Ⅲ Summary of Articles

What is International Accounting Research? : The relationship between accounting standards and environmental factors.

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Conflicts, such as conflicts of philosophies, objectives, and functions among the related people, may occur between newly established accounting standards or those introduced from outside, revised, or abolished in a particular jurisdiction and its given environmental factors. In the process of resolving (mitigating) the conflicts, they mutually influence each other and co-evolve. When the relationship between the two is in a state of equilibrium, they reinforce each other and try to maintain the status quo—referred to as "institutional complementarity."

However, when either the accounting standards or the existing environmental factors change based on the constantly changing external and internal demands, or when there is a misalignment between the two, conflicts between accounting standards and environmental factors occur again. The conflicts are resolved or mitigated by subsequent changes in either or both factors. However, it is extremely difficult for all related environmental factors to change staggered in a manner consistent with this change to accounting standards; therefore, when only the accounting standards change, "conflicts" of this type occur frequently, albeit in varying degrees of severity. Consequently, the aforementioned state of equilibrium is always temporary.

Although the theme given to me is "What is international accounting research?", in this lecture, I will discuss the relationship between accounting standards and environmental factors, which has always been a central topic in international accounting research. This paper examines the significance and contributions of international accounting research to accounting research in general based on the above relationship. Drawing out commonalities and generalities among a wide range of studies under the theme of international accounting research has been done in previous conferences. I discuss how international accounting research has contributed to accounting research in general, rather than showing the differences between my understanding of international accounting research and that of the previous lectures.

Additionally, the examples I have discussed in my lecture demonstrate that there are instances where these phenomena could (and should) logically exist. The presentation of cases serves the dual purpose of validating my inferences and illustrating their proximity to factual reality. Moreover, these cases offer valuable information, as the specific contextual characteristics of the phenomenon's occurrence can be observed simultaneously—a nuance typically lost in the process of generalization in empirical research. However, if the so-called "scientific nature" of inference is prioritized, it becomes imperative to construct and verify specific working hypotheses based on both the inference and tendentiously observed facts. In this context, this lecture provides materials for empirical evidence.

The Impact of Voluntary Adoption of IFRS on Debt Financing
: Evidence from Japan

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Facilitating financing is a primary motive for Japanese firms adopting the International Financial Reporting Standards (IFRS). However, there are surprisingly few empirical studies in Japanese accounting research on the usefulness of accounting information in debt contracts and the elucidation of the economic consequences of managers' accounting behavior. In particular, empirical research on the impact of voluntary IFRS adoption on the debt financing of Japanese firms has not yet been conducted.

This study examined the impact of voluntary adoption of IFRS on debt financing for firms listed on the Tokyo Stock Exchange. To address the selection bias problem and provide reliable evidence to elucidate the economic effects of voluntary IFRS adoption, the study was designed using a propensity score matching approach and a difference-in-differences approach.

The study findings suggest that firms that voluntarily adopted the IFRS tended to raise more funds by issuing bonds than by borrowing. The application of IFRS 16 and M&A activities do not affect the results of this analysis. The results remained consistent upon robust validation, further attesting to the reliability of the analysis presented in this paper. In conclusion, this research demonstrated that voluntary adoption of the IFRS in Japan has a positive economic effect on debt financing, especially corporate bond financing.

This paper contributes to the research literature on IFRS adoption by providing the first evidence on the economic impact of voluntary IFRS adoption by Japanese listed firms on debt capital raising.