

ASBJ Project Plan

- Items related to convergence -

October-2006

| Project Items | | Before 3Q of 2006 | 2006 4Q | 2007 1Q 2Q 3Q 4Q | | | | Remarks | |
|--|---|-------------------------|------------|---------------------|-------|----|-------|---|--|
| | | | | | | | | Project status as of January 2008 | Supplementary comments |
| <Items advised by CESR for EU equivalence assessment purpose>(Note2) | | | | | | | | | |
| 1-S | Business combinations-(1/2) (Pooling-of-interest method) | | PT | | | RR | (DP) | I, possibly II | ASBJ will deliberate for DP after RR is issued. |
| 2-S | Scope of consolidation-(1/2) (Enhanced disclosure of SPEs) | TC | ED | Final | | | | III | - |
| | Scope of consolidation-(2/2) (Consolidation of SPEs) | | | | | | DP | II | ASBJ will deliberate considering developments at IASB/FASB. |
| 3-S | Uniformity of accounting policies(Oversea subsidiaries) | Final | | | | | | III | PITF No.18 was issued in May 2006. |
| 4-B/ 13-A | Share-based payments (Expense recognition/ Explanatory notes) | Final | | | | | | III | Accounting Standard No.8 was issued in December 2005. |
| Note3 | Business combinations-(2/2) (Others) | | PT | | | RR | (DP) | I, possibly II | ASBJ will deliberate for DP after RR is issued. |
| 8-B | Inventories (LIFO) | | | PT | | | | I | ASBJ will conclude a tentative decision within 2007. |
| | Inventories (Valuation method) | Final | | | | | | III | Accounting Standard No.9 was issued in July 2006. |
| 9-B | Uniformity of accounting policies (Associates) | | | PT | | | (ED) | I, possibly II | ASBJ will deliberate ED considering developments at PT. |
| 10-B/ 23-A | Impairments of fixed assets | | | PT | | | RR | I | ASBJ will deliberate considering RR and developments at IASB/FASB. |
| 11-B | Intangibles (including R&D expenses) | WG | | | | | DP | II | ASBJ will deliberate considering developments at IASB/FASB. |
| 17-A | Construction contracts | WG | TC | | | ED | Final | III | - |
| 19-A/ 24-A | Asset retirement obligations | WG | TC | | | ED | Final | III | - |
| 20-A | Retirement benefits | | | PT | | | | I | ASBJ will deliberate considering developments at IASB/FASB. |
| 22-A | Disclosure of FV information of financial instruments | WG | TC | | | ED | Final | III | - |
| 25-A | Investment property | PT | | | | | | I | ASBJ will continue its deliberation considering developments at IASB/FASB. |
| <Other major projects> | | | | | | | | | |
| | Segment reporting | WG | TC | | | ED | Final | | |
| | Related party disclosures | ED | Final | | | | | | |
| | Leases | ED#1 | ED#2 | | Final | | | | |
| | Retrospective restatements | PT | | | DP | | | | |
| | Quarterly financial reporting | | ED | Final | | | | | |

(Note1)

The following illustrates definitions of abbreviations in the project plan.

For "Project Items" column:

S : Supplementary statements

B : Disclosure B (Quantitative disclosures)

A : Disclosure A (Additional narrative and/or quantitative disclosures)

For "Project status as of January 2008" column:

III : Project to be finalized by January 2008.

II : Project to be in the deliberating process towards finalization at the Board.

I : Project to be in the deliberating process at PT/WG Level towards next steps.

For "2006/ 2007" column:

PT : Project Team to be established.

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)

12-B Agriculture, 16-A Insurance contracts (Catastrophic provisions), 18-A Non-performing loans, and 26 Financial Instruments, which are required remedies in the Technical Advice by the CESR, are not included this Project Plan.

(Note3)

The project "Business combinations-2/2(others)" includes issues for "Date of exchange(5-B)", "Capitalization of acquired R&D in process(6-B)", "Negative goodwill(7 B)", "Minority interests at historical cost(14-A)", "Step acquisitions(15-A)", and "Translation of goodwill(21-A)".