

June 6, 2007

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

Tokyo, Japan, June 6, 2007...Board and staff members of the Financial Accounting Standards Board (FASB) recently traveled to Tokyo to meet with representatives of the Accounting Standards Board of Japan (ASBJ). Led by Ikuo Nishikawa, Chairman of the ASBJ, and Robert H. Herz, Chairman of the FASB, the meeting was the third in a series of discussions between ASBJ and FASB designed to enhance dialogue between the two Boards in their shared pursuit of global convergence of accounting standards.

Convergence – 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 FASB. Working in partnership with the International Accounting Standards Board (IASB), the organizations believe that common global 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 ASBJ reported on the current status of ASBJ's projects, focusing on the goals of the projects and providing analyses of differences between U.S. GAAP, IFRSs, and Japanese GAAP. In the update, short-term convergence projects as well as other major projects, including segment reporting, intangible assets, and special purpose entities, were discussed.

Representatives of the FASB reported on their current projects, which include employers' accounting for postretirement benefits (including pensions); financial statement presentation; financial instruments at fair value; leases; and financial instruments: liabilities and equity. The FASB also provided an update on its conceptual framework project, focusing on the re-deliberations of the Preliminary Views, *Conceptual Framework for Financial Reporting: Objective of Financial Reporting and Qualitative Characteristics of Decision-Useful Financial Reporting Information*.

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

- Measurement in the conceptual framework
- Liabilities and equity
- Business combinations
- Postretirement benefits

Representatives of both Boards agreed that their ongoing discussions are useful in promoting mutual understanding that will contribute to subsequent deliberations at their respective Boards and to their respective convergence projects with the IASB. They agreed that both Boards would continue to exchange views on longer-term issues and current concerns.

Ikuo Nishikawa, Chairman of the ASBJ stated, “We are grateful to the FASB representatives for their cooperation and great results in our periodical meetings. I believe that our meetings are productive and will be of great significance in contributing not only to the development of accounting standards in Japan but also to the global convergence of accounting standards. The ASBJ and the FASB will continue to work together to achieve global convergence by collaborating with the IASB.”

Robert H. Herz, Chairman of the FASB stated, “Our meetings with the ASBJ are a valuable platform for both Boards to discuss important issues related to convergence. They provide great perspective and insight on the accounting and financial reporting issues most critical to the global stage and enable each Board to share thoughts and views on how to best address them. We look forward to continuing to work with the ASBJ and remain committed to our overall pursuit of global convergence.”

The next joint meeting is planned for October 2007 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 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 www.fasb.org.