

## Accounting Standards Board of Japan (ASBJ)

Fukoku Seimei Building 20F, 2-2, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan  
Phone +81-3-5510-2737 Facsimile +81-3-5510-2717 URL <http://www.asb.or.jp/>



### **Release of Project Plan – Initiatives toward international convergence of accounting standards based on the Tokyo Agreement**

December 6, 2007

Accounting Standards Board of Japan

The Accounting Standards Board of Japan (ASBJ) works on the initiatives toward international convergence of accounting standards, based on the “Medium-Term Operating Policy” issued in June 2007. ASBJ publishes today the new Project Plan approved at the Board meeting held on December 6, 2007, which is based on the Tokyo Agreement on achieving convergence of accounting standards jointly announced with the International Accounting Standards Board (IASB) in August 2007. The Project Plan is released with the aim of exhibiting the status of initiatives of the ASBJ to constituencies in Japan and abroad.

The project plan, in accordance with the content of the Tokyo Agreement, classifies the project items into three categories (short-term, medium-term and medium and long-term) and indicates the schedule for each item. Items exhibited in “2. Items relating to the remaining differences (medium-term)” and “3. Items relating to MOU between IASB and FASF” are only the items that have already been launched or clearly planned. ASBJ intends to launch several additional projects according to need.

Based on the Project Plan, ASBJ will steadily work on initiatives toward international convergence to high quality accounting standards.

# ASBJ Project Plan

- Items related to convergence -

December - 2007

	2007	2008				2009		Remarks
	4Q	1Q	2Q	3Q	4Q	1-2Q	3-4Q	
<b>1. Items advised by CESR for EU equivalence assessment purpose (short-term)</b>								
<b>Business combinations (STEP1)</b> <i>see note2</i>								
<b>Pooling-of-interest method</b>	RR/DP		ED		Final			
<b>Others see note3</b>	RR/DP		ED		Final			
<b>Inventories (LIFO)</b>		ED		Final				
<b>Uniformity of accounting policies (Associates)</b>	ED		Final					
<b>Impairments of fixed assets</b> <i>see note4</i>								The ASBJ will deliberate this item considering developments at IASB/FASB.
<b>Intangibles (R&amp;D expenses)</b>	DP		ED		Final			The ASBJ will deliberate this item considering developments at IASB/FASB.
<b>Construction contracts</b>	Final							
<b>Asset retirement obligations</b>	ED	Final						
<b>Retirement benefits</b>		ED		Final				
<b>Disclosure of FV information of financial instruments</b>		Final						
<b>Investment property</b>	TC		ED		Final			
<b>2. Items remaining differences between Japanese GAAP and IFRSs except above (medium-term)</b>								
<b>Segment reporting</b>		Final						
<b>Business combinations (STEP2)</b>								
<b>Issues for PHASE II</b>						ED		The final standard expected to be issued in 2010.
<b>Amortization of goodwill</b>						ED		The final standard expected to be issued in 2010.
<b>Retrospective restatement</b>								This project is subject to consistencies of Financial Instruments and Exchange Law, etc.
<b>Change in accounting policy</b>			(DP)			ED	Final	
<b>Depreciation method</b>			(DP)			ED	Final	
<b>Discontinued operations</b>								Both ED and final standard expected to be issued in 2010.
<b>3. Items related MOU between the IASB and the FASB (medium and long-term)</b>								
<b>Scope of consolidations</b>				DP				IASB expects to issue the DP in 2nd half of 2008.
<b>Financial statement presentation</b>		TC			DP			IASB/FASB expect to issue the DP in 1st half of 2008.
<b>Revenue recognition</b>		TC			DP			IASB/FASB expect to issue the DP in 1st half of 2008.
<b>Liabilities and equity distinctions</b>		WG						FASB issued the DP in November 2007 and IASB expects to issue the DP in 1st half of 2008.
<b>Financial instruments</b>					DP			IASB/FASB expect to issue the DP in 1st half of 2008.

(Note1)

For "2007/ 2009" column:

- WG: Working Group to be established.
- TC : Technical Committee to be established.
- RR : Research Report to be issued.
- DP : Discussion Paper to be issued.
- ED : Exposure Draft to be issued.
- Final: Accounting Standard/Guidance, etc.

(Note2)

ASBJ will divide "Business combinations project" into STEP1 and STEP2.  
STEP1 deal with the items related to EU equivalence assesment, and STEP2 take up others.

(Note3)

"Business combinations-STEP1(others)" includes issues for "Date of exchange", "Negative goodwill", "Minority interests at historical cost", "Step acquisitions", and Translation of goodwill".

(Note4)

No schedule has been fixed at this stage, due to monitoring progress of IASB/FASB discussions.