

August 16, 2010

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

Tokyo, Japan August 16, 2010.... Representatives of the Accounting Standards Board of Japan (ASBJ) and the U.S. Financial Accounting Standards Board (FASB) met on August 12-13, 2010 in Tokyo, Japan. Led by Ikuo Nishikawa, Chairman of the ASBJ, and Robert H. Herz, Chairman of the FASB, the meeting was the ninth 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 June 2010, the FASB and the International Accounting Standards Board (IASB) issued a joint statement, *Joint Statement by the IASB and the FASB on their Convergence Work*, and announced their modified work plan to improve and converge U.S. GAAP and International Financial Reporting Standards (IFRSs). The ASBJ supports the efforts by the FASB and the IASB towards 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 Exposure Draft issued by the FASB in May 2010)
- Revenue Recognition (based on the Exposure Draft issued by the FASB and the IASB in June 2010); and
- Leases (based on the accounting model in the Exposure Draft to be issued in the near future by the FASB and the IASB).

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 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 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, “We commend the FASB’s continuing work on convergence with the IASB towards a single set of high-quality, global accounting standards. We would also like to support the FASB’s efforts to reconcile differences with the IASB to develop converged guidance on the accounting for financial instruments. At this meeting, we were able to exchange views with representatives of the FASB on recent developments in the projects on financial instruments, revenue recognition and leases, when interests of Japanese constituents in MoU projects are increasing more than ever. We will continue to proactively cooperate in developing high-quality, global accounting standards together with the FASB, the IASB and other major accounting standard setters.”

Robert H. Herz, Chairman of the FASB, affirmed that notion, saying, “Our meeting with representatives of the ASBJ was particularly timely and valuable given that we are at a critical stage in a number of major projects with the IASB. The input we receive from the ASBJ is well considered and very important to our deliberations with the IASB.”

The next joint meeting is planned in the first half of 2011 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 https://www.asb.or.jp/asb/top_e.do.

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/>.