

November 8, 2006

## **Representatives of the Accounting Standards Board of Japan and the U.S. Financial Accounting Standards Board hold Second Meeting in Pursuit of Global Convergence**

Representatives of the Accounting Standards Board of Japan (ASBJ) and the U.S. Financial Accounting Standards Board (FASB) met in Norwalk, CT, USA on November 2, 2006. This was the second meeting (following the meeting in May), to enhance dialogue between the two Boards in their pursuit of global convergence of accounting standards. Two Board members of the ASBJ, Professor Shizuki Saito, Chairman, and Mr. Ikuo Nishikawa, Vice Chairman, and its staff and six Board members of the FASB, including Robert H. Herz, Chairman, and members of its staff attended the meeting.

At this meeting, the representatives of the ASBJ and the FASB explained their recent developments, respectively, and discussed the following items:

- The basic concepts underlying Japanese accounting standards
- The projects which the FASB are working with the International Accounting Standards Board (IASB) (such as Financial Statement Presentation, Revenue Recognition, Measurement of Financial Instruments)
- The Preliminary Views, *Conceptual Framework for Financial Reporting: Objective of Financial Reporting and Qualitative Characteristics of Decision-Useful Financial Reporting Information*, jointly released by the FASB and the IASB
- FASB's current projects, such as accounting for intangibles (including development costs), investment properties, and others.

Both Boards believe that these 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. It was agreed that both Boards will continue to exchange views on longer-term issues and current concerns.

The next meeting between the representatives of the ASBJ and the FASB will be held in Tokyo in May 2007.

### **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 the website at [www.asb.or.jp/index\\_e.php](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 the website at [www.fasb.org](http://www.fasb.org).