

October 21, 2011

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Sir or Madame,

Comments on the Exposure Draft “Improvements to IFRSs”

We welcome the opportunity to express our comments on the Exposure Draft “Improvements to IFRSs” (hereinafter referred to as “the ED”).

1. We basically agree with the proposals in the ED on the annual improvements project from the viewpoint of whether they would be indeed improvements to IFRSs, except for the aspect mentioned below. We hope the IASB will take account of our comments to seek more appropriate improvements.
2. The comment below is on the repeated application of IFRS 1 in the proposed amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

Repeated application of IFRS 1

3. We basically agree with the proposal in the ED to clarify application of the definition of “first IFRS financial statements” by adding paragraph 2A stating that an entity shall apply IFRS 1 more than once when the entity’s most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with IFRSs, except for the following practical concerns.
4. We have concerns that requiring repeated application of IFRS 1 in all cases might be inappropriate, considering the difference between an entity that had applied IFRSs in the past and the first-time adopter that quite newly applies IFRSs. If the period of discontinuance of applying IFRSs was relatively short and it is practicably easy to treat as if the entity had continuously been applying IFRSs, requiring repeated application of IFRS 1 would be inappropriate to the entity from the viewpoint of needs and practical burdens. Therefore, we believe that such an entity should be permitted to treat such accounting as an option as if it had continuously applied IFRSs.

We hope our comments will contribute to the forthcoming deliberations in the project.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a cursive, somewhat abstract shape.

Atsu Kato

Vice Chairman of the Accounting Standards Board of Japan