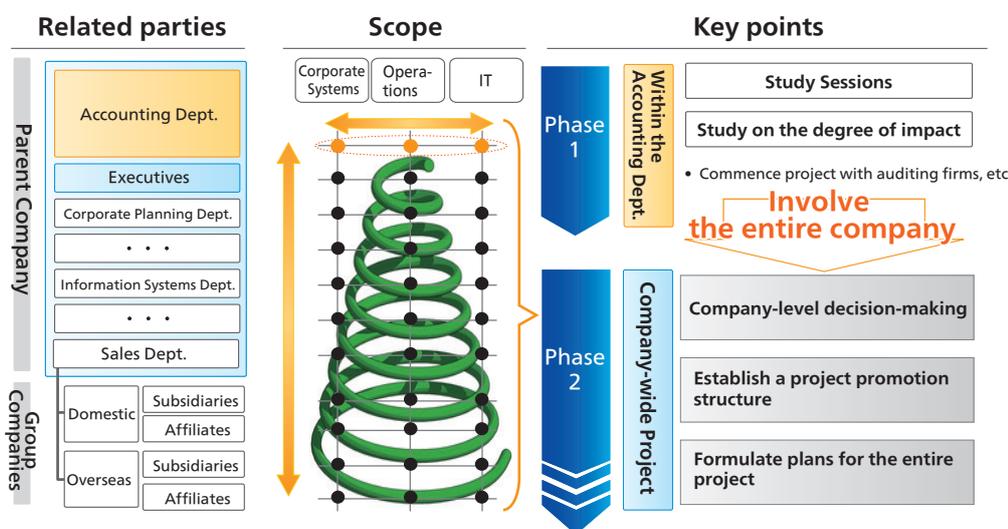


# IFRS Planning & PMO Service

Efforts by Japanese companies to adopt the IFRS are in full swing. An increasing number of companies have already completed the first stage toward IFRS adoption, i.e. they have conducted study sessions within their accounting departments or analyzed the differences between IFRSs and existing accounting standards. However, many of the companies face a number of issues in their activities before they can embark on the next step.

## Key Point: The Early Launch of a Company-Wide Project Aimed Toward IFRS Adoption

Changes in accounting policies resulting from the adoption of IFRS will have far-reaching consequences. Therefore, aligning "Overall Policy" that impact the entire company, such as management control and changes to the system, with "Individual Policies," such as accounting policies, and policies regarding business processes/information systems in preparation for IFRS adoption, is imperative. When formulating such policies, it is important that, rather than having each organization consider the policies on their own, the related organizations proceed through mutual cooperation based on a plan aiming toward IFRS adoption. Thus, it is crucial that a structure to promote every related party is built at an early stage of IFRS adoption project and the project is promoted as a company-wide project.

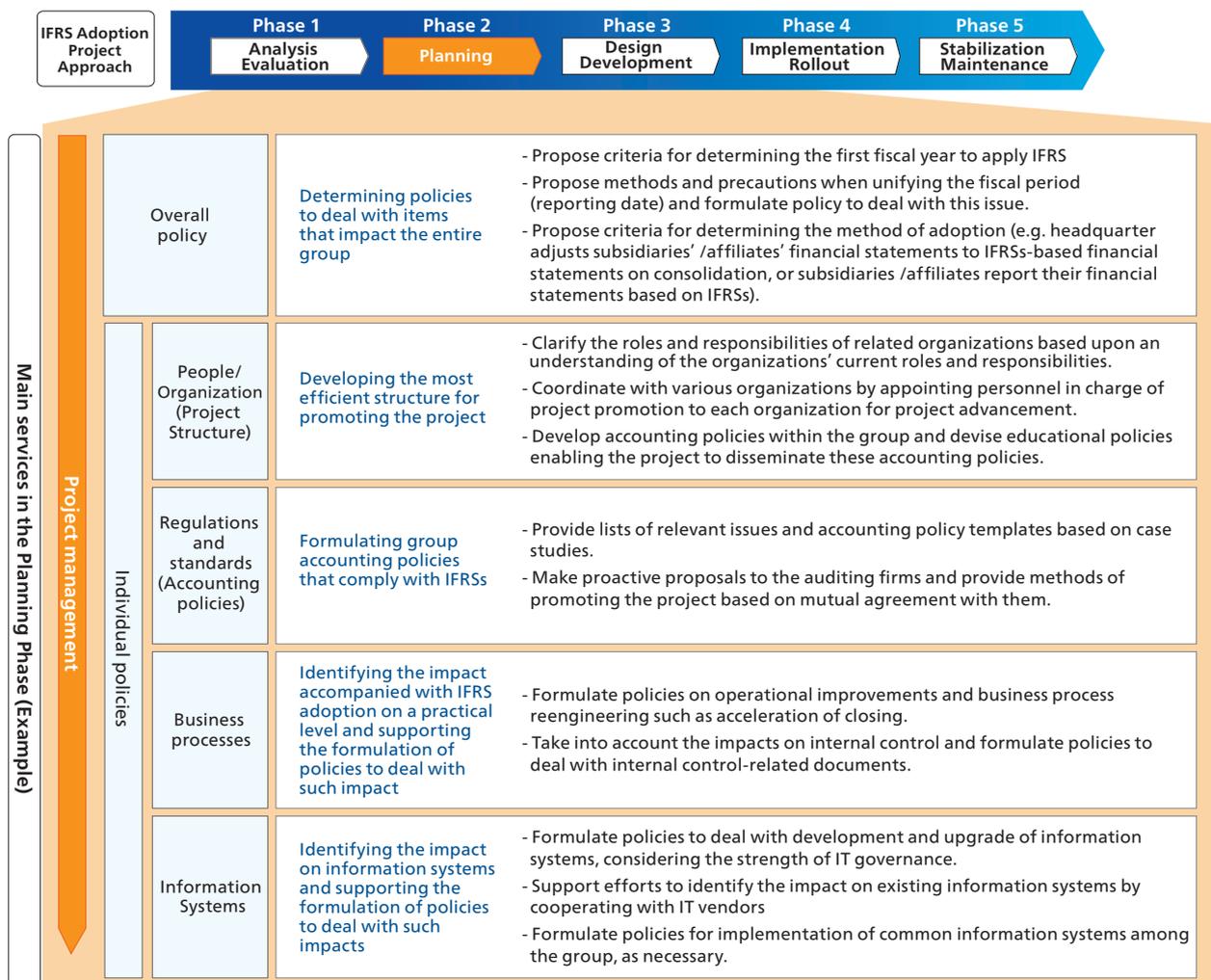


## The Key Success Factors of the IFRS Adoption Project

- |  |   |
|--|---|
| <p><b>Establishing a project management structure</b></p>                                      | <ul style="list-style-type: none"> <li>IFRS adoption will necessitate not only the formulation of accounting policies but also a variety of policies on the establishment of performance management, the unification of the fiscal period (reporting date), acceleration of closing, the establishment of a group financial reporting structure, and methods to maintain data from multiple ledgers in the information system, etc.</li> <li>The establishment of a project management structure is essential for company-level decision-making on various policies and to successfully achieve operational reforms and the implementation of information systems.</li> </ul> |
| <p><b>Involving related parties and fostering a sense of commitment toward the project</b></p> | <ul style="list-style-type: none"> <li>IFRS adoption requires all related parties, including various departments such as Corporate Planning Dept., the Accounting Dept., the Information Systems Dept. and Sales Dept., as well as domestic and overseas subsidiaries/affiliates. It is necessary for these parties to work closely together.</li> <li>In order for the related parties to engage in the project with a sense of commitment, it is imperative that they participate in the project at an early stage, and are provided with enough educational opportunities and information.</li> </ul>  |
| <p><b>Formulating accounting policies based on actual conditions</b></p>                       | <ul style="list-style-type: none"> <li>When formulating accounting policies, the impact of the policies on operations and information systems must be weighed, and the company (including its subsidiaries and affiliates) must determine individually what type of accounting policy would best suit them.</li> <li>Accounting policies that fail to take into account existing operations and information systems will be meaningless.</li> </ul>   |

## Main Features of IFRS Planning & PMO Service

- We will support the launch (the planning phase) of the “IFRS Adoption Project,” which will run for several years until the application of IFRS.
- During this phase, the overall policy and accounting policies that will impact the entire company and the individual policies (including those of operations and information systems) will be formulated.
- Additionally, a project promotion structure will be formed with the divisions actually involved in IFRS adoption and the major affiliates. Together with the project members, we will engage in numerous discussions based on ABeam Consulting’s accumulated cases studies and knowledge to formulate a feasible roadmap.



## Strengths of ABeam Consulting

- In order to advance the IFRS Adoption Project, ABeam Consulting has formed the “IFRS Initiative,” an organization that brings together specialists not only from the accounting fields but also from areas such as project management, business process and information systems.
- Track record of projects involving reforms on corporate systems and business processes, and information system development in every industry
- Creation of deliverables, capable of meeting auditing standards, that has been fostered through projects dealing with internal control and convergence of accounting standards, and support thereof.
- Has experienced a wide variety of IFRS adoption project knowledge, including regulations and the convergence status of each country.
  - Case studies involving Japanese companies working toward the early application of IFRS
  - Overseas case studies from ABeam Consulting’s office network covering 22 countries around the world
  - Various templates based on case studies