

Plans and next steps

The TSE proposes to adopt XBRL in the 2008 business year for the full financial statements of reporting companies, including balance sheet, profit and loss, cash flow and the like. It aims to receive data in XBRL from companies, carrying data through its systems entirely in XBRL. This ties in with plans by the FSA for introduction of XBRL for statutory reports on EDINET.

The exchange will make its taxonomy for timely disclosure fully consistent with the FSA taxonomy for statutory disclosure. The taxonomy will be based on full Japanese Generally Accepted Accounting Principles (GAAP).

Under its rules, the TSE has power to required listed companies to disclose information using a uniform format.

The TSE says: "The implementation of XBRL is expected to provide investors, financial institutions, listed companies, and competent supervising agencies and securities exchanges both inside and outside Japan access to highly transparent financial information on a timely and speedy basis."

- ◆ Streamline market disclosure by improving the timeliness, accuracy and accessibility of company reporting.
- ◆ Support efficient analysis and comparison of company data by investors.

The Osaka Securities Exchange also began using TDnet in December 2005, and now not only information on TSE-listed companies but also information on companies listed on other Japanese exchanges is disseminated via TDnet. The TSE aims that its system will enable reporting in XBRL by all 4,000 listed companies in Japan. The TSE itself lists some 2,400 Japanese companies, including most of the largest.

Success factors

The TSE is still in the early phases of its project to implement XBRL for full statements by all companies. However, it believes that the efficient provision of information to the business community about XBRL will be a cornerstone of successful adoption.

It also believes that experience of the use of XBRL in an initial pilot project is essential to planning for larger scale implementation.



In particular, it believes that the introduction of XBRL will:

- ◆ Improve processes within companies, including in the provision of timely, transparent information to management.
- ◆ Boost the speed and efficiency with which companies and markets can respond to changes in laws and accounting standards, by incorporating these quickly in the reporting taxonomy.
- ◆ Strengthen accuracy through the use of software to validate the contents of reports.
- ◆ Enhance control and auditing processes.

Conclusion

The TSE's pilot project to deliver a set of real company data in XBRL via the internet, coupled with tools for viewing and analysing this information, is an important step in explaining the use and benefits of XBRL in Japan. It is paving the way for the introduction of full reporting in XBRL by all Japanese companies.

CONTACTS

Further information on the TSE's use and plans for XBRL is available at www.tse.or.jp/listing/xbrl/top.html. The main TSE website at www.tse.or.jp/ also has an English section and contact information.

Alternatively, for general information on XBRL and XBRL projects around the world, please see www.xbrl.org or contact info@xbrl.org.

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XBRL CASE STUDIES: SHOWING XBRL IN USE

The Tokyo Stock Exchange

The Tokyo Stock Exchange has launched a pilot system which demonstrates the use of XBRL for company financial statements and the benefits it can offer. The exchange is aiming to promote wider understanding and acceptance of XBRL among investors, companies and public as a step towards the introduction of full XBRL reporting by all companies in 2008.

Key features of the TSE's use of XBRL

- ◆ **The Tokyo Stock Exchange (TSE) is one of the largest exchanges in the world and accounts for more than 90 pct of the shares traded on all Japanese stock markets.**
- ◆ **The TSE has been working to improve the speed and quality of the disclosure of company information in order to boost market efficiency and confidence. It has identified XBRL as a key means of improving the timeliness and accuracy of company data, increasing transparency and enhancing analysis.**
- ◆ **It took its first step to adopt XBRL in 2003 by enhancing its disclosure network, TDnet, to support XBRL. Since then it has been gathering the preliminary summary of results of a number of companies in XBRL as part of a pilot project to investigate and demonstrate the use of XBRL.**
- ◆ **Supported by Fujitsu, the TSE has developed tools to convert the standard format of preliminary results into XBRL, to display this data in a variety of forms and allow investors to review and compare the information.**
- ◆ **The TSE has published the companies' XBRL data, software tools and a range of information about XBRL on its pilot project website. It is using the site to inform companies, investors and public about the uses and benefits of XBRL.**
- ◆ **The TSE's plans for the introduction of XBRL are coordinated with those of Japan's Financial Services Agency (FSA). The TSE is responsible for overseeing the timely disclosure of company results while the FSA oversees the statutory disclosure of the full annual securities report and other information.**

Chief results and next steps

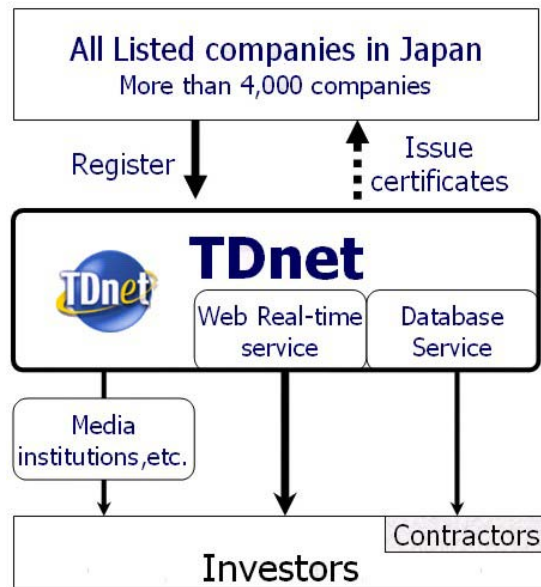
- ◆ **The TSE is planning to introduce XBRL in 2008 for the full financial statements of all its listed companies. It will require the companies to deliver reports in XBRL and it will then store and disseminate the data via TDnet. It will make its taxonomy for timely disclosure fully consistent with the FSA taxonomy for statutory disclosure.**
- ◆ **The pilot project website is raising the profile of XBRL in Japan. The TSE is promoting the site through advertisements and presentations. It is also using the experience gained in the creation of the pilot in its planning for the full introduction of XBRL.**

The background

The Tokyo Stock Exchange (TSE) is one of the world's three largest stock exchanges, together with New York and London. More than 90 pct of shares traded on Japanese stock exchanges are traded on the TSE.

The TSE has been striving to improve the quality and speed of disclosure of company information in order to enhance the reliability of trading of TSE-listed securities and boost confidence in the market.

In 1998, it launched TDnet, or Timely Disclosure network, with the aim of disseminating corporate information widely and promptly. The system provides information via a database, dedicated terminals on a private network and the public internet.



Recognising the value of XBRL in speeding disclosure and making data easy to analyse and compare, the TSE upgraded TDnet in 2003 to make it capable of handling XBRL and began work on collecting, storing and disseminating corporate financial data in XBRL.

It set a goal of creating an initial project to cover a tightly defined set of data in XBRL which would:

- Investigate the processes involved in the use of XBRL.
- Demonstrate the features and benefits of XBRL to companies, investors and the public.

This is the first stage in a plan to introduce XBRL for all company financial statements in 2008.

The TSE's longer-term plans are tied in with those of the Japanese Financial Services Agency (FSA) which is proposing to introduce XBRL reporting on its statutory disclosure system, EDINET, or Electronic Disclosure for Investors Network.

Under exchange rules, the TSE is responsible for ensuring timely disclosure of preliminary annual and semi-annual earnings reports and quarterly reports. The FSA, under the Securities and Exchange Law, is responsible for overseeing statutory disclosure of the full annual securities report and semi-annual report, among other information.

The implementation process

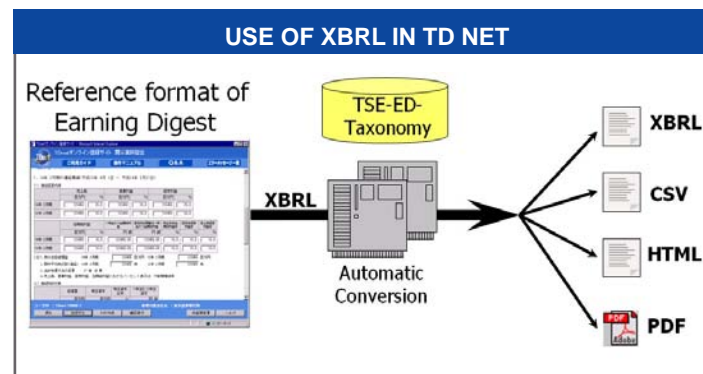
The TSE's project to demonstrate the features of XBRL centred on the Earnings Digest, or preliminary summary of results, for a range of major companies listed on the exchange. These reports cover a fixed range of data which can be presented in a standard format.

The TSE developed its own taxonomy specifically for this data, covering about 150 elements in a core taxonomy, with different presentations for commercial and industrial, banking, securities and insurance companies.

A total of 33 companies volunteered for their data to be included in the project and the TSE has been collecting and converting their Earnings Digests into XBRL since 2003.

To add value to the delivery of the data to users, the TSE developed applications which:

- Display the earnings digest XBRL data in human readable form as PDF files in both English and Japanese
- Enable comparison of results from different companies side-by-side and the tracking of results of an individual company over a period.
- Support conversion of the data into spreadsheet format for further analysis and also into html for web display.



Results

The TSE website for displaying company XBRL data is providing a valuable means of informing companies, investors and public about the features and uses of XBRL. The exchange is promoting the site through advertisements in major publications and presentations at conferences and other events.

The site at <http://www.tse.or.jp/listing/xbrl/top.html> provides substantial information in both Japanese and English on XBRL, as well as direct access to company Earnings Digests data in XBRL and the tools for viewing it.

The exchange is gathering feedback for companies and investors as it plans the next phase of its adoption of XBRL.

In April 2006, the TSE launched a public website explaining the use and benefits of XBRL and giving access to the collected company data in XBRL and the software for viewing and analysing it. The site also explained the TSE's plans for future use.

The TSE's XBRL software tools were developed with support from Fujitsu. The TSE funded all development of applications and infrastructure.

The screenshot shows a software interface titled 'DISPLAY OF XBRL DATA IN SPREADSHEET FORM'. It displays a table of financial data for 'タクソフミーツリー' (Taksofumi Tree) for the years 2004 and 2003. The table includes columns for '項目' (Item), '1928', '4063', '1928', and '4063'. The data includes metrics like ChangeInNetIncome, NetIncomePerShare, and AverageNumberOfShares.

| 項目 | 2004 | | 2003 | |
|--------------------------------|------------------|------------------|-----------------|-----------------|
| | 1928 | 4063 | 1928 | 4063 |
| ChangeInNetIncome | -0.373 | 0.245 | 0.093 | 0.025 |
| NetIncomePerShare | 33.80 | 219.10 | 53.30 | 177.25 |
| DilutedNetIncomePerShare | (Nil) | 216.11 | 51.39 | 173.52 |
| NetIncomeShareholdersEquityRat | 0.035 | 0.098 | 0.057 | 0.086 |
| OrdinaryIncomeTotalAssetsRatio | 0.067 | 0.106 | 0.065 | 0.093 |
| AverageNumberOfShares | 0.056 | 0.157 | 0.060 | 0.151 |
| InvestmentProfitOnEquityMethod | -10,700,000,000% | 161,500,000,000% | -5,300,000,000% | 30,000,000,000% |
| AverageNumberOfSharesConsol | 686,079,543 | 423,518,768 | 700,908,935 | 420,484,380 |
| ChangesInAccountingMethod | true | false | false | false |
| NoteToChangesInAccountingMeth | | | | |
| NoteToPercentPresentation | | | | |
| NoteToOperatingResults | | | | |

The screenshot shows the website <http://www.tse.or.jp/listing/xbrl/top.html> in a Microsoft Internet Explorer browser. The page features navigation links for 'XBRL Instance', 'XBRL Taxonomy', 'Tool for XBRL', and 'Basket Download'. It includes a disclaimer: '*Please read through the issues to note and user guidance before using any data.' and contact information for 'jokan@tse.or.jp' and 'fj-xbrl-tools@soft.fujitsu.com'. A table lists companies with links to their XBRL and PDF data:

| Company | XBRL | PDF |
|--------------------------------|----------|----------|
| Sekisui House, Ltd. | Jan 2003 | Jan 2003 |
| | Jan 2004 | Jan 2004 |
| | Jan 2005 | Jan 2005 |
| KIRIN BREWERY COMPANY, LIMITED | Dec 2002 | Dec 2002 |
| | Dec 2003 | Dec 2003 |
| | Dec 2004 | Dec 2004 |
| Ajinomoto Co., Inc. | Mar 2003 | Mar 2003 |
| | Mar 2004 | Mar 2004 |
| | Mar 2005 | Mar 2005 |