



Guest Lecture

Inbound M&A to Japan - Cherry Picking versus Rescue Mission?

Ralf Bebenroth

19 July 2009 (Monday), 5 pm - 6.30 pm

Edmund-Siemers-Allee 1 (Eastwing), Seminar Room 120

This presentation will investigate differences in targets (firms) overtaken by cross-border bidders versus domestic ones. Selection theory literature in this context speaks of "cherry picking." Put simply, cross-border bidders overtake comparably better performing targets. In contrast, domestic bidders acquire weaker targets in a move that can be termed as "rescue mission."

My research results, however, show that for the case of Japan, cross-border targets did not perform better but actually performed worse than domestic ones. According to my sample, "cherry picking" of cross-border acquisitions does not occur. This lends support to the idea that foreign bidders probably come to the acquisition target at a later stage. To put it differently, Japanese firms were being overtaken by foreign bidders in cases where no domestic firm was interested in overtaking the target. Reasons for this thesis will be discussed.

The presentation is based on a publication in *Kobe Economic and Business Review* (no. 54, 2009, pp. 1-16).

Prof. Dr. Ralf Bebenroth is Associate Professor for European Economics in the Research Institute for Economics and Business Administration at Kobe University. He also works as a business consultant and patent translator. He has published widely on mergers and acquisitions in Japan, Germany and Europe. <http://www.bebenroth.eu/>