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Do Acquiring Firms Achieve Their Mergers and Acquisitions Objectives? -Evidence from Japan-

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The study's contributions

Overall – The study's findings directly relate to the IASB's Goodwill and Impairment project objective and one of key areas of the IASB staff's investigation

Findings and Conclusions – The implications of his findings provide excellent support on the IASB's project to explore more specific disclosure in financial statements regarding the M&A objectives and the subsequent performance of acquired businesses

Review of the benefits from improving disclosure requirements in the IFRS standards – More effective and transparent dialogues between management and investors through the disclosures in financial statements could help the investor's assessment of the companies' performance and might affect the management's decision over acquisitions.

Observations and questions

Observations regarding realisation of the M&A objectives – (i) Some acquired business's positive effects at the business unit level might be absorbed by other businesses' negative performance at the company level. (ii) The length of a period to realise the effects of the M&As might take longer at the company level.

Responses to Prof Amano's concerns – The 'Boilerplate' disclosures that do not reflect actual performance might remain. His study also acknowledges other stakeholders' concerns including the risks of disclosing confidential information. We are investigating those points to find the solutions.

Questions – (i) Do you think that the IASB's proposed disclosures might affect your finding regarding the realization of the M&A objectives? (ii) How would the differences in the accounting standards affect the implications of your findings?

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