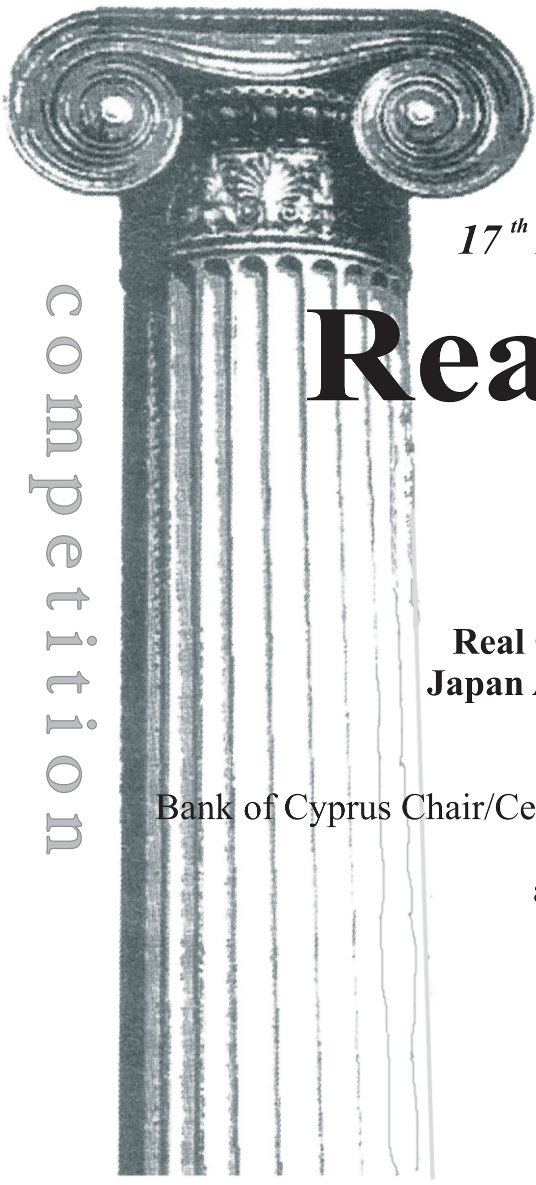
expand
valuing
flexibility
risk management
strategy
competition



17 th Annual International Conference on

Real Options

Theory Meets Practice

Organized by
Real Options Group, University of Tokyo and
Japan Association of Real Options and Strategy

In cooperation with
Bank of Cyprus Chair/Center for Real Options, University of Cyprus
Northwestern University
and University of California at Los Angeles

July 24 - 27, 2013
Tokyo, Japan

Program Sessions Summary Guide

DAY 1 - THURSDAY, JULY 25

[9:00-12:30 Tutorials (Extra)]	
12:30-1:45 Registration & Luncheon	
1:45-2:00 President's Welcome	
2:00-3:40 Parallel Sessions	
Empirical Evidence (2)	Best Student Paper Award Presentations (4)
Valuation Applications (2)	
4:00-4:45 Keynote Address	
4:45-5:45 Managerial Panel Discussion	
5:45-7:15 Networking Reception	

DAY 2 - FRIDAY, JULY 26

Track I	Track II
8:30-9:00 Registration	
9:00-10:15 Energy Investments & Flexibility (3)	9:00-10:15 Stochastic ROV Models (3)
10:45-12:00 R&D/Technology Options (3)	10.45-12:00 Sequential Investments (3)
12:00-2:00 Luncheon	
2:00-3:15 M&As and Abandonment (3)	2:00-3:15 IO/ Games Applications (3)
3:45-5:00 Environmental Investment & Policy (3)	3:45-5:00 Modeling/Computational (4)
5.15-6:00 Academic Panel Discussion: Current State, Challenges & Future Prospects	

SATURDAY, JULY 27

All-day tour/sightseeing and optional dinner.

Program Sessions

DAY 1 - THURSDAY, JULY 25

[9:00 - 12:30 Tutorials (extra cost) part of Managerial Program]

9:00 I. Real Options and Consumer/Technology Development Decisions
Gordon Sick, U. Calgary, Canada

9:40 II. Valuing Real Options Using Binomial Trees
Lenos Trigeorgis, University of Cyprus

10:20 Morning Coffee Break

10:35 III. A Practical Approach for Implementing Real Options
Yuri Lawryshyn, U. of Toronto, Canada

11:15 IV. Real Options and Games with Applications in Strategy
Kuno Huisman, Tilburg U., Netherlands

11:55 V. Valuing Switching Options with Applications
Dean Paxson, U. Manchester, UK

9:00 - 12:30 Registration

12:30 - 1:45 Luncheon

1:45 - 2:00 President's Welcome

2:00 - 3:40 Parallel Sessions
I. Empirical Evidence & Valuation Applications
Chairperson: L. Trigeorgis (U. of Cyprus, Cyprus)

S.-E. Fleten, E. Haugom (Norwegian U. of Science and Technology, Norway) and C. Ullrich (Virginia Tech, USA), *Keeping the Lights On Until the Regulator Decides!*

A. Almansour, A. Alojairi, W. Bahamdan (King Fahd U. of Petroleum and Minerals) and A. Basiouni (Yanbu Industrial College, Saudi Arabia), *Online Selling Adoption Likelihood: Empirical Analysis of Main Drivers*

L.M. Abadie (Basque Centre for Climate Change) and J.M. Chamorro (U. of Basque Country, Spain), *Valuation of Wind Energy Projects*

G. Power (Laval University, Canada), M. Burris, S. Vadali and D. Vedenov (Texas A&M University, USA), *Valuation of Strategic Options in Public-Private Partnerships*

II. Best Student Paper Award Session
Chairperson: A. Siddiqui (University College London, UK)

N. Misir (Copenhagen Business School, Denmark), *Wind Generators and Market Power*

H. J. Boonman (Tilburg U., Netherlands) and V. Hagspiel (U. of Lausanne, Switzerland), *Sensitivity of Demand Function in a Strategic Real Options Context*

M. Flanagan (Manchester Metropolitan U., UK), *Evaluating Mortgage Mitigation Options: A Simulation of Alternative US Mortgage Distress Termination Options*

J. Kil (Erasmus U. Rotterdam, Netherlands), *Do Managers Pay for the Growth Options in Buy-and-Build Acquisitions? An Empirical Analysis*

3:40 - 4:00 Afternoon Coffee Break

4:00 - 4:45 Keynote Address
L. Trigeorgis (U. of Cyprus), *Thoughts on Real Options*

4:45 - 5:45 Managerial Panel Discussion
Real Options Application: Successes and Impediments
Moderator: D. Paxson (U. of Manchester, UK)

Panelists Include:
L. Brandao (PUC-Rio, Brazil)
Y. Kawaguchi (President, Real Estate Financial Engineering Society, Japan)
Y. Lawryshyn (U. Toronto, Canada)
G. Sick (U. Calgary, Canada)

5:45 - 7:15 Networking Reception

Sponsored by ROG, U. of Tokyo and JAROS

DAY 2 - FRIDAY, JULY 26

8:30 - 9:00 Registration

9:00 - 10:15
I. Energy Investments and Operational Flexibility
Chairperson: S.-E. Fleten (Norwegian U. of Science and Technology, Norway)

R. Adkins (Bradford U.) and D. Paxson (U. of Manchester, UK), *Subsidies for Renewable Energy under Uncertainty*

A. Siddiqui (University College London, UK) and R. Takashima (Chiba Institute of Technology, Japan), *Investment in Alternative Energy Technologies under Physical Plant and Policy Uncertainties*

C. Bastian-Pinto, L. Ozorio (IBMEC Business School), L. Brandão and R. Raphael (PUC-Rio, Brazil), *Valuation of Operational Flexibilities in the Aluminum Industry*

II. Stochastic ROV Models
Chairperson: G. Sick (U. of Calgary, Canada)

C. Bastian-Pinto, L. Ozorio (IBMEC Business School, Brazil) and P. Schevchenko (CSIRO, Australia), *Choice of Stochastic Process in ROV: Selecting Multiple Factor Models*

Y. Li (Ryerson U.) and G. Sick (U. of Calgary, Canada), *Exercise of Real Development Options and Corporate Risk Measures*

C.M. Leung (City U. of Hong Kong) and Y.K. Kwok (Hong Kong U. of Science and Technology, Hong Kong), *Numerical Algorithms for R&D Stochastic Control Models*

10:15 - 10:45 Morning Coffee Break

10:45 - 12:00
I. R&D/Technology Options
Chairperson: D. Paxson (U. of Manchester, UK)

L. Trigeorgis (U. of Cyprus, Cyprus) and F. Baldi (LUISS Guido Carlo U., Italy*), Patent Strategies: Fight or Cooperate?*

V. Hagspiel (U. of Lausanne, Switzerland), P. Kort (Tilburg U., Netherlands) and
C. Nunes (Instituto Superior Tecnico, Portugal), *Technological Change: A Burden or an Opportunity?*

C.M. Leung (City U. of Hong Kong) and Y.K. Kwok (Hong Kong U. of Science and Technology, Hong Kong), *R&D Competition Among Asymmetric Firms with Spillovers*

II. Sequential Investment
Chairperson: R. Takashima (Chiba Institute of Technology, Japan)

R. Adkins (Bradford U.) and D. Paxson (U. of Manchester, UK), *Analysis of Sequential Investment Opportunities*

K. Sato (Waseda U.), Y. Naito (Mitsubishi UFJ Morgan Stanley Securities Co.) and R. Takashima (Chiba Institute of Technology, Japan), *Sequential Investment, Capacity Size and Optimal Staging Flexibility*

C. Deck (U. de los Andes, Chile), *Rolling or Fixed Exercise Dates for Compound American Options*

12:00 - 2:00 Luncheon

2:00 - 3:15
I. M&As and Abandonment
Chairperson: L. Brandão (PUC-Rio, Brazil)

J. Kinnunen (Åbo Akademi U., Finland) and I. Georgescu (Academy of Economic Studies, Romania), *M&A Target Portfolio Selection*

J. Dong and Y. Iihara (Toyo U., Japan), *Optimal Timing of Announcement in Merger and Acquisition Activity*

C. Alexander (U. of Sussex), X. Chen and C. Ward (U. of Reading, UK), *Extended MAD for Real Option Valuation: Case Study of Abandonment*

II. IO/ Games Applications
Chairperson: K. Huisman (Tilburg U., Netherlands)

P. J. Pereira and A. Rodrigues (U. of Porto, Portugal), *Investment Decisions in Finite-lived Monopolies*

B. Vermeulen (U. of Hohenheim, Germany), K. Huisman (Tilburg U., Netherlands) and A.G. de Kok (Eindhoven U. of Technology, Netherlands), *Vertical Governance Change for Product Differentiation under Decreasing Component Costs*

J. Imai and R. Maruyama (Keio U., Japan), *Corporate Financing and Investment Expansion under Asymmetric Information*

3:15 - 3:45 Afternoon Coffee Break

3:45 - 5:00
I. Environmental Investment & Policy
Chairperson: M. Tsujimura (Doshisha U., Japan)

T. Niimura (Hosei U.), H. Takamori, D. Yamashita, T. Wang and R. Yokoyama (Waseda U., Japan), *Supporting Low Carbon Policies under Fuel and Renewable Source Development Uncertainties*

M. Tsujimura (Doshisha U.) and A. Maeda (U. of Tokyo, Japan), *Controls for Emission and Stock Abatement Policies*

II. Modeling/Computational
Chairperson: Y. Lawryshyn (U. of Toronto, Canada)

Y. Lawryshyn (U. of Toronto, Canada), *Valuing Real Options Using Managerial Cash-Flow Estimates*

C. Alexander (U. of Sussex) and X. Chen (U. of Reading, UK), *A General Decision-Tree Approach to Real Option Valuation*

M. Goto (Hokkaido U., Japan/U.C. Berkeley, USA), *Real Options and Impulse Control with Outside Jumps*

5:15 - 6:00 Academic Panel Discussion: Current State, Challenges and Future Prospects
Moderator: G. Sick (U. of Calgary, Canada)

Panelists Include:
L. Brandão (PUC-Rio, Brazil)
S.-E. Fleten (Norwegian U. of Science and Technology, Norway)
K. Huisman (Tilburg U., Netherlands)
D. Paxson (U. of Manchester, UK)
A. Siddiqui (UCL, UK)
M. Tsujimura (Doshisha U., Japan)

6:00 Closing Remarks/ Conference Concludes

About the Conference

Venue

The conference is hosted at the Sanjo Conference Hall at the Hongo campus of the University of Tokyo. The address is: 7-3-1, Hongo, Bunkyo-ku, Tokyo. For a Tokyo subway map showing the Hongo campus and a detailed map of the Hongo campus see http://realoptions.org/VenueHotels.html

Fees & Registration

For information on fees and registration see the conference website www.realoptions.org Registration fees go up by 20% after May 13.

Important Administrative Information

Registration fees include the conference proceedings and other materials, lunches, coffee breaks, and reception. Cancellations made in *writing* by June 1 can be refunded, except for a 15% service charge. Those not attending or canceling after June 1 are responsible for the whole fee. The organizers reserve the right to make changes to the program without notice. Only registrations paid by April 25 are guaranteed to be confirmed and be included on the official list of participants. For information on registration and other general-type conference-related inquiries contact Eugenia (tel +357 22893605; fax +357 22895030; e-mail conference.registration@realoptions.org). For information on local logistics, Tokyo University or Japan contact Prof. Ryuta Takashima, tel +81-4-7122-1372; fax: +81-4-7122-1372; e-mail: takashima@rs.tus.ac.jp).

Hotels, Airport/Transport, Visas

Several convenient hotels close to the venue near Tokyo University are: Tokyo Dome Hotel, Hotel Park Side at Ueno, Ueno First City Hotel and Mitsui Garden Hotel Ueno. Other hotels are given at the conference website http://realoptions.org/VenueHotels.html. Good neighborhoods to stay include: Tokyo Station (5 min by train), Asakusa (5 min), Nihombashi (5 min), Roppongi (15 in),Shibuya (20 min). Haneda airport (HND) is closest but most international flights are from Narita airport (NRT).Train or bus from Narita to downtown Tokyo is about an hour. More info can be found at the conference website.

Regarding VISA to enter Japan, please first check if your nation is waived for VISA application http://www.mofa.go.jp/j_info/visit/visa/short/novisa.html
If NOT waived, please follow the procedures given at:
http://www.mofa.go.jp/j_info/visit/visa/index.html

For more detailed info. or to register for the conference see www.realoptions.org real options group

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