

## Release of updated ASBJ's Project Plan

April 12, 2010

Accounting Standards Board of Japan

The Accounting Standards Board of Japan (ASBJ) today publishes the update of the project plan through to 2011, which was approved at the board meeting on April 9, 2010.

The ASBJ has been moving ahead with the international convergence of accounting standards, pursuant to the "Agreement on initiatives to accelerate the convergence of accounting standards (Tokyo Agreement)" jointly announced with the International Accounting Standards Board (IASB) in August 2007, and taking into account the "Opinion on the Application of International Financial Reporting Standards (IFRS) in Japan (Interim Report)" issued by the Business Accounting Council<sup>1</sup> in June 2009, which recommends the ASBJ to continue and accelerate the convergence of accounting standards.

The ASBJ used to update its project plan once a year. However, considering that the IASB has accelerated the developments of a number of standards in order to complete the convergence projects with the US Financial Accounting Standards Board (FASB) by June 2011 addressed in the Memorandum of Understanding (MoU) between the IASB and the FASB, the ASBJ will update its project plan timely to keep pace with the progress of the IASB's projects. The project plan renewed herewith was developed, taking into account the IASB's work plan as of March 2010 through to 2011.

In the updated project plan, the ASBJ plans to complete the items related to the remaining differences between the existing Japanese GAAP and IFRSs in 2010 as before, and aims to issue exposure drafts on the most of projects addressed in the MoU between the IASB and the FASB in the first half of 2011, based on the IASB's work plan at present.

The ASBJ will further engage in the global accounting standard-setting process, so as to contribute to the development of high quality accounting standards and ensure the acceptance of those standards in Japan.

<sup>1</sup> The Business Accounting Council is an advisory body to the Commissioner of the Financial Services Agency.

# ASBJ Project Plan

April 2010

	2010			2011		Remarks
	2Q	3Q	4Q	1H	2H	
<b>Items related to the remaining differences between existing Japanese GAAP and IFRSs</b>						
Business combinations (Step2)	ED →		Final →			This project includes amortization of goodwill and is developed together with 'Intangibles'.
Financial statement presentation (Comprehensive income)	Final →					
Intangibles	ED →		Final →			This project is developed together with 'Business combinations (Step2)'.
<b>Items related to projects addressed in the MoU between the IASB and the FASB</b>						
1 Scope of consolidations				ED	Final	IASB plans to issue the final standard in 4Q of 2010. Apart from the MoU project, ASBJ is considering whether to amend the treatments of special purpose entities within 2010.
2 Financial statement presentation						
- Phase B (Note1)			DP	ED		IASB/FASB plan to issue the ED in 2Q of 2010.
- Discontinued operations			ED	Final		IASB plans to issue the final standard in 2H of 2010.
3 Revenue recognition			DP	ED		IASB/FASB plan to issue the ED in 2Q of 2010.
4 Liabilities and equity distinctions			DP			IASB/FASB plan to issue the ED in 2Q of 2010.
5 Financial instruments						
- Classification and measurement of financial assets	DP2			ED		IASB issued the final standard (IFRS 9).
- Classification and measurement of financial liabilities		DP or DP2		ED		IASB plans to issue the ED in 1H of 2010.
- Impairment				ED		IASB plans to issue the final standard in 4Q of 2010. ASBJ will also consider whether to issue an Advanced Discussion Paper. (Note 2)
- Hedging				ED		IASB plans to issue the ED in 2Q of 2010. ASBJ will also consider whether to issue an Advanced Discussion Paper. (Note 2)
6 Fair value measurement and disclosure	ED		Final			IASB plans to issue the final standard in 3Q of 2010.
7 Post-employment benefits						
- Step1 (Note3)			Final			
- Step2 (Note3)				DP	ED	IASB plans to issue the final standard in 1Q of 2011.
8 Leases		DP		ED		IASB/FASB plan to issue the ED in 2Q of 2010.
9 Derecognition			DP	ED		IASB plans to issue the re-ED in 2Q or 3Q of 2010.
<b>Items related to the IASB projects other than those addressed in the MoU between the IASB and the FASB</b>						
Earnings per share	Final →					This project aims at amendment related to remaining differences.
Provisions				DP2	ED	IASB plans to issue the final standard in 2Q of 2010. (Note 4)
Emission trading schemes				DP		IASB plans to issue the ED in 4Q of 2010.
Insurance contracts						IASB plans to issue the ED in 2Q of 2010.

The following explains what abbreviations in the table stand for:

DP: Discussion Paper DP2: Advanced Discussion Paper (Note 2) ED: Exposure Draft Final: Accounting standard/Guidance etc.

(Note1)

Phase B is the name used in the IASB/FASB project.

(Note2)

"Advanced Discussion Paper" is a document presenting preliminary views in the form near to a standard before the development of exposure drafts.

(Note 3)

In Step 1, ASBJ is considering immediate recognition of actuarial gains or losses in the balance sheet, how benefits should be attributed to each period of service, and enhancement of disclosure.

In Step 2, ASBJ will consider the items related to projects addressed in the MoU between the IASB and the FASB.

(Note4)

The comment period of re-ED issued in January 2010 has been extended and the issue of the final IFRS might be postponed.

The IASB's plans stated in "Remarks" are based on the IASB Work Plan announced as at March 1, 2010.