

## **Academic Accounting Issues in Japan**

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### **1. Academic Accounting Associations in Japan**

In Japan, there are many formal associations for academic accountants. The Japan Accounting Association (JAA) is regarded as the most important one in that most of the accounting researchers are the members of this association. From an international perspective, the Japanese Association for International Accounting Studies (JAIAS) also plays the key role. Other academic accounting associations include Japan Auditing Association, Japan Cost Accounting Association, Accounting History Association, Japan Bookkeeping Research and Education Association, Japan Financial Analysis Association, Japanese Association for Research on Disclosure, Japan Corporate Social Accounting and Reporting Association, Japanese Association of Management Accounting and Japan Society for Social Science of Accounting, although these are not the comprehensive list of associations. Brief descriptions on JAA and JAIAS follow.

#### (1) JAA (Japan Accounting Association)

JAA was originally established in 1917, and was reformed to the present organization in

1937. Today it has about 1,700 members. Executive officers are composed of one president, sixteen or less executive committee members (8 from East Japan, 7 from West Japan, plus the immediate past president), seventy or less councilors, five or less secretaries, and two auditors. Their term of office is three years. Besides that, there is an Awards Selection Committee, which is composed of 9 members (5 from East Japan and 4 from West Japan). Two types of awards are given to excellent publications at each national annual meeting. One is Ohta-Kurosawa Award on books (1 to 3 books each year), and the other is the Outstanding Papers Awards (1 to 3 papers each year).

JAA offers various research activities. A national annual meeting is held once every year, with about 900 participants. Regional meetings are also held at six different regions. They are Hokkaido, Tohoku (North-East), Kanto (Tokyo), Chubu (Nagoya), Kansai (West Japan other than Kyushu) and Kyushu Regions. In order to promote research activities, a small number of special committees and study groups are organized each year. Recent research topics of special committees were:

- Accounting, auditing and taxation on derivatives in selected countries (1999-2000)
- Development and establishment of environmental accounting (1998-99)
- Theory and practice of ABC and ABM (1997-98)
- International harmonization of accounting standards for consolidation (1996-97)
- New paradigm of management accounting and market, products and customers (1995-96)
- Audit responsibilities on illegal practices (1995-96)

Recent research topics of study groups were:

- Image of universities and accounting education in the 21st century (1999-2000)
- Accounting for not-for-profit organizations (1999-2000)
- Disclosure of information by electronic media (1998-99)
- Empirical study on the independence of auditors (1997-98)
- Expansion of future predictions in accounting (1996-97)
- Research areas and methodology of management accounting (1996-97)
- Theoretical framework of accounting (1995-96)
- Comparative study of national business accounting (1995-96)
- Expansion of the concept of accountability (1994-95)
- Legal requirement of cash flow statement (1994-95)
- Accounting education toward the 21st century (1994-95)

JAA has a monthly publication named *KAIKEI (Accounting)*. JAA also supports the publication of the reports by special committees and study groups. Annual reports of JAA are

delivered to all members.

JAA tries to promote interactions with foreign associations by stimulating its members and officers to attend international meetings like IAAER, AAA, and EAA. It publishes an English booklet called *Japanese Accounting Forum* for foreign readers. The international committee of JAA is the core of such international activities.

(2) JAIAS (Japanese Association for International Accounting Studies)

As far as international interaction is concerned, JAIAS is more important than any other academic association. It was established in 1984 with 72 members. Today it has 522 individual, 12 institutional, and 10 foreign honorary members. Its past presidents include internationally recognized scholars. They were Kyojiro Someya (Waseda University, 1984-85), Seigo Nakajima (Ferris Women's College, 1985-87), Hirohisa Masutani (Kwansei Gakuin University, 1987-90), Kiyomitsu Arai (Waseda University, 1990-93), Kiyoshi Ogawa (Waseda University, 1993-96), Satoshi Kamimori (East Asia University, 1996-99).

Current officers are one president (Professor Nobuo Kamata of Chubu University), 16 directors, 3 auditors, and two secretaries, with the term of office of three years (1999-2002).

Main themes for annual meetings of JAIAS for the past seven years were:

The frontier of international accounting research in the 21st century

(1999, Hokkaido Univ.)

The state of world accounting and its relations to IAS (1998, Kyoto Sangyo Univ.)

Globalization and the consolidation accounting (1997, Aoyama Gakuin Univ.)

Review of financial accounting standards from an international perspective (1996, Toa U.)

Current state and issues of IAS (1995, Toyo Univ.)

Education and training of international accounting (1994, Kwansei Gakuin Univ.)

Internationalization of accounting standards and US-Japan cooperation

(1993, Waseda U.)

JAIAS publishes the Annual Report (Bulletin) with a very short English summary. The 17th annual meeting of JAIAS will be held on October 6-7, 2000, jointly with the International Association for Accounting Education and Research (IAAER), hosted by Kwansei Gakuin University under the main theme of "Challenges for Accounting in the Global Economy". The information is available at its home page: <http://www-sba.kwansei.ac.jp/~iaaer/>

## **2. Interaction between the Academic and Professional Associations**

Although the interaction between the academic and professional associations is not very active, there are several important interactions in Japan. Some academics are members of the Council for International Accounting and Auditing Issues of the JICPA, the Advisory Committee on IAS within the JICPA, and attend the study meetings held by CPA firms. In turn, some professionals are members of JAA, JAIAS, and Japan Auditing Association, and serve as directors of such academic associations. CPAs are often invited by universities to teach accounting/auditing as part-time lecturers.

Interaction between both associations and government is also not active. However, several academics and CPAs serve as members of the standards setter in Japan, which is known as the Business Accounting Deliberation Council of the Ministry of Finance.

## **3. The Major Academic/Research Issues facing Japan**

Among the major academic/research issues are the conceptual framework, measurement basis (cost vs. fair value), international harmonization, empirical research, IT & accounting and accounting education.

## **4. Need for Help from Foreign Countries**

Japanese academics already have various forms of support from foreign countries, including visiting professors at universities, their speeches at annual meetings of JAIAS, and the publication of their papers. Relatively speaking, Japanese academics do not have rigorous training in research methodology for empirical study. Thus it would be useful if the assistance is available in this area of study.

## **5. Japanese Contribution**

Japan may be able to make contributions to other countries by providing the opportunities for exchange and cooperation with foreign universities. Another way of contribution is to make a mutual effort to establish a regional academic association like EAA for better understanding among different countries in Asia.