

FASF Project Plan for Fiscal Year 2009 (the Ninth Term)

(1 April 2009 - 31 March 2010)

Financial Accounting Standards Foundation (FASF), established as an independent body in the foundation, is committed to developing our national accounting standards and their implementation guidance promptly, contributing development of the international accounting standards and so on, through its standard - setting body, the Accounting Standards Board of Japan (ASBJ), properly reflecting international trends and the needs of our capital market.

More than 100 countries around the world already have adopted or intend to adopt International Financial Reporting Standards (IFRS), and the number is on the rise. In light of such international trends in convergence of accounting standards, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have been working on joint projects based on the memorandum of understanding (MoU) which was updated in September 2008 with the aim of completing the projects on major topics by the mid of 2011. In addition, in the US, a biggest financial and capital market in the world, Securities and Exchange Commission (SEC) proposed a roadmap in November 2008 toward the potential use of IFRS by US issuers. Securities authorities in the US, EU, and Japan are also making their efforts toward convergence with IFRS as global standards. With such international trends in

mind, the Planning and Coordination Committee of the Business Accounting Council (BAC) of the Financial Services Agency (FSA) also took a step forward toward IFRS adoption by Japanese entities.

ASBJ, paying careful attention to these trends at home or abroad, continues to focus on accelerated convergence of accounting standards so that our financial and capital market become more globalized. As a part of this, we strengthen cooperation with relevant organizations and public relations activities in the world.

In light of the growing social demands for establishment of corporate governance including internal control and improvement of disclosure system, FASF deliberates on how to reinforce disclosure in annual securities report and quarterly securities report in order to draw the requirements up and disseminate them.

FASF continues to work on strengthening funding to support ASBJ activities and securing high quality human resources.

Under the basic principles set out above, we focus on the following activities;

[Development of Generally Accepted Accounting Principles]

1. Development of accounting standards and their implementation guidance
ASBJ develops accounting standards and their implementation guidance, respecting recommendations by Standards Advisory Council and following the predetermined due process. ASBJ also develops in a timely matter tentative solutions to address accounting issues arising from regulatory changes and practical solutions on interpretation of accounting standards.
In particular, completing the work for equivalent assessment by EU, under the updated project plan released in September 2008, ASBJ now focuses on developing standards which are identified by the convergence project with IASB, including standards for business combinations, retrospective restatements, revenue recognition, intangibles, post-employment benefits, financial instruments, scope of consolidation, financial statement presentation, liabilities and equity distinctions, provisions, and earnings per share.

* ASBJ generally holds its board meeting twice a month. Technical committees on selected topics are held as necessary.

2. Commitment to the international accounting standards and reinforced cooperation with other national accounting standard-setters
 - (1) We promote convergence project with IASB, holding two joint meetings with IASB this year. We also provide meetings to exchange views between ASBJ and IASB including two bodies' board members and technical staffs to

reinforce cooperation toward convergence of accounting standards.

We also support Japanese members of SAC, IASB.

(2) In order to participate in development of IFRS, we actively provide IASB our inputs derived from deliberations in ASBJ's technical committees and working groups, including the International Issues Standing Committee. And an increase in ASBJ staffs seconded to IASB also contributes to IASB's development. In particular, we proactively respond to IASB projects, such as financial statement presentations, revenue recognition, consolidation, financial instruments and post-retirement benefits, taking into account the views of our market constituents. As a part of this, we post on our website the Japanese translations of discussion papers and exposure drafts issued by IASB, so that our market constituents can make use of them. We also improve a translation scheme which enables us to issue a timely and precise Japanese translation of IFRSs issued by IASB.

(3) Toward internationally desirable accounting standards, we continue to hold two regular meetings with FASB this year.

(4) We properly and timely respond to organizational and operational reviews of International Accounting Standards Committee Foundation (IASCF) and IASB, as well as the constitutional review of IASCF.

(5) We strengthen cooperation and communication with major related organizations abroad. Specifically, we participate in the World Standard Setters Meeting (WSS) (once a year) and the National Standard Setters Meeting (NSS) (twice a year), and also hold meetings to exchange views with the European Financial Reporting Advisory Group (EFRAG) and other bodies.

(6) As a mean of letting regional voices be heard in the world, we continue to be engaged with China-Japan-Korea accounting standard setters' meeting and IFRS regional forum, and tackle in a positive manner to establish a new scheme by accounting standard setters in Asia and Oceania region with interested parties.

[Deliberation on improvements in disclosure]

We deliberate and draw up procedures for proper disclosure in annual securities report and quarterly securities report in the Review Meeting for Securities Report. To disseminate its outcome, we conduct PR activities holding seminars on financial statement report.

[Survey]

1. We make a comparative study to review the situations at home and abroad in terms of accounting and disclosure system. We also discuss on how to develop public sector accounting standards as necessary.

2. Regarding disclosure system, encouraged by full swing introduction of XBRL to EDINET, we are committed ourselves to the smooth implementation, cooperating further with FSA.

[Public Relations and Training Activities]

With regard to accounting and disclosure system, we enhance domestic and international public relations and training activities.

1. We provide the latest updates on ASBJ activities and developments of accounting standards at home and abroad through broad types of media, including our website, periodicals titled “Accounting Standards & Disclosure Quarterly,” and bimonthly ASBJ Newsletters, enhancing respective contents. We are planning to renovate our website for users to find it more useful. We also increase English contents on the web. We continue to provide on-demand webcast services to watch ASBJ meeting which we introduced last year.
2. Public seminars and lectures on accounting standards

They include the followings;

- (1) Lectures on recent updates of developing international accounting standards
- (2) Roundtables to exchange views between preparers and users
- (3) Seminars on annual securities report and quarterly securities report,

which are scheduled to be held in nine major cities in Japan in April, May, and September

- (4) Online seminars to disseminate accounting standards and their implementation guidance issued by ASBJ, as well as seminars on corresponding regulatory changes

3. Other PR activities

- (1) Enhancement of communication with both domestic and foreign media
- (2) Improvement of communication with finance and accounting executives in the member companies
- (3) Translation and dissemination of our national accounting standards

4. Others

Considering the significant role of IFRS as a set of global accounting standards, we are committed to ensure financial contributions to IASCF. For this reason, FASF is making the transition to a public interest incorporated foundation, through which we will request its members to bear reasonable burden.