

# REAL OPTIONS VALUATION IN THE GLOBAL ECONOMY

*Real Estate, Manufacturing, Power/Renewables, Case Applications, Tutorials and Evidence*

**July 24-25, 2013 Tokyo, Japan**

**A revolutionary new paradigm for capitalizing on uncertainty in the new millenium...**

## Features

- *Practical presentations and case applications* by experts from leading corporations and universities
- *Roundtable (break-out) discussions by industry* where participants choose their area of interest and interact to address key issues & challenges (Energy & Real Estate; Innovation/Technology and Strategy)
- *Panel discussions by leading experts* in various hot areas
- *Tutorials and keynote presentations* from thought leaders
- *Networking reception* to interact with your peers in a relaxing atmosphere

## Benefits of Attending

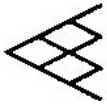
- Learn how to make flexible step-by-step decisions and adapt to change to gain competitive advantage
- Take advantage of uncertainty to capitalize on upside while limiting downside risk
- Translate your corporate strategic plans into forward-looking real option value that enhances shareholder wealth and market price
- Understand and communicate the advantages of options analysis and dynamic thinking  
Compared to discounted cash flow analysis
- Learn how to structure your decisions & agreements to maintain valuable flexibility
- Quantify the value of strategic investment opportunities and operating options
- Value innovation/technology investments and growth opportunities
- Learn about successful applications in Energy and Real Estate, R&D/Innovation, Project or Corporate Strategy Design
- Benefit from experiences of leading corporations that are currently using real options
- Consider the benefits and challenges of adapting real options into your organization
- Meet and interact with international thought leaders and peers from leading corporations

## Organized by



## Main Sponsors





Wednesday July 24, 2013

DAY 1

REAL ESTATE, MANUFACTURING, POWER & RENEWABLE ENERGY

8:30 Registration

8:50 Welcome/Orientation

9:00 WORKSHOP/PLENARY SESSION I

**Real Options: An Overview and Applications**

Luiz Brandão, PUC-Rio, Brazil

**REAL ESTATE, MANUFACTURING AND OTHER APPLICATIONS**

**9:35 Design Catalogs: Real Estate Design and Development Planning**

Michel-Alexandre Cardin, Yongheng Deng, National U. of Singapore, Singapore,  
David Geltner, and Richard de Neufville, MIT, USA

**9:55 The Value of Learning Options in a Petrochemical Investment Project**

Clarissa Palu Correa, Petrobras, Brazil, and  
Leonardo Lima Gomes, PUC-Rio, Brazil

**10:15 Morning Coffee Break**

**10:45 Investment Strategy in Special Stainless Steel in Japan**

Hiroshi Yoshida, Nippon Yakin Kogyo Co., and  
Gento Mogi, U. of Tokyo, Japan

**11:05 Real Options Decision Making Effected by Meteorological Risks**

Katsuto Aoki, Sumitomo Mitsui Trust Bank, Japan

**11:25 Acquisition Premiums: Effects of Option Type and Competition**

Joris Kil and Han Smit, Erasmus U. Rotterdam,  
Netherlands

**11:45 Valuing Intellectual Property: A Simulation Approach**

Gen Abiko, MINORU International Patent Office,  
Japan

**12:05 ROUNDTABLE DISCUSSIONS BY INDUSTRY**

**A. Energy & Real Estate Roundtable**

*(G. Sick and L. Brandao)*

**B. Technology & Strategy Roundtable**

*(D. Paxson and L. Trigeorgis)*

**1:00 Luncheon Managerial Keynote Address**

Dr. Yuichiro Kawaguchi, President of Japan  
Association of Real Estate Financial Engineering

**POWER & RENEWABLE ENERGY**

**2:00 WORKSHOP/PLENARY SESSION II**

**Energy Policy Options in the UK**

Afzal Siddiqui, UCL, Derek Bunn, London  
Business School, UK, and Michail Chronopoulos,  
Norwegian School of Economics, Norway

**2:30 Valuation and Optimal Operation of a Peaking Gas-fired Power Generator**

Gordon Sick, University of Calgary, Canada

**2:50 The Value of Nuclear Plant and Stable Electricity Supply**

Haruyoshi Ito, International U. of Japan, and Yuji  
Matsuo, Milestone Asset Management Co., Japan

**3:10 Social Option Value of Sustained Nuclear Power in Japan**

Naofumi Wakabayashi, Yu Fujinami, and Gento  
Mogi, U. of Tokyo, Japan

**3:30 Afternoon Coffee Break**

**4:00 Analyzing Alternative Sources of Renewable Energy**

Luiz Brandao, Rafael Igrejas, Leonardo Lima,  
PUC-Rio, and Denis Oliveira, Diferencial Energia,  
Brazil

**4:20 Elephant Grass Biorefineries: A Sustainable Alternative for Brazil**

Carlos Fontoura and Luiz Brandao, PUC Rio,  
Brazil

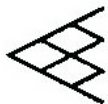
**4:40 Forest Residue Biodiesel Investment in Finland**

Tero Haahtela, Aalto U., Finland

**5:00 Analysis of Urban Solid Residues Treatment Investments**

Jorge Luiz Assalie, Luiz Ozorio, Carlos Bastian-  
Pinto, IBMEC Business School, and  
Luiz Brandão, PUC-Rio, Brazil

**5:20 Closing Remarks**



Thursday July 25, 2013

DAY 2

TUTORIALS, EMPIRICAL EVIDENCE & VALUATION APPLICATIONS

**TUTORIALS (40 min each)**

**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

**12:35 Luncheon**

**1:45 PRESIDENT'S WELCOME**

**EMPIRICAL EVIDENCE & VALUATION APPLICATIONS**

**2:00 Keeping the Lights On Until the Regulator Decides!**

Stein-Erik Fleten, Erik Haugom, Norwegian U. of Science and Technology, Norway, and Carl Ullrich, Virginia Tech, USA

**2:25 Online Selling Adoption Likelihood: Empirical Analysis of Main Drivers**

Abdullah Almansour, Ahmad Alojairi, Walid Bahamdan, King Fahd U. of Petroleum and Minerals, and Abdullah Basiouni, Yanbu Industrial College, Saudi Arabia

**2:50 Valuation of Wind Energy Projects**

Luis M. Abadie, Basque Centre for Climate Change, and Jose M. Chamorro, U. of Basque Country, Spain

**3:15 Valuation of Strategic Options in Public-Private Partnerships**

Gabriel Power, Laval University, Canada, Mark Burris, Sharada Vadali and Dmitry Vedenov, Texas A&M University, USA

**3:40 Afternoon Coffee Break**

**4:00 Academic Keynote Address**

**Thoughts on Real Options**

Lenos Trigeorgis, U. Cyprus and President, Real Options Group

**4:45 Panel Discussion**

**Real Options Application: Successes and Impediments**

*Moderator: Dean Paxson (U. of Manchester, UK)*

**Panelists Include:**

*Luiz Brandao (PUC-Rio, Brazil)*

*Yuichiro Kawaguchi (President, REFES, Japan)*

*Yuri Lawryshyn (U. Toronto, Canada)*

*Dean Paxson (U. of Manchester, UK)*

*Gordon Sick (U. of Calgary, Canada)*

**5:45 - 7:15 Networking Reception**

**Sponsored by ROG, U. of Tokyo and JAROS**

# 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

Academic attendee or corporate presenter (one per paper): €630; Corporate attendee: €1260; Consulting firm attendee: €1450. Registration fees go up by 20% after May 13. Registration should be made online via the conference website [www.realoptions.org](http://www.realoptions.org)

## 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 May 13 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](mailto: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](mailto: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](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](http://www.mofa.go.jp/j_info/visit/visa/index.html)

## Who Should Attend?

**CEOs, CFOs, Heads of Strategy, Vice Presidents,  
Directors, Technology Officers, Investment Bankers, and Analysts in:**

- Strategic Planning
- Corporate Finance
- Risk or Portfolio Management
- Technology Management/Information Technology
- Marketing
- Manufacturing/Supply Chain/Contracting
- R&D/Innovation