

February 11, 2011

Representatives of the Accounting Standards Board of Japan and the Financial Accounting Standards Board Meet to Discuss Global Convergence

Norwalk, CT, February 11, 2011.... Representatives of the Accounting Standards Board of Japan (ASBJ) and the Financial Accounting Standards Board (FASB) met on February 7 and 8, 2011, in Norwalk, Connecticut. This meeting was the tenth 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.

In November 2010, the FASB and the International Accounting Standards Board (IASB) issued a joint statement, *Progress Report on Commitment to Convergence of Accounting Standards and a Single Set of High Quality Global Accounting Standards*, which affirmed their priority projects. The Boards have been actively holding joint meetings with the aim of issuing final standards to improve and converge U.S. GAAP and International Financial Reporting Standards (IFRSs).

The decisions connected with the use of IFRSs are expected to be made during 2011 for the United States and in or around 2012 for Japan, according to *the Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers* and *the Application of International Financial Reporting Standards (IFRS) in Japan (Interim Report)*. With those forthcoming decisions in sight, both the ASBJ and the FASB are vigorously conducting their respective convergence programs with the IASB.

The ASBJ supports the efforts by the FASB and the IASB towards developing a single set of high-quality global accounting standards and is making progress with its projects to achieve convergence between Japanese GAAP and IFRSs, keeping pace with the progress of the joint projects by the FASB and the IASB.

At this meeting, taking into account these trends, the ASBJ and the FASB updated each other with the recent developments in their respective convergence projects with the IASB. Furthermore, the ASBJ and the FASB exchanged views on the following projects:

- Financial instruments (based on the credit impairment model for financial assets recently deliberated by the FASB and the IASB and the Exposure Draft on Hedge Accounting issued by the IASB in December 2010)
- Revenue recognition (based on the FASB and the IASB's recent redeliberations with respect to the Exposure Draft on Revenue Recognition)
- Leases (based on the FASB and the IASB's recent redeliberations with respect to the Exposure Draft on Leases)

The ASBJ and the FASB also exchanged views on issues related to reflecting the current interest rate in the measurement of liabilities, as a cross-cutting issue.

Representatives of the ASBJ and the FASB agreed that their ongoing discussions are useful in promoting mutual understanding that will contribute to subsequent deliberations at each Board 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 ASBJ and the FASB agreed that they would continue to exchange views on issues faced and current concerns.

Ikuo Nishikawa, Chairman of the ASBJ, stated, “As the decisions connected with the use of IFRSs in both countries approach, it is extremely meaningful to exchange views with the FASB regarding financial instruments, revenue recognition, leases, and the measurement of liabilities, most of which are high priority MOU projects between the FASB and the IASB. I am pleased that we were able to affirm our continuing relationship between the ASBJ and the FASB under the leadership of newly appointed Chairman, Ms. Leslie Seidman. The ASBJ will continue to contribute to the development of high-quality, global accounting standards.”

Leslie F. Seidman, Chairman of the FASB, affirmed that notion, saying, “The FASB is committed to working cooperatively with the ASBJ on important issues related to the international convergence of accounting standards. Our dialogue on major joint projects with the IASB, and our shared interest in international convergence, are important to ensuring the future of high-quality financial reporting in both Japan and the United States.”

The next joint meeting is planned in the summer of 2011 in Tokyo, Japan.

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 https://www.asb.or.jp/asb/top_e.do.

About the 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/>.