

ABSTRACT

The purpose of this study is to provide empirical evidence about company characteristics such as product diversification, geographical diversification, firm size, type of industry, leverage, and profitability that affect corporate risk disclosure.

The statistic method that used to test the hypotheses is multiple regression analysis. Seventy six nonfinancial firms listed on IDX in 2009 were chosen randomly as sample. To explain the linkages between the variables, stakeholder theory was used. In addition, corporate risk disclosure was explored with sentences as a basis for coding.

The results of this research show that simultaneously company characteristics have significant positive relationships with risk disclosure. However, only firm size and type of industry that have significant relationship with risk disclosure individually, while both of product and geographical diversification, leverage, and profitability have no significant relationship with corporate risk disclosure .

Keywords: risk, risk disclosure, company characteristics, stakeholder theory