

February 10, 2012

Representatives of the Accounting Standards Board of Japan and the Financial Accounting Standards Board Hold Biannual Meeting

Representatives of the Financial Accounting Standards Board (FASB) and the Accounting Standards Board of Japan (ASBJ) met on February 6 and 7, 2012, in Norwalk, CT. This meeting was the twelfth in a series of discussions between the FASB and the ASBJ.

The ASBJ supports the efforts by the FASB and the International Accounting Standards Board (IASB) to develop high-quality global accounting standards and is working on its projects to achieve convergence between Japanese GAAP and International Financial Reporting Standards (IFRSs), taking into consideration the progress of the joint projects by the FASB and the IASB.

At this meeting, the FASB and the ASBJ provided updates on their respective convergence activities with the IASB with the aim of contributing to the development of high-quality global standards. The ASBJ also explained its comments on the IASB's Agenda Consultation 2011.

Furthermore, the FASB and the ASBJ exchanged views on the following projects undertaken by the FASB and the IASB:

- Credit impairment model for financial assets
- Classification and measurement of financial instruments and insurance contracts
- Hedge accounting
- Revenue recognition
- Leases
- Investment companies

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

Leslie F. Seidman, Chairman of the FASB, stated, “Our ongoing dialogue with the ASBJ has led to a deeper appreciation of the issues that both the U.S. and Japan face in working toward our common goal of developing high-quality, comparable accounting standards. Our discussions this week were very informative and will help us achieve that goal.”

Ikuo Nishikawa, Chairman of the ASBJ, stated, “In times of changing environments of global accounting standards, we had constructive discussions with the representatives of the FASB regarding financial instruments, revenue recognition and leases, most of which are of high interest to Japanese constituents. We believe that the discussions in this meeting contribute to the finalization of convergence projects between the FASB and the IASB and the development of high-quality global standards.”

The next joint meeting is planned in the second half of 2012 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/>.