

# IFRS adoption assistance

Our team is comprised of CPAs with experience in international departments at major accounting firms known for their expertise in IFRS/US GAAP. We offer comprehensive assistance for publicly listed corporations in adopting IFRS. While there are some items which can be converted to IFRS just by changing the accounting entries, there are also some that transform a business' operations, such as the format of contracts on revenue recognition, pricing methods for services, currency hedge strategy, and M&A strategy. In addition, IFRS requires the disclosure of information about discontinued operations, goodwill impairment methods, and the financial impact of interest and exchange rate variation on profit and loss. This is much broader than Japanese or US standards and greatly increases management's accountability to explain the details of their operations. We present these issues clearly and propose detailed and comprehensive solutions.

## **The standard steps that we recommend for IFRS adoption are:**

- Identify the impact of the major differences in accounting standards with our standard check
- Prepare a concrete roadmap for IFRS implementation. The roadmap contains measures to address the items which affect the business's operations and we explain these to management.
- Identify the practical issues in detail by using the roadmap established in meetings with management. At this stage, we address practical issues such as changes in transaction schemes, managerial accounting systems, and the IFRS consolidated reporting system, one by one.
- Determine the range and extent of the accounting data necessary for IFRS reporting. After determining the data types, we assist in creating an accounting manual in order to enable IFRS reporting. We also assist in creating a global accounting manual (English).
- Assist in revising the consolidation package to ensure compliance with IFRS.
- Assist in the preparation of IFRS-compliant trial financial statements. In particular, since there is a wide range of disclosure information, listing all necessary reporting data is valuable at this stage.
- Assist in IFRS training for domestic and overseas subsidiaries.
- Provide an IFRS reporting checklist.