



***Real Effects of Intangibles
Capitalization: Empirical
Evidence from Voluntary IFRS
Adoption in Japan***

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Key insights

- Adoption of IFRS Standards in Japan
 - Robust approach - extended sample
 - Firms more likely to adopt when they have intangibles under JGAAP
 - Results in firms capitalizing more intangibles and acquiring more businesses post adoption
- Informative for
 - Evaluating Japan's adoption
 - Other countries considering voluntary adoption

Understanding the motivation

- Study “analyzes the real effects of intangible classification: how firms alter their behaviours”
 - Relevant for practice
 - Identifies a factor that influences management decision making
- Recommend
 - Consider/explain other influencing factors
 - Assess if effective business decisions
 - Firms generate higher returns post acquisition?

Long-standing debate: Capitalize intangibles

- Current hot topic!
- Standard setter
 - Information decision useful to investors and lenders
 - Enhance the relevance of the balance sheet
 - In cost-benefit assessment
 - Consider ‘real effects’ on management



Points to consider

- Provide a global perspective
 - Expand sample beyond Japan?
- Assess if there are jurisdictional differences
- Write for practitioners too!
 - Clarify citation of Kanaodia et al
 - Explain academic concepts





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Let's connect!

