

**ADVERSE SELECTION IN THE BUSINESS REHABILITATION
MARKET: CABINET OFFICE ORDINANCE ON THE DISCLOSURE OF
CORPORATE AFFAIRS, ETC. AND THE ANCHORING EFFECT ON
THE DISCLOSURE OF CORPORATE INFORMATION**

Hiromi Fujimori

School of Business/Aoyama Gakuin University
JAPAN

ABSTRACT

Assumption: The decisions that financial institutions make regarding loans or disclosure of corporate information are not voted on directly. They develop until the “Cabinet Decree for Disclosure of Corporate Information” in the business regeneration market. Purpose: The purpose of this study is to examine information asymmetry in the business playback market and behavioral economics to consider the efficiency of the market. Approach: First, a statistical analysis of bankruptcy enterprise information data obtained from Teikoku Databank is conducted. Then, from the results of the analysis with respect to disclosure of corporate information, it is explained that the mooring (anchoring) and the deriving of initial information occurs because of behavioral economics, such as in Stiglitz and Greenwald's *Towards a New Paradigm in Monetary Economic*, Cambridge University Press, (2003), which discusses law and economics. Conclusion: To regenerate business, there is a way to push companies that were once bankrupt. Then, even though information is disclosed, initial anchoring allows decision making. Because this phenomenon has been observed as a behavior of an economic entity, it is a principle that financial institutions also apply in loan determination. Therefore, when asymmetry of information and anchoring are present, regardless of the presence or absence of corporate information, the market no longer functions and even government intervention cannot make it efficient

Keywords: Business Rehabilitation, Disclosure of Corporate Information, Anchoring Effect.