

value may induce coordination failure among creditors. Because this also induces moral hazard on the part of the debtor, adopting APR violations may be a useful way of improving *ex ante* efficiency. Finally, if there is complementarity between a firm's assets, the revocation of PP can mitigate the coordination problem and thus increase *ex ante* efficiency.

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MEGA-MERGERS' ECONOMIC REASONS AND PERFORMANCES: LESSONS FROM JAPAN

This study examines short- and long-term performances of consolidations of larger scale banks. Japan experienced its banking crisis in late 1990s, a decade prior to global financial crisis in later 2000s. Large scale bank consolidations took place after the global financial crisis in the US and Europe and some of those consolidations were criticized as aiming at “too big to fail”.

With a decade experience, this paper shows that banks which had low rating of market evaluations at the announcement of a merger resulted in poor results of balance sheet analysis. This could be lessons from Japan with the global banking sector now consolidated than ever.

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ROLES OF OUTSIDE DIRECTORS IN COOPERATIVE FINANCIAL INSTITUTIONS: THE CASE OF JAPAN

As the governance of financial institutions is becoming an important issue, there are many papers empirically investigating the governance issues of banks, which are stock companies. However, cooperative structured financial institutions (coops), which have a unique governance structure different from stock companies, play a substantial role in the Japanese banking markets. For example, cooperative banks hold as much as a 25 % share of household deposits. On the other hand, many cooperative banks failed due to non-performing loans after the collapse of the bubble in the in the early 1990s. Japan's financial regulator, the Financial Services Agency (FSA), has reviewed that one of the main causes of such co-ops failures as inadequate corporate governance. Therefore, it is worth examining whether some