



**The Japanese Institute of
Certified Public Accountants**

4-4-1, Kudan-Minami, Chiyoda-ku, Tokyo 102-8264, Japan
Phone: 81-3-3515-1130 Fax: 81-5226-3356
e-mail: international@jicpa.or.jp
<http://www.jicpa.or.jp/>

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**ED 4 “Disposal of
Non-current Assets and
Presentation of
Discontinued Operations”**

Dear Sirs:

We, The Japanese Institute of Certificate Public Accountants, are pleased to provide our comments on the ED 4 Disposal of Non-current Assets and Presentation of Discontinued Operations (the “ED 4”)

We support the Board’s effort to achieve substantial convergence with the requirements of the FASB Statement No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” relating to assets held for sale and discontinued operations. We, therefore, agree with substantially all of the proposed standards in the ED 4.

However, we prefer the approach to present a single line item for discontinued operations in a line below a caption of “income from continuing operations” on the face of the income statement. The line item should be a combined amount of the revenue, expenses, pre-tax profit or loss, and related tax expense of discontinued operations. Components of the line item should be disclosed in the notes. The reason to present a single amount for discontinued operations is to focus the income statement on presentation of continuing operations by component. The approach is more appropriate to enhance the usefulness of the income statement rather than presenting components of both continuing and discontinued operations.

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We would be pleased to discuss any aspect of this letter with the IASB or its staff at your convenience.

Very truly yours,

Michiyoshi Sakamoto
Chairman
Technical Committee for IASB