

Mergers by Family and Non-family Firms in Japan, 1955–1973: Does Ownership Matter?

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報告要旨

Family firms have been attracting considerable attention in recent years, but previous studies have not investigated their relationship to M&A. In this paper, we focus on the merger wave in the era of high economic growth in Japan (1955–1973). During this period, established large corporations formed bank-centered business groups, while numerous emerging businesses, dominated by family firms, became listed since 1961. Both economic and historical studies on Japanese firms in this era have concentrated on business groups and paid little attention to the emerging family firms. Moreover, most empirical studies focus on the consequences but not on the determinants of M&A. We find that the probability of mergers by non-family firms is significantly higher than that of family firms. Our empirical results suggest that the reason for this difference lies on the side of family firms; those with a smaller proportion of family ownership are less likely to merge, which implies that family shareholders are unwilling to merge for fear of losing control. Case studies support our findings.

Keywords: merger; ownership; family firm; non-family firm; Japan

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