



The Japanese Institute of
Certified Public Accountants

Japan update of XBRL tagged-data and future possibilities of CPA practice

Daisuke Ikadai, CPA

Chair of the XBRL Task Force in the IT Committee
of the Japanese Institute of Certified Public
Accountants (JICPA)

Overview of XBRL projects in Japan

The main examples of XBRL projects in Japan are as follows.

| Regulatory agency | System /Process | Implementation of XBRL | Cutover | The main features |
|---------------------------|--|---|----------------|--|
| Financial Services Agency | EDINET | <ul style="list-style-type: none"> – Face of the Consolidated financial statement* – Face of the Non Consolidated Financial statements* | April, 2008 | <ul style="list-style-type: none"> – Mandatory – The submitted XBRL data is exhibited. – About 4,500 listed companies – About 3,000 funds |
| Tokyo Stock Exchange | TDnet | <ul style="list-style-type: none"> – Summarized financial information – Face of the Consolidated financial statement* – Face of the Non Consolidated Financial statements* | July, 2008 | <ul style="list-style-type: none"> – Mandatory – The submitted XBRL data is exhibited. – About 4,500 listed companies |
| | | Corporate governance report | July, 2008 | <ul style="list-style-type: none"> – Qualitative information (non-financial information) – The submitted XBRL data is exhibited. |
| | | <ul style="list-style-type: none"> – Reissued report of an earnings forecast – Reissued report of dividend anticipation | July, 2008 | <ul style="list-style-type: none"> – It is submitted when correction of an earnings forecast and revision of dividend anticipation are made. – The submitted XBRL data is exhibited. |
| Bank of Japan | Data transfer with a financial institution | The monthly statement from a financial institution | February, 2006 | <ul style="list-style-type: none"> – Use of the formula linkbase – XBRL data is nondisclosure. |
| National Tax Agency | e-Tax | Face of the Financial statements* | 2004 | <ul style="list-style-type: none"> – Implemented XBRL into the financial statements of a corporation tax report. – XBRL data is nondisclosure. |

Japan Update — Financial Services Agency —

Next generation EDINET is under development.

Expansion of the scope



| | Annual Securities Report | Quarterly Report | Semi-Annual Securities Report | Securities Registration Statement | Internal control report | |
|--------------------------|---------------------------|-------------------------------|-------------------------------|-----------------------------------|-------------------------|-------|
| | | | | Securities information | Full | |
| Expansion of the items ↑ | Business information | | | | | |
| | Corporate information | | | | | |
| | Assessment business | | | | | |
| | The setting of Facilities | | | | | |
| | Detail of filling company | | | | | |
| | Financial conditions | | | | | |
| | Face of FS | Existing scope of XBRL | | | | |
| | Notes | | | | | |
| | Stock clerical detail | | | | | |
| | Additional information | | | | | |
| | Guaranty company | | | | | |
| | | | | Particular information | | |
| Expansion of the items ↑ | Audit report | | | | | |

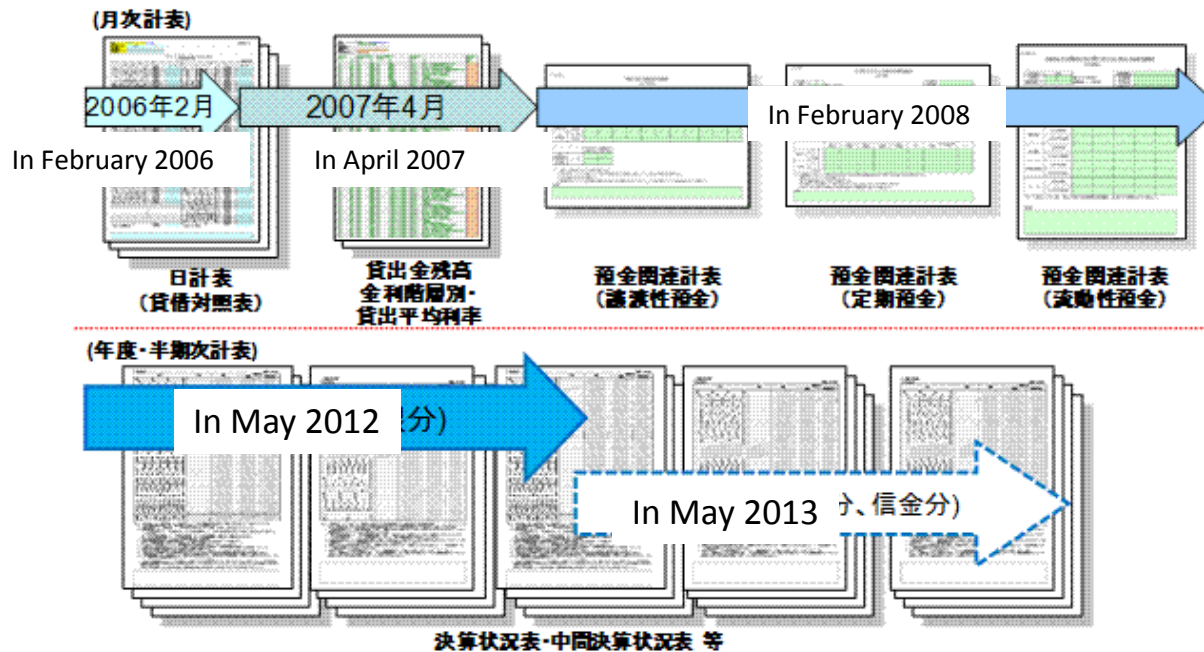
62 Forms

Japan Update — Bank of Japan —

Bank of Japan (BoJ) began to receive XBRL tagged data using monthly trial balance sheet since 2006, and they are increasing the number of eligible sheets.

BoJ explains that the reason for using XBRL tagged data is the increase of financial data accuracy from financial institutions through the utilization of validation check in formula link. As a result, the work burden for BoJ and the financial institutions are reduced.

Past result and future plans of implementation of XBRL in BoJ

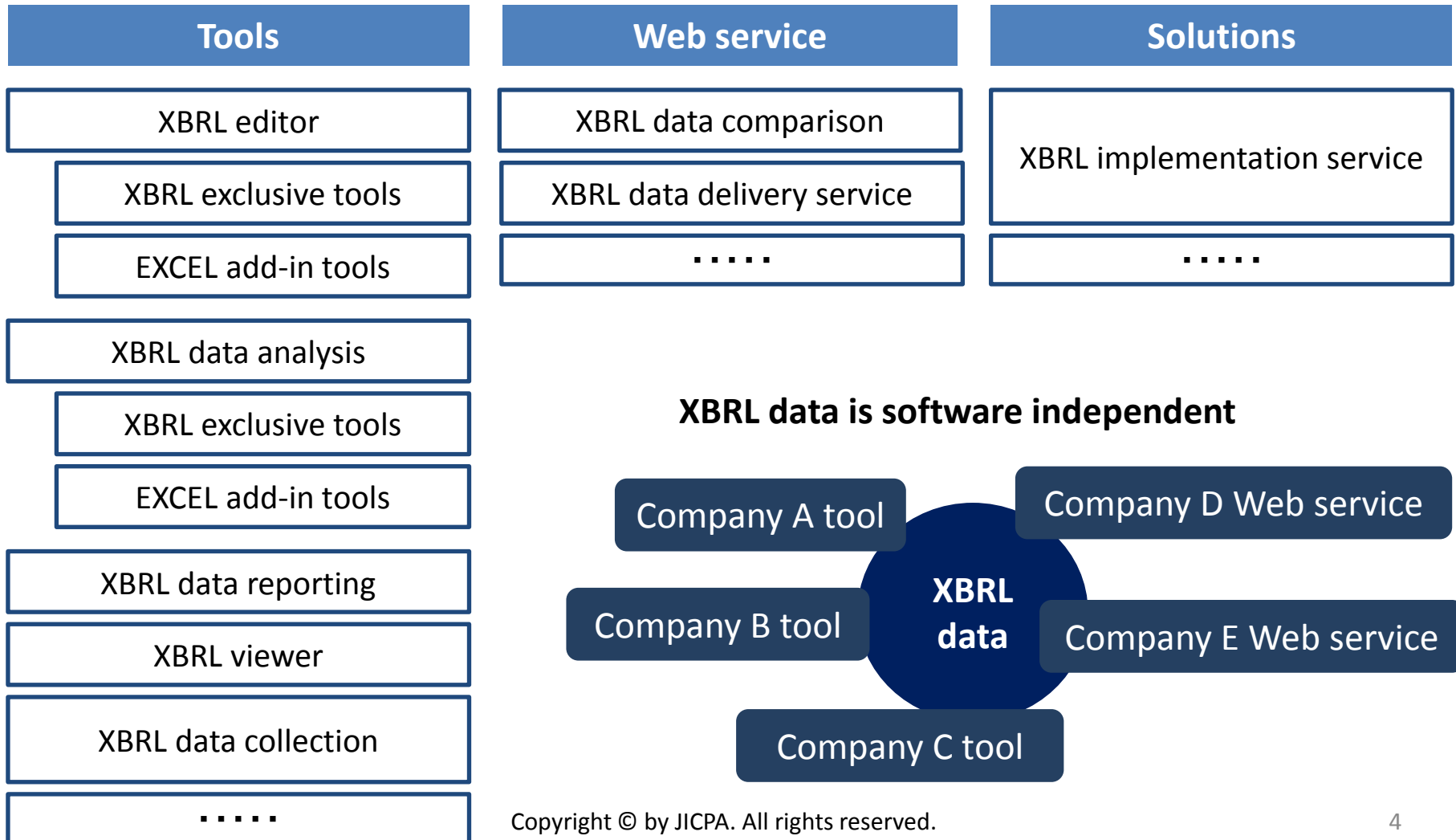


Reference : Bank of Japan Website
http://www.boj.or.jp/announcements/release_2012/rel120501b.htm/

Japan Update

— Activities in a private sector —

The implementation of XBRL in the public sector and the release of XBRL data in the disclosure system has spurred the development of XBRL tools and solutions in the private sector.

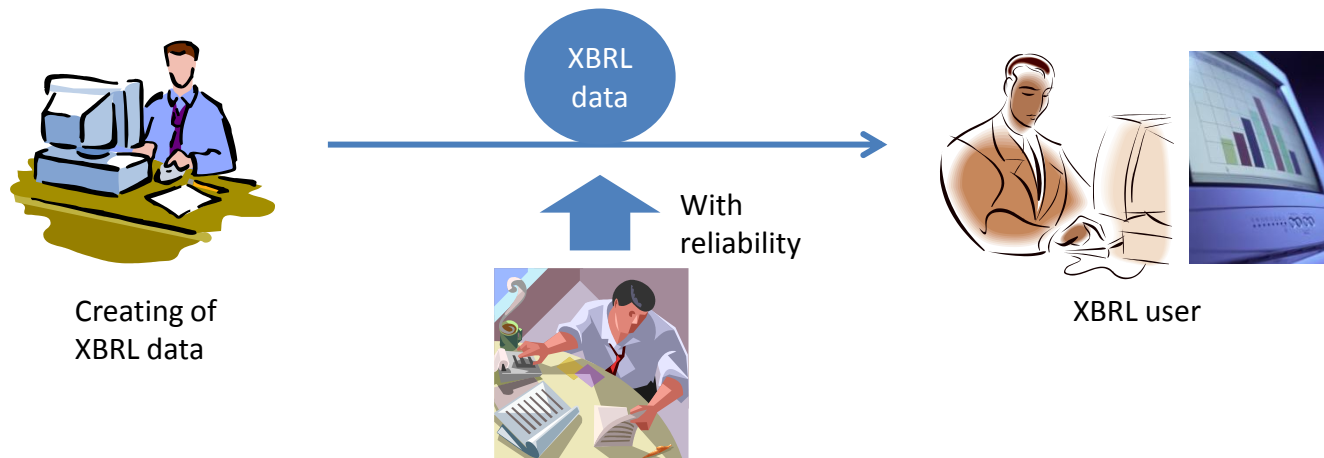


Next stage of XBRL data — Ensuring reliability —

As the use of XBRL Data grows, the users of financial statements are likely to make more material misjudgments due to their inability to process XBRL Data properly.

This, we believe, calls for certain measures to ensure the reliability of XBRL Data.

If external auditors are able to implement procedures for XBRL Data as an extension of the current audit engagement, they can eliminate expectation gaps and contribute to the social infrastructure represented by the quality assurance of electronic XBRL Data.



Case study

— Roman character —

Roman character in label link of a extension tag

Income statement / Annual securities report as of March 31, 2012

| Japanese Label | English Label |
|---------------------|--|
| 経常利益 | Ordinary income |
| 特別利益 | Extraordinary income |
| 固定資産売却益 | Gain on sales of noncurrent assets |
| 関係会社等事業損失戻入額 | kankeikaishamodorieki |
| 投資有価証券等売却益 | Gain on sales of investment securities & others |
| 投資不動産売却益 | fudousaneki |
| 特別利益合計 | Total extraordinary income |
| 特別損失 | Extraordinary loss |
| 固定資産売却損 | Loss on sales of noncurrent assets |
| 関係会社等事業損失 | Loss on business of subsidiaries and affiliates & others |
| 投資有価証券等売却損 | Loss on sales of investment securities & others |
| 投資有価証券等評価損 | Loss on valuation of investment securities & others |
| 投資不動産売却損 | fudousanson |
| 減損損失 | Impairment loss |
| 資産除去債務会計基準の適用に伴う影響額 | Loss on adjustment for changes of accounting standard for asset retirement obligations |
| 特別損失合計 | Total extraordinary losses |
| 税引前当期純利益 | Income before income taxes |

Reversal of reserve for operating loss in affiliated companies

Gain on sales of investment property

Loss on sales of investment property

EDINET View

Downloaded XBRL data from EDINET

Case study

— Meaningless symbols 1/2 —

Meaningless symbols in label link of a extension tag

Consolidated income statement / Annual securities report as of March 31, 2012

Japanese Label

営業外収益
受取利息
受取配当金
負ののれん償却額
持分法による投資利益
有価証券売却益
固定資産賃貸料
受取保険金
その他
営業外収益合計
営業外費用
支払利息
有価証券評価損
為替差損
固定資産処分損
製品補償費
その他
営業外費用合計
経常利益

English Label

Non-operating income
Interest income
Dividends income
Amortization of negative goodwill
Equity in earnings of affiliates
Gain on sales of securities
Rent income on noncurrent assets
Insurance income
Other
Total non-operating income
Non-operating expenses
Interest expenses
Loss on valuation of securities
Foreign exchange losses
Loss on disposal of noncurrent assets
dammy
Other
Total non-operating expenses
Ordinary income

Repairing cost

Case study

— Meaningless symbols 2/2 —

Meaningless symbols in Label link of an extension tag

Consolidated income statement / Annual securities report as of March 31, 2012

| Japanese Label | English Label |
|---------------------|--|
| 特別利益 | Extraordinary income |
| 固定資産売却益 | Gain on sales of noncurrent assets |
| 投資有価証券売却益 | Gain on sales of investment securities |
| 貸倒引当金戻入額 | Reversal of allowance for doubtful accounts |
| 投資損失引当金戻入額 | Reversal of allowance for investment loss |
| 特別利益合計 | Total extraordinary income |
| 特別損失 | Extraordinary loss |
| 固定資産除却損 | Loss on retirement of noncurrent assets |
| 投資有価証券評価損 | Loss on valuation of investment securities |
| 復興支援に係る寄付金 | z Donations expenses for reconstruction assistance |
| 定年延長に係る退職金 | a Retirement benefit for extension of retirement |
| 資産除去債務会計基準の適用に伴う影響額 | Loss on adju |
| その他 | Other |
| 特別損失合計 | Total extraordinary losses |
| 税金等調整前当期純利益 | Income before income taxes and minority interests |

Case study

— English Label typo —

English Label typo

Income statement / Annual securities report as of March 31, 2012

| Japanese Label | English Label | Element name |
|----------------|---|---|
| 売上高 | Net sales | |
| 商品売上高 | Net sales of goods | |
| 製品売上高 | Net sales of finished goods | Inventories |
| 売上高合計 | Total net sales | |
| 売上原価 | Cost of sales | |
| 期首商品たな卸高 | Beginning n ventories for Merchandise | BeginningInVentoriesForMerchandiseCOS |
| 期首製品たな卸高 | Beginning n ventories for finished goods | BeginningInVentoriesForFinishedGoodsCOS |
| 当期商品仕入高 | Cost of purchased goods | |
| 当期製品製造原価 | Cost of products manufactured | |
| 合計 | Total | |
| 期末商品たな卸高 | Closing n ventories for Merchandise | ClosingInVentoriesForMerchandiseCOS |
| 期末製品たな卸高 | Closing n ventories for finished goods | ClosingInVentoriesForFinishedGoodsCOS |
| 他勘定振替高 | Transfer to other account | |
| 売上原価合計 | Total cost of sales | |

Don't make extension, but also use a standard tag?

Case study

— List of EDINET taxonomy tags —

EDINET taxonomy 2012 (partial excerpt)

| Class | Japanese standard label | Japanese verbose label | English standard label | Prefix | Element name |
|-------|-------------------------|--------------------------|---|------------|---|
| B | 営業活動による費用・売上原価の内訳 | 営業活動による費用・売上原価の内訳、タイトル項目 | COS and expenses from operating activities-detail | jpfr-t-cte | COSAndExpensesFromOperatingActivitiesDetailAbstract |
| B | 商品売上原価 | 商品売上原価、タイトル項目 | Cost of goods sold | jpfr-t-cte | CostOfGoodsSoldAbstract |
| A | 商品期首たな卸高 | 商品期首たな卸高、売上原価 | Beginning goods | jpfr-t-cte | BeginningGoodsCOS |
| A | 総仕入高 | 総仕入高 | Total purchase of goods | jpfr-t-cte | TotalPurchaseOfGoods |
| A | 仕入値引及び戻し高 | 仕入値引及び戻し高 | Purchase allowance and returns | jpfr-t-cte | PurchaseAllowanceAndReturns |
| A | 当期商品仕入高 | 当期商品仕入高 | Cost of purchased goods | jpfr-t-cte | CostOfPurchasedGoods |
| A | 商品期末たな卸高 | 商品期末たな卸高、売上原価 | Ending goods | jpfr-t-cte | EndingGoodsCOS |
| A | 合計 | 合計、商品期首たな卸高及び当期商品仕入高 | Total | jpfr-t-cte | TotalBeginningAndPurchaseOfGoods |
| B | 商品他勘定振替高 | 商品他勘定振替高、売上原価 | Goods transfer to other account | jpfr-t-cte | GoodsTransferToOtherAccountCOS |
| B | 商品評価損 | 商品評価損、売上原価 | Valuation loss on goods | jpfr-t-cte | ValuationLossOnGoodsCOS |
| B | 小計 | 小計、売上原価、商品 | Subtotal | jpfr-t-cte | SubtotalCOSGoods |
| B | 差引 | 差引、売上原価、商品 | Net | jpfr-t-cte | NetCOSGoods |
| A | 商品売上原価 | 商品売上原価 | Cost of goods sold | jpfr-t-cte | CostOfGoodsSold |
| B | 製品売上原価 | 製品売上原価、タイトル項目 | Cost of finished goods sold | jpfr-t-cte | CostOfFinishedGoodsSoldAbstract |
| A | 製品期首たな卸高 | 製品期首たな卸高、売上原価 | Beginning finished goods | jpfr-t-cte | BeginningFinishedGoodsCOS |
| A | 当期製品製造原価 | 当期製品製造原価 | Cost of products manufactured | jpfr-t-cte | CostOfProductsManufactured |
| B | 当期製品仕入高 | 当期製品仕入高、売上原価 | Purchase of finished goods | jpfr-t-cte | PurchaseOfFinishedGoodsCOS |
| A | 製品期末たな卸高 | 製品期末たな卸高、売上原価 | Ending finished goods | jpfr-t-cte | EndingFinishedGoodsCOS |

Case study

— Impact caused by addition of extension tag similar to standard tag —

| Company A | |
|---|---------|
| Investments and other assets | |
| Investment securities | 62,476 |
| Stocks of subsidiaries and affiliates | 125,373 |
| Investments in capital | 6 |
| Long-term loans receivable | 1,038 |
| Long-term loans receivable from employees | 117 |
| Long-term loans receivable from subsidiaries and affiliates | 16,232 |
| Long-term prepaid expenses | 1,347 |
| Other | 2,502 |
| Allowance for doubtful accounts | △194 |
| Total investments and other assets | 198,897 |
| Total noncurrent assets | 299,410 |
| Total assets | 672,487 |

| Company B | |
|---|---------|
| Investments and other assets | |
| Investment securities | 28,269 |
| Stocks of subsidiaries and affiliates | 26,228 |
| Long-term loans receivable | 389 |
| Long-term loans receivable from employees | 37 |
| Long-term loans receivable from subsidiaries and affiliates | 4,309 |
| Long-term prepaid expenses | 693 |
| Other | 3,098 |
| Allowance for doubtful accounts | △2,650 |
| Total investments and other assets | 60,373 |
| Total noncurrent assets | 99,884 |
| Total assets | 340,748 |

For tag “Long-term loans receivable from employees”:

- Company A used the standard tag.
- Company B created extension tag.

What happens upon conducting comparison of Company A with B?

jpfr-t-cte_
LongTermLoansReceivableFromEmployees

Standard tag

XBRL tool

Extension tag

jpfr-asr-E00xxx-000_
LongTermLoansReceivableFromEmployeesIA

| Comparing data | A | B |
|---|---------|---------|
| Investments and other assets | | |
| Investment securities | 62,476 | 28,269 |
| Stocks of subsidiaries and affiliates | 125,373 | 26,228 |
| Investments in capital | 6 | |
| Long-term loans receivable | 1,038 | 389 |
| Long-term loans receivable from employees | 117 | |
| Long-term loans receivable from employees | | 37 |
| Long-term loans receivable from subsidiaries and affiliates | 16,232 | 4,309 |
| Long-term prepaid expenses | 1,347 | 693 |
| Other | 2,502 | 3,098 |
| Allowance for doubtful accounts | △194 | △2,650 |
| Total investments and other assets | 198,906 | 60,373 |
| Total noncurrent assets | 299,419 | 99,884 |
| Total assets | 672,496 | 340,748 |

Case study

— Example of extension tags similar to standard tag —

Balance sheet

| Japanese Label | English Label | Extension tags | Japanese Label | English Label | Standard tags |
|----------------|--|--|----------------|--|---|
| 工事未払金等 | Account payable for works in progress and other | jpfr-asr-E0xxxx-000_AccountPayableForWorksInProgressAndOtherCL | 工事未払金 | Accounts payable for construction contracts | jpfr-t-cns_AccountsPayableForConstructionContractsCNS |
| 未成工事受入金 | Advances from contracts in progress | jpfr-asr-E0xxxx-000_AdvancesFromContractsInProgress | 未成工事受入金 | Advances received on uncompleted construction contracts | jpfr-t-cns_AdvancesReceivedOnUncompletedConstructionContractsCNS |
| 未成工事支出金 | Expenditure on contracts in progress | jpfr-asr-E0xxxx-000_ExpenditureOnContractsInProgress | 未成工事支出金 | Costs on uncompleted construction contracts | jpfr-t-cns_CostsOnUncompletedConstructionContractsCNS |
| 借地権他 | Leasehold right and others | jpfr-asr-E0xxxx-000_LeaseholdRightAndOthersIA | 借地権 | Leasehold right | jpfr-t-cte_LeaseholdRight |
| 更生債権 | Claims provable in rehabilitation-NCL | jpfr-asr-E0xxxx-000_ClaimsProvableInRehabilitationNCL | 破産更生債権等 | Claims provable in bankruptcy, claims provable in rehabilitation and other | jpfr-t-cte_ClaimsProvableInBankruptcyClaimsProvableInRehabilitationAndOther |
| 破産更生債権 | Claims provable in bankruptcy, claims provable in rehabilitation | jpfr-asr-E0xxxx-000_ClaimsProvableInBankruptcyClaimsProvableInRehabilitation | 破産更生債権等 | Claims provable in bankruptcy, claims provable in rehabilitation and other | jpfr-t-cte_ClaimsProvableInBankruptcyClaimsProvableInRehabilitationAndOther |
| 賃貸資産(純額) | <u>Assets for rent,net</u> | jpfr-asr-E0xxxx-000_AssetsForRentNetPPE | 貸与資産(純額) | Assets for rent, net | jpfr-t-cte_AssetsForRentNet |
| 賃貸資産 | <u>Assets for rent</u> | jpfr-asr-E0xxxx-000_AssetsForRentPPE | 貸与資産 | Assets for rent | jpfr-t-cte_AssetsForRent |

What is the criterion for using standard tags?

Case study

— Example of extension tags similar to standard tag —

Income statement

| Japanese Label | English Label | Extension tags | Japanese Label | English Label | Standard tags |
|-----------------|--|---|----------------|--|--|
| 製品及び商品期首たな卸高 | Beginning finished goods and merchandise | jpfr-asr-E0xxxx-000_BeginningFinishedGoodsAndMerchandiseCOS | 商品及び製品期首たな卸高 | Beginning merchandise and finished goods | jpfr-t-cte_BeginningMerchandiseAndFinishedGoodsCOS |
| 製品及び商品期末たな卸高 | Ending finished goods and merchandise | jpfr-asr-E0xxxx-000_EndingFinishedGoodsAndMerchandiseCOS | 商品及び製品期末たな卸高 | Ending merchandise and finished goods | jpfr-t-cte_EndingMerchandiseAndFinishedGoodsCOS |
| 開業費 ○ | Opening expenses | jpfr-asr-E0xxxx-000_OpeningExpensesNOE | 開業費償却 | Amortization of business commencement expenses | jpfr-t-cte_AmortizationOfBusinessCommencementExpensesNOE |
| 給与及び手当 | Salaries and allowances <u>other</u> | jpfr-asr-E0xxxx-000_SalariesAndAllowancesOtherSGA | 給料及び手当 | Salaries and allowances | jpfr-t-cte_SalariesAndAllowancesSGA |
| その他 営業外費用 | Miscellaneous expenses | jpfr-asr-E0xxxx-000_MiscellaneousExpenses | その他 | Other | jpfr-t-cte_OtherNOE |
| 災害損失 | <u>z</u> | jpfr-asr-E0xxxx-000_ZEL | 災害による損失 | Loss on disaster | jpfr-t-cte_LossOnDisasterEL |
| 過年度法人税、住民税及び事業税 | Income taxes-current for prior periods | jpfr-asr-E0xxxx-000_IncomeTaxesCurrentForPriorPeriods | 過年度法人税等 | Income taxes for prior periods | jpfr-t-cte_IncomeTaxesForPriorPeriodsIncomeTaxes |
| 法人税及び住民税 ○ | <u>income taxes current</u> | jpfr-asr-E0xxxx-000_CorporationTaxAndResidenceTax | 法人税、住民税及び事業税 | Income taxes-current | jpfr-t-cte_IncomeTaxesCurrent |

Case study

— Example of extension tags similar to standard tag —

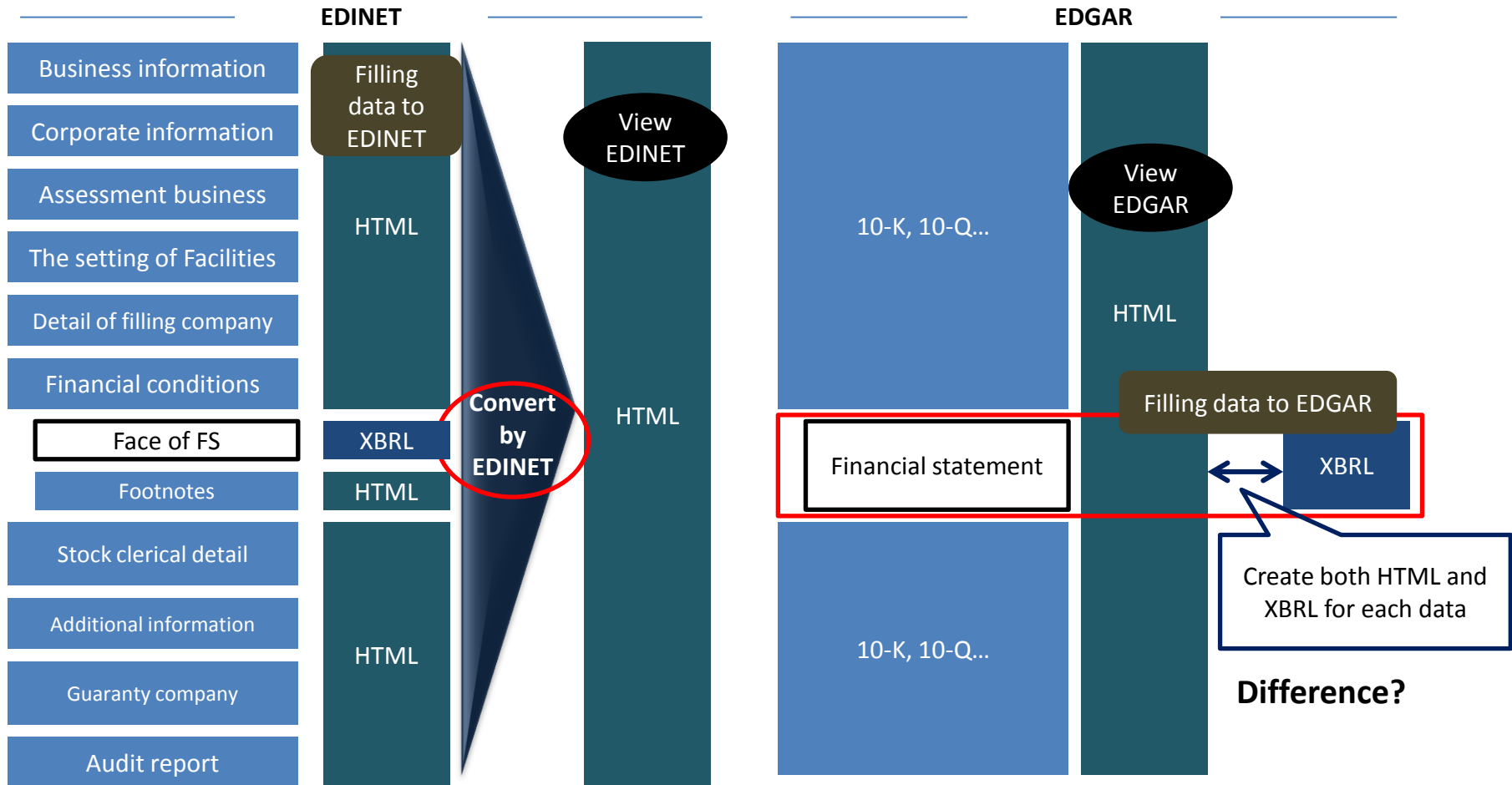
Cash flow statement

| Japanese Label | English Label | Extension tags | Japanese Label | English Label | Standard tags |
|--------------------|--|--|---------------------|--|---|
| 固定資産売却益 | Gain on sales of property and equipment | jpfr-asr-E0xxxx-000_GainOnSalesOfPropertyAndEquipmentOpeCF | 固定資産売却損益(△は益) | Loss (gain) on sales of noncurrent assets | jpfr-t-cte_LossGainOnSalesOfNoncurrentAssetsOpeCF |
| 固定資産売却損 | Loss on sales of property and equipment | jpfr-asr-E0xxxx-000_LossOnSalesOfPropertyAndEquipmentOpeCF | 固定資産売却損益(△は益) | Loss (gain) on sales of noncurrent assets | jpfr-t-cte_LossGainOnSalesOfNoncurrentAssetsOpeCF |
| 売掛金の増減額(△は増加) | Decrease (increase) in accounts receivable-trade | jpfr-asr-E0xxxx-000_DecreaseIncreaseInAccountsReceivableTradeOpeCf | 売上債権の増減額(△は増加) | Decrease (increase) in notes and accounts receivable-trade | jpfr-t-cte_DecreaseIncreaseInNotesAndAccountsReceivableTradeOpeCF |
| ポイント引当金の増加額 | increase in provision for point | jpfr-asr-E0xxxx-000_IncreaseInProvisionForPointOpeCF | ポイント引当金の増減額(△は減少) | Increase (decrease) in provision for point card certificates | jpfr-t-cte_IncreaseDecreaseInProvisionForPointCardCertificatesOpeCF |
| 災害による損失 | Impairment loss of noncurrent assets | jpfr-asr-E0xxxx-000_COpeCF | 災害損失 | Loss on disaster | jpfr-t-cte_LossOnDisasterOpeCF |
| 固定資産減損損失 | Impairment loss of noncurrent assets | jpfr-asr-E0xxxx-000_ImpairmentLossOfNoncurrentAssetsOpeCF | 減損損失 | Impairment loss | jpfr-t-cte_ImpairmentLossOpeCF |
| 資産除去債務会計基準適用による影響額 | Obligation of rent expiration-OpeCF | jpfr-asr-Exxxx-000_ObligationOfRentExpirationOpeCF | 資産除去債務会計基準の適用に伴う影響額 | Loss on adjustment for changes of accounting standard for asset retirement obligations | jpfr-t-cte_LossOnAdjustmentForChangesOfAccountingStandardForAssetRetirementObligationsOpeCF |
| 貸付金の実行による支出 | PaymentsOfLoansReceivable | jpfr-asr-E0xxxx-000_PaymentsOfLoansReceivable | 貸付けによる支出 | Payments of loans receivable | jpfr-t-cte_PaymentsOfLoansReceivableInvCF |

Difference between EDINET and EDGAR

In Japan,

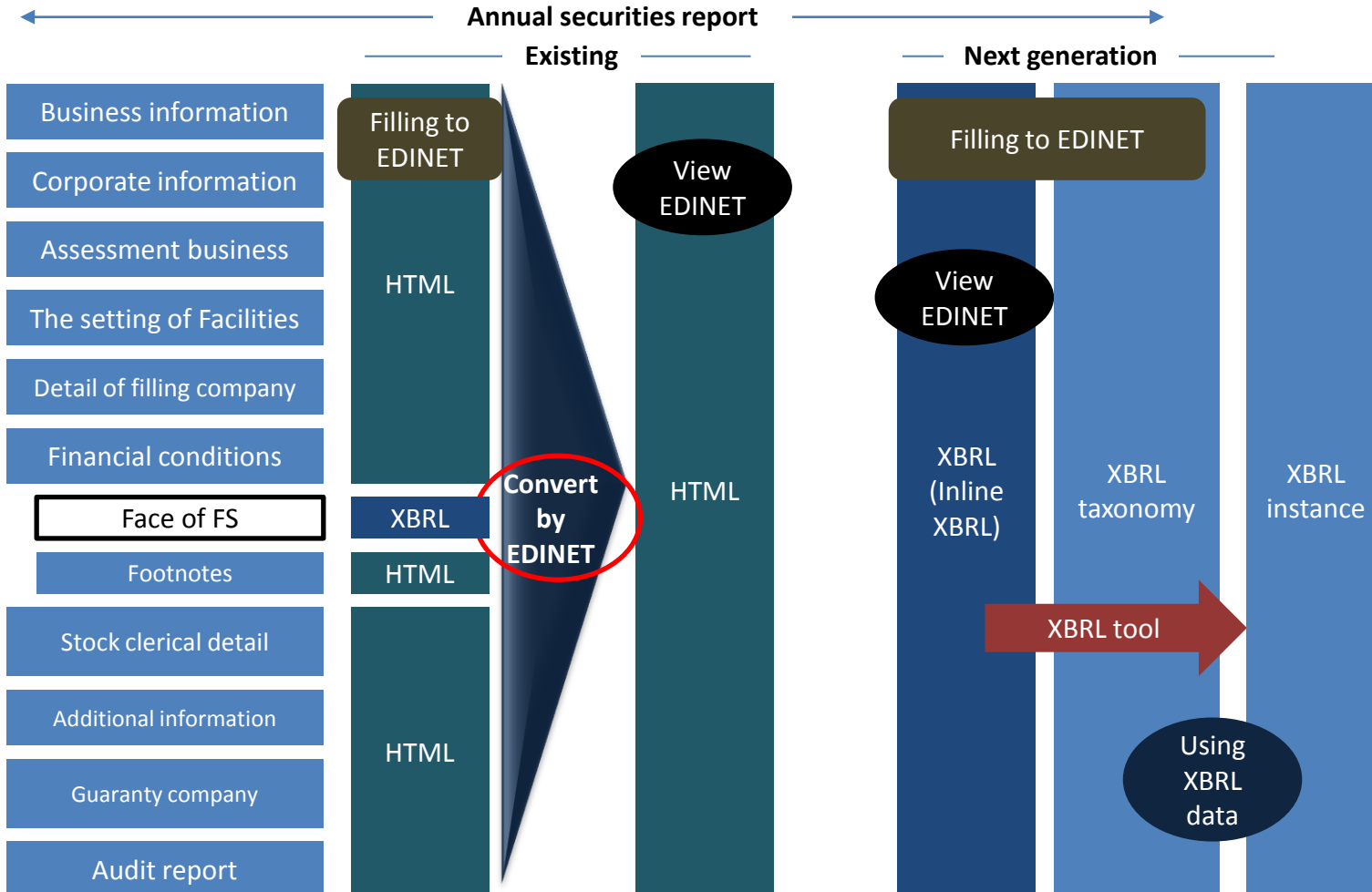
- Face of financial statement is created in XBRL, and the others are in HTML format. It is not necessary to create the HTML of the financial statement.



Next generation EDINET

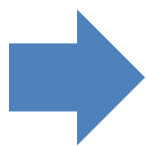
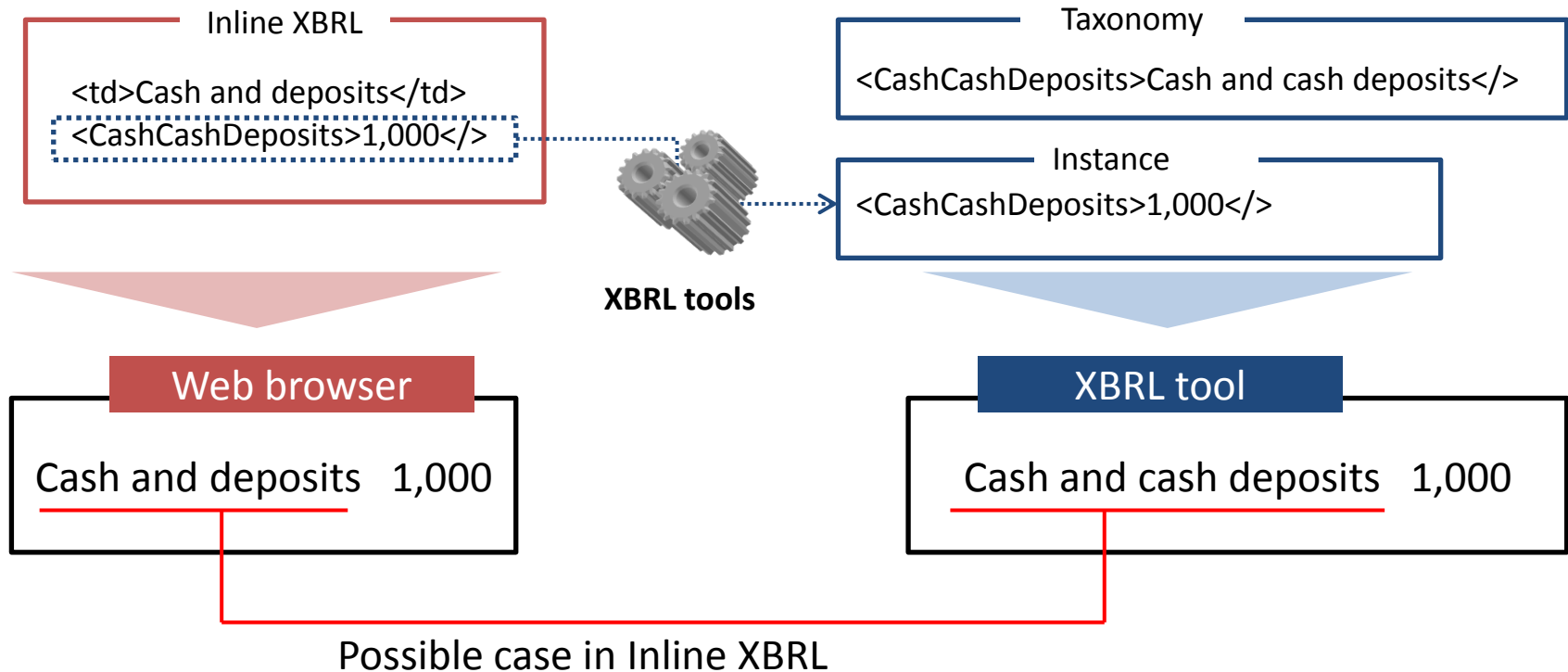
In the next generation EDINET,

- The HTML conversion function will be abolished.
- The Inline XBRL will be applied.



Inline XBRL and the review point

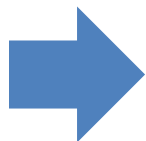
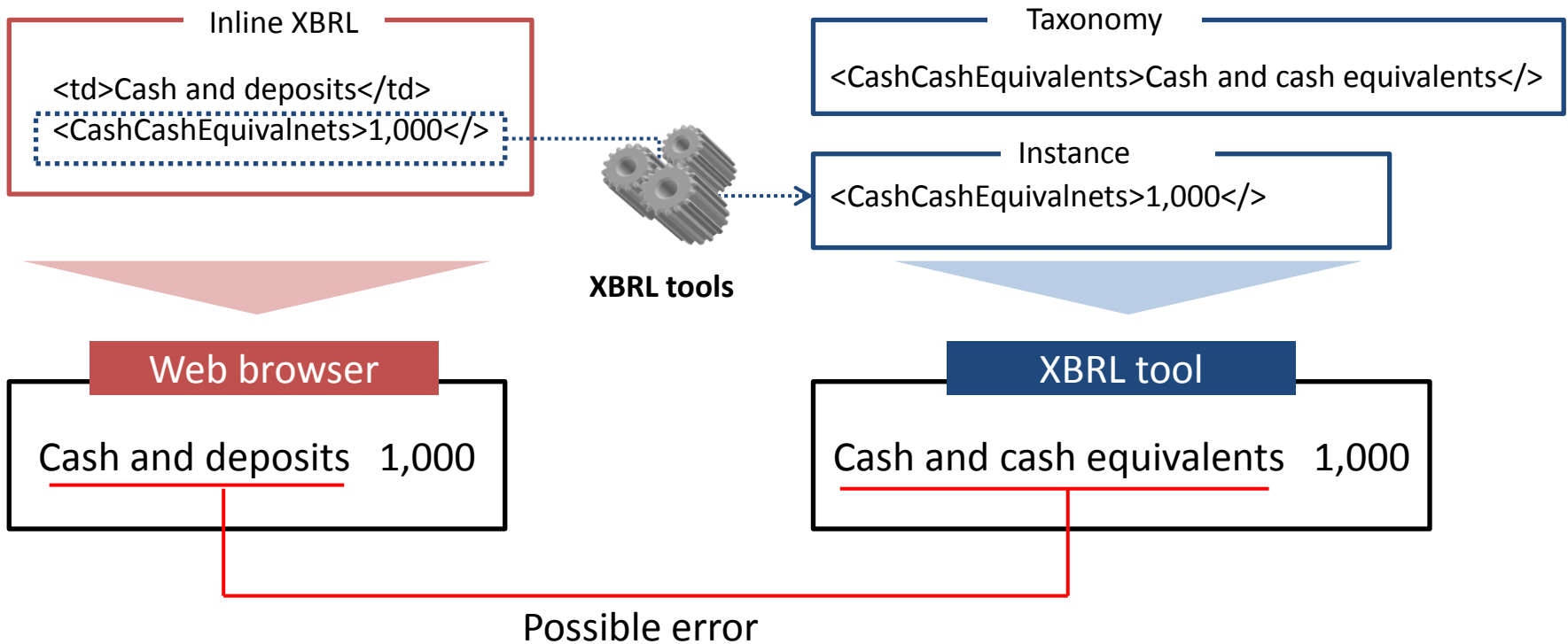
In Inline XBRL, the account title is embedded in HTML without referring to taxonomy. Thus it becomes possible to set up an accounting title in Inline XBRL that differs from the account title displayed in taxonomy.



In the next generation EDINET, with regards to accounts including fee amounts, FSA's basic policy towards EDINET filers will be to require consistent account titles between Inline XBRL and taxonomy.

Possible error risk in Inline XBRL

Because Inline XBRL doesn't refer to taxonomy, there is a possibility of the occurrence of inconsistencies between the account displayed on the browser and the tags which should actually be used.



In the next generation EDINET, FSA will provide a check tool which verifies the consistency between Label in Inline XBRL and taxonomy to EDINET filer.

Future possibilities for the CPA practice

In the current Japanese system, the scope of CPA audit is limited to the “displayed” Financial Statements. If XBRL filing data contains errors but the displayed data is clean, it is not an auditing matter.


Roman character in Label link of a extension tag

Meaningless label in Label link of a extension tag

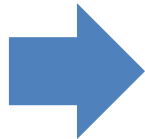
English Label typo

Add the extension tags similar to standard tag

Possible error risk in Inline XBRL



It is not an audit issue, if the displayed Financial Statement is clean.



XBRL data has room for improvement.

What are the market needs (XBRL data users) and the filing company needs?

A future issues upon CPA practice

There are some important issues when a CPA performs practice for XBRL data.

