

March 11, 2009

Accounting Standards Board of Japan Meets with Financial Accounting Standards Board to Discuss Global Convergence

Tokyo, Japan March 10, 2009.... Representatives of the Accounting Standards Board of Japan (ASBJ) and the Financial Accounting Standards Board (FASB) gathered this week in Tokyo, Japan. The meeting was the seventh in a series of discussions between the ASBJ and the FASB designed to enhance dialogue between the two Boards in their shared pursuit of global convergence of accounting standards.

The development of a common set of high-quality accounting standards for both domestic and international use has been a major initiative of the ASBJ and the FASB. Working toward that goal with the International Accounting Standards Board (IASB), the organizations believe that common financial reporting across the major business and capital markets of the world is a critical component in providing credible, comparable, conceptually sound, and usable financial information.

As part of the meeting, representatives of the Boards discussed their respective strategies towards a single set of high-quality global standards. In this session, representatives of the ASBJ described the Draft Interim Report, “Application of International Financial Reporting Standards in Japan,” issued in February 2009 by the Planning and Coordination Committee of the Business Accounting Council¹. The Boards also discussed the standard setters’ responses to the conclusions reached by the G20 leaders in their summit in November 2008. They reaffirmed that accounting standards play a critical role in the global economic infrastructure by promoting confidence and transparency of capital markets.

In addition, representatives of the Boards exchanged their views on the current status of their work on the following projects:

- Financial Instruments
- Revenue Recognition

¹ The Business Accounting Council is an advisory body to the Commissioner of the Financial Services Agency. A provisional English translation of the Draft Interim Report is available at the Financial Services Agency website at www.fsa.go.jp/en/news/2009/20090213-3.html.

- Consolidation, including Special Purpose Entities (SPEs)
- Financial Statement Presentation

Representatives of the Boards agreed that their ongoing discussions are useful in promoting mutual understanding that will contribute to subsequent deliberations at their respective Boards and to the future development of high-quality accounting standards on the significant items to be improved in the medium and long term with the IASB. The Boards agreed that they would continue to exchange views on longer-term issues and current concerns.

The next joint meeting is planned for October 2009 in Norwalk, CT.

About the Accounting Standards Board of Japan

The Accounting Standards Board of Japan (ASBJ) was established in July 2001 as a private-sector organization. Accounting standards developed by the ASBJ are to be authorized by the Financial Services Agency as part of generally accepted accounting principles. The ASBJ develops accounting standards and implementation guidance that appropriately reflect the environment in which business enterprises operate. The ASBJ also communicates with corresponding organizations abroad and contributes to the development of global accounting standards. For more information about the ASBJ, visit its website at http://www.asb.or.jp/index_e.php.

About the U.S. Financial Accounting Standards Board

Since 1973, the U.S. Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting in the United States. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent, and comparable financial information. For more information about the FASB, visit its website at <http://www.fasb.org/>.