

Four audit firms Joint Statement

Introduction

We have been undertaking efforts to reform our organizational culture and governance and to continuously improve audit quality, as professionals who are responsible for audit that is increasingly gaining importance in the today's rapidly changing and complex economic society. We believe that these are endless efforts, and will continue to implement initiatives in a manner to respond to changes in our society, while further engaging in a dialogue with our stakeholders, including investors.

Mission of Audit firms and Discussion in the forum

Article 1 of the Certified Public Accountants Act (the "Act") sets forth that the mission of certified public accountants is to contribute to the sound development of the national economy.

Part 1 of the four audit firms joint forum (the "Forum") held today has discussed how we can keep up with the globalization and digitization in a situation where the business environment surrounding corporations is rapidly moving toward the globalization and digitalization and their significant management challenges are to adapt to such changes, and how we can enhance confidence placed in us through leading initiatives including giving assurance over fair business conducts of corporations as well as securing confidence of investors and creditors, and ultimately contribute to the sound development of the national economy.

At Part 2 of the Forum, we acknowledge that it is essential for us to work organically with the many stakeholders that comprise the capital market and financial reporting supply chain to ensure the reliability and usefulness of corporate disclosures.

Four Commitments

① Initiatives to enhance the reliability of financial reporting and audit

To address the market's needs and expectations on financial reporting and audit, we, as a key link in the financial reporting supply chain, will undertake appropriate initiatives to report "Key Audit Matters (KAM)" and to provide our information related to audit, in light of the objective of the Audit Firm Governance Code in Japan. In addition, we will promote organic collaboration through meaningful dialogue with the many stakeholders that comprise the capital market and financial reporting supply chain to enhance the reliability and usefulness of corporate disclosures.

② Active investments in information technology

Given the environment in which the digitization of all information has been generating new values and giving rise to threats at an accelerated pace, we will actively invest in information technology, and work on the development of advanced auditing techniques to ensure higher audit quality. Moreover, we will explore the possibility of any new framework with other audit firms, corporations that are subject to audit, and their business partners, and will seek to increase the effectiveness and efficiency of audit.

③ Various investments in accounting talent with global mindset and talent with sufficient skills required in the digital society

We will undertake efforts to enhance the development of accounting talent with global mindset who can demonstrate leadership and maximize benefit of the global networks of member firms to which we belong when performing audit and other engagements for corporations that operate globally. To adapt to the digital society, we will seek to develop and enhance our capabilities at an organization level by means such as recruiting diverse talent, investing in talent and collaborating external insights, so as to perform analyses based on wider and relevant information with sound business understanding in order to make more advanced professional judgement. We will provide our insights we have accumulated widely to the society.

④ Contribution to the sound development of the national economy

We will strictly maintain our independence as independent auditors, and pursue our mission defined in Article 1 of the Act through engagements we perform. In addition to our commitment to pursue audit quality, we would like to contribute to the sound development of the national economy by providing advices based on our insights gained from audit in order to propose solutions to current issues corporations have been facing, including corporate governance, internal controls and risk management.

Conclusion

In order to continuously remain relevant to society, we will relentlessly pursue self-improvement both as professionals and as a part of the social infrastructure to contribute a public interest. We are committed to contribute for promoting active capital market and securing market integrity and transparency, bringing value to society and contributing to the future of the national economy.

**The above represents a translation, for convenience only, of the original statement issued in the Japanese language.*