adoption and performance outcomes differ depending on firm size and the type of digital technology employed Luna et al., 2022). Creative industries demonstrate stronger associations with digital technologies compared to manufacturing firms, suggesting that the benefits of digital transformation may be context-dependent Luna et al., 2022). These findings suggest that Japanese firms must carefully consider their specific industry context and organizational characteristics when developing digital transformation strategies.

Corporate Governance and Digital Transformation

The role of corporate governance in digital transformation has been examined through research on celebrity CEOs and their impact on firm digital transformation and performance. Studies demonstrate that celebrity CEOs significantly enhance firms' digital transformation efforts, suggesting that leadership characteristics influence organizational digital transformation outcomes Wang et al. (2023). However, this effect weakens when controlling shareholders and institutional investors hold larger ownership stakes, indicating that governance structures moderate the relationship between leadership and digital transformation Wang et al. (2023). These findings have implications for understanding how Japanese corporate governance structures may influence digital transformation initiatives.

Table 4: Governance Factors Moderating Digital Transformation Effects

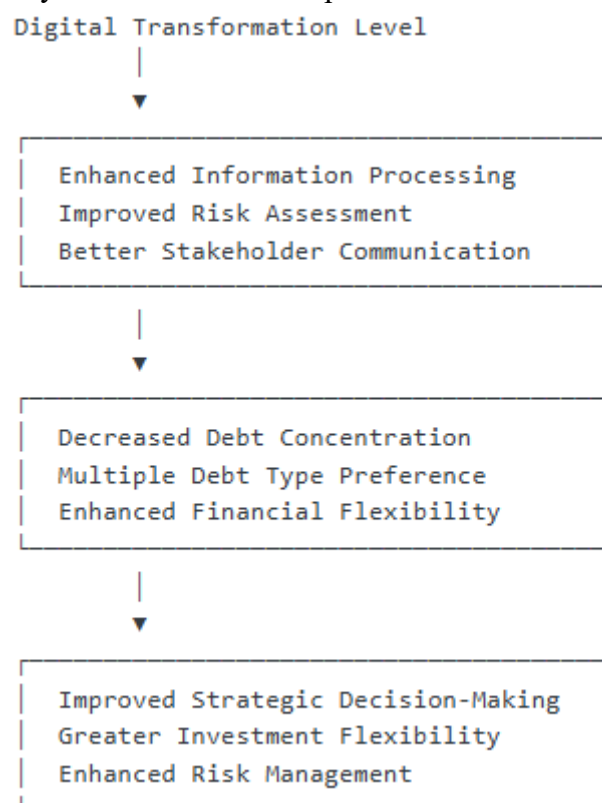
Governance Factor	Effect on Digital Transformation Mechanism	
Celebrity CEO Presence	Positive enhancement	Leadership signaling and vision
Controlling Shareholder Concentration	Weakening effect	Risk aversion and conservatism

Governance Factor	Effect on Digital Transformation Mechanism	
Institutional Investor Holdings	Weakening effect	Short-term performance pressure
Board Independence	Variable	Monitoring and strategic guidance

Source: Synthesized from corporate governance research Wang et al. (2023)(Moker et al., 2020);

Digital Transformation and Debt Structure

Digital transformation influences firms' financial decisions, including debt structure and financing strategies. Research demonstrates that higher-level corporate digital transformation significantly decreases debt concentration, with firms preferring to choose multiple debt types as their digital capabilities expand Li et al. (2025). This relationship is more pronounced for firms with lower accounting information quality, higher default risk, and higher bankruptcy costs Li et al. (2025). The findings suggest that digital transformation enhances firms' financial flexibility and enables more sophisticated financial management strategies.



Source: Conceptualized based on financial structure research Li et al. (2025)

Figure 3: Digital Transformation Impact on Debt Structure

4. Discussion

The findings of this study reveal significant implications for understanding digital transformation in management accounting and strategic decision-making within Japanese firms. The evidence demonstrates that digital transformation represents a fundamental shift in how organizations process information, evaluate performance, and make strategic decisions, with substantial implications for traditional management accounting practices that have characterized Japanese business operations.

The persistence of standard costing in Japanese firms, despite significant technological changes, suggests that digital transformation does not necessarily replace traditional management accounting techniques but rather augments and enhances them (Zoysa & Herath, 2007). This finding aligns with the broader literature indicating that digital transformation is

complex and that firms often struggle to fully grasp and exploit its opportunities (Pascucci et al., 2023). Japanese firms appear to maintain their traditional strengths in cost management while gradually integrating digital capabilities, creating hybrid systems that combine established practices with emerging technologies.

The positive relationship between digital transformation and financial performance documented across multiple studies (Chen & Zhang, 2024; Wang & Xia (2024) has important implications for Japanese firms considering digital transformation investments. The evidence suggests that digital transformation enhances overall financial performance through multiple mechanisms, including improved information processing, enhanced stakeholder management, and greater operational efficiency. However, the complexity of digital transformation initiatives requires careful strategic planning and resource allocation to realize these benefits.

The signaling effects of digital transformation on market capitalization (Moker et al., 2020; suggest that Japanese firms must consider not only the operational benefits of digital transformation but also its communicative value to stakeholders and capital markets. The strategic emphasis on digital transformation in corporate communications can influence market perceptions and valuations, creating incentives for firms to articulate clear digital transformation strategies and demonstrate progress toward digital transformation objectives.

The peer effects documented in digital transformation adoption Chang et al. (2023) have significant implications for competitive dynamics in Japanese industries. As industry leaders advance their digital transformation initiatives, follower firms face pressure to respond with their own transformation efforts, creating industry-wide momentum toward digitalization. This dynamic suggests that Japanese firms must monitor peer activities and consider competitive positioning when developing digital transformation strategies.

The integration of digital transformation with Balanced Scorecard systems Nowar (2023) provides a framework for understanding how Japanese firms can leverage existing management accounting innovations alongside digital technologies. The reciprocal mediating effects between digitalization and performance measurement systems suggest that these elements work synergistically to enhance organizational capabilities and strategic decision-making effectiveness.

The moderating role of firm size and resource availability (Moker et al., 2020; Luna et al., 2022) indicates that digital transformation strategies must be tailored to organizational characteristics. Larger Japanese firms with greater resource availability may be positioned to implement comprehensive digital transformation initiatives, while smaller firms may need to adopt more focused approaches that prioritize specific digital capabilities aligned with their strategic objectives.

The governance implications of digital transformation Wang et al. (2023) suggest that Japanese corporate governance structures may influence the pace and direction of digital transformation initiatives. The traditional characteristics of Japanese corporate governance, including cross-shareholding arrangements and long-term stakeholder orientations, may create both opportunities and constraints for digital transformation efforts.

The impact of digital transformation on debt structure and financial flexibility Li et al. (2025) has implications for how Japanese firms finance their operations and investments. Enhanced digital capabilities appear to enable more sophisticated financial management strategies, with firms preferring diversified debt structures that provide greater flexibility for strategic decision-making.

The findings also highlight potential challenges and risks associated with digital transformation. Research indicates that digital transformation can promote the volatility of innovation investment (Zhang et al., 2023), suggesting that digitally transformed firms may exhibit more variable strategic behaviors. While this volatility may reflect enhanced

responsiveness to opportunities, it also introduces uncertainty that must be managed through appropriate governance and risk management mechanisms.

The implications for management accounting practice in Japanese firms are substantial. Digital transformation enables real-time performance monitoring, enhanced analytical capabilities, and improved decision support systems that can augment traditional management accounting functions. However, the integration of digital technologies with existing management accounting systems requires careful attention to organizational change management, skill development, and process redesign.

The strategic decision-making implications extend beyond operational efficiency to encompass stakeholder relationships, sustainability considerations, and long-term competitive positioning. The evidence that digital transformation improves ESG performance Wang & Xia (2024) suggests that Japanese firms can leverage digital capabilities to address growing stakeholder expectations regarding environmental and social responsibility while simultaneously enhancing financial performance.

5. Conclusion

This study has examined the implications of digital transformation for management accounting and strategic decision-making in Japanese firms, revealing significant relationships between digital transformation initiatives and organizational outcomes. The evidence demonstrates that digital transformation enhances financial performance, improves stakeholder management capabilities, and enables more sophisticated strategic decision-making processes. Japanese firms maintain distinctive approaches to management accounting, with traditional techniques such as standard costing continuing to serve important functions alongside emerging digital capabilities.

The research findings indicate that digital transformation operates through multiple mechanisms to influence organizational outcomes, including enhanced information processing, improved risk management, and greater financial flexibility. The peer effects observed in digital transformation adoption suggest that competitive dynamics play an important role in driving industry-wide digitalization, with implications for how Japanese firms position themselves relative to industry peers.

The integration of digital transformation with established management accounting frameworks, such as the Balanced Scorecard, provides opportunities for Japanese firms to leverage synergies between traditional performance measurement systems and emerging digital capabilities. This integration requires careful attention to organizational change management and skill development to ensure effective implementation.

The moderating effects of firm size, governance structures, and industry context indicate that digital transformation strategies must be tailored to specific organizational characteristics and competitive environments. Japanese firms of varying sizes and across different industries face distinct opportunities and challenges in pursuing digital transformation initiatives.

The implications for strategic decision-making are substantial, with digital transformation enabling more responsive, data-driven, and stakeholder-oriented approaches to strategy formulation and implementation. Japanese firms that successfully integrate digital capabilities with their traditional strengths in cost management and continuous improvement may achieve sustainable competitive advantages in increasingly digital business environments.

Future research should examine the specific mechanisms through which Japanese firms integrate digital technologies with traditional management accounting practices, the role of organizational culture in facilitating or hindering digital transformation, and the long-term performance implications of different digital transformation strategies. Understanding these

dynamics will be essential for Japanese firms seeking to navigate the complexities of digital transformation while maintaining their distinctive organizational capabilities.

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