INTEGRATED REPORT 2026

INTEGRITY IN MOTION

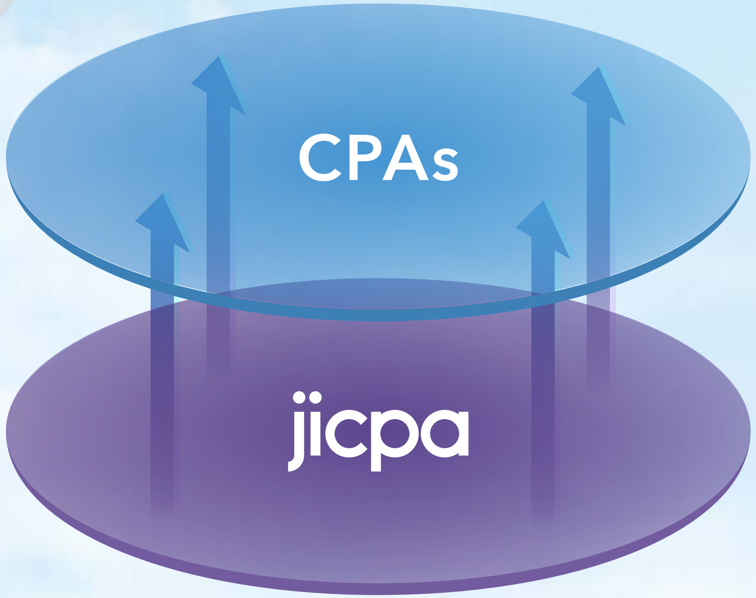
Building trust, empowering our future

jicpa

The Japanese Institute of Certified Public Accountants

ABOUT jicpa

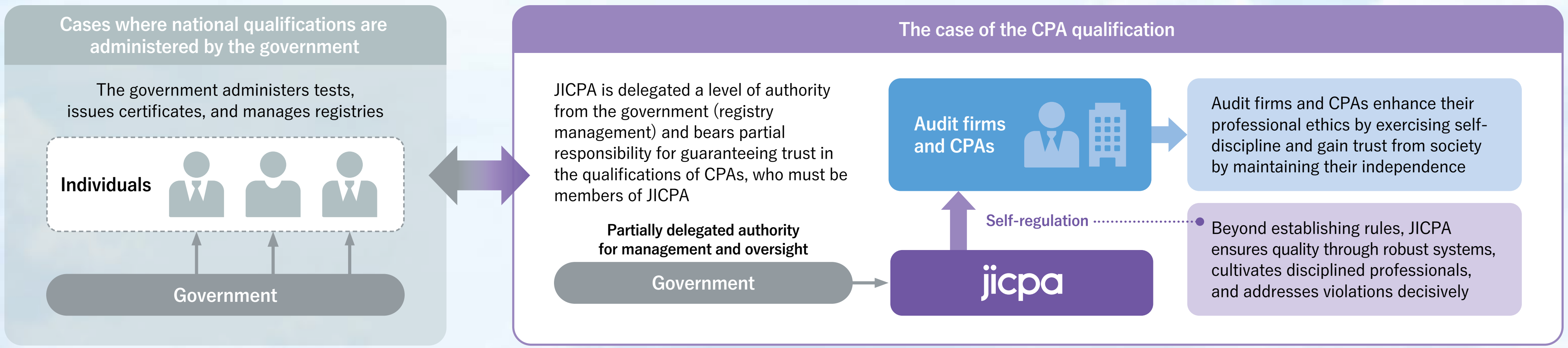
The Japanese Institute of Certified Public Accountants (JICPA) and CPAs



Centered on auditing, which is their exclusive purview, CPAs strive for accountability based on their high ethical standards and expertise. CPAs are professionals who work together with the people around the world to build trust and contribute to creating an abundant society full of comfort and vitality.

JICPA is the only self-regulatory body that supports CPAs—nationally qualified accountants.

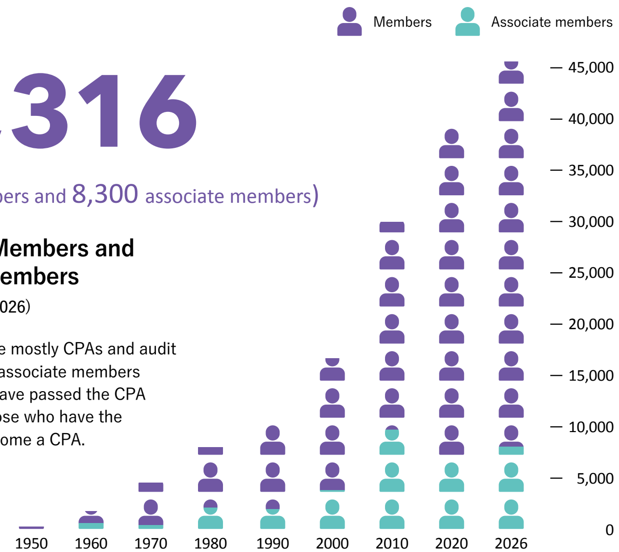
JICPA's Truly Unique Qualities as a Self-regulatory Body



NUMBERS

jicpa in Numbers

OVERVIEW



46,316

(38,016 members and 8,300 associate members)

Number of Members and Associate Members

(as of March 31, 2026)

JICPA's members are mostly CPAs and audit firms. Furthermore, associate members include those who have passed the CPA Examination and those who have the qualifications to become a CPA.

Success of Female CPAs

17.2%

Ratio of Females Among Members and Associate Members

(as of March 31, 2026, excluding Specified Partners)

Since the first female CPA in Japan in 1951, the percentage of female CPAs has now exceeded 17%, and we are further strengthening efforts to promote the success of female CPAs.

SDGs (DE&I) P.33

20.5%

Percentage of Female JICPA Officers

(as of March 31, 2026)

Of the total 88 JICPA Officers (Chairman and President, Deputy Presidents, Chief Executive, Executive Board Members, Council Members, and Corporate Auditors), 18 are women.

ACTIVITIES

Leveraging Expertise to Advance Rulemaking

Members
around
1,900 (total)

Non-member experts
around **90**

Committee Participation

(as of March 31, 2026)

Committee activities ensure a broad perspective by involving not only members active in various fields but also non-member experts.

around
740

Number of Publications Including Practical Guidelines etc.

(as of March 31, 2026)

JICPA publishes practical guidelines across various fields to enhance professional quality and improve operational efficiency.

Standard Setting P.16
Committee Activities P.38

Qualified Operation of the Registration System for Auditors That Engage in Audits of Listed Companies and Similar Companies

130 firms

Number of Registered Firms

(as of March 31, 2026)

Only audit firms that have undergone JICPA's eligibility confirmation and are registered in "the official roster of auditors that engage in audits of listed companies and similar companies" may audit listed companies.

40.0%

Ratio of Auditors of Registered Listed Companies that Have Undergone Regular Reviews

(FY2025)

We conduct regular reviews of the quality control systems of audit firms and CPAs that audit listed companies and provide guidance for improvement as necessary.

Quality Control P.19

1,144 times

Number of Times Seminars Were Held

(FY2025)

We offer a wide range of training programs for CPAs and support their continuous professional development to help them remain trusted professional partners.

Capacity Building P.18

jicpa

INTEGRATED REPORT 2026

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Value Creation Story

CHAPTER 02

Value Creation Through Auditing

CHAPTER 03

Value Creation Throughout Society

CHAPTER 04

Governance Operations Supporting Value Creation

Editorial Policy

This Integrated Report is part of our communications with our shareholders. It is issued to provide an integrated understanding of the social value created by JICPA. As such, the Integrated Report introduces and explains JICPA's initiatives. We will continue to work to provide information that meets our readers' expectations.

Covered Period

April 2025 through March 2026
(the Integrated Report includes details on some activities beyond April 2026)

Note: The figures provided in this Integrated Report have been rounded off.

Cover Page Concept

The trust in auditing born from integrity acts as the driving force moving society forward—auditing is therefore, "integrity in motion." The vibrant circular tracks on the cover page represent the dynamic energy of JICPA as we look toward the future.

Executive Board Member of JICPA
Makie Suzuki

Chairman and President of JICPA
Naruhito Minami

Interview with the Chairman and President

ELEVATING VALUE, SHAPING THE FUTURE

Striving to Expand the True Value of CPAs in Society and to Create a Bright Future for Younger CPAs

In July 2025, former Deputy President Naruhito Minami was appointed as the new Chairman and President of JICPA.
At 30 years old, he established his own audit firm, which he developed into a mid-tier firm. During his tenure as a Deputy President at JICPA, Mr. Minami focused on providing support for small and medium-sized audit firms. As the head of JICPA, we asked Mr. Minami about his views on the current environment surrounding CPAs and how he intends to guide the profession as Chairman and President.
He also shared his personal feelings on the "appeal of auditing." The interviewer is Executive Board Member of JICPA Makie Suzuki.

Society as a Whole and JICPA Are Approaching a Major Turning Point

Suzuki: About one year has passed since you were appointed as Chairman and President. As many people feel that society is rapidly changing, I am sure that it is becoming increasingly difficult to lead JICPA. Please tell me about your views on the current environment surrounding CPAs.
Minami: As you mentioned, not just our industry, but society overall is approaching a major turning point in the era. Responding to the needs of society is a CPAs' very reason for existence, and I believe that JICPA must also embrace change proactively.

CPAs play the important role of guardsmen and gatekeepers supporting the capital markets. The core of that role is auditing, and their most important duty is accurately auditing the information disclosed by companies and ensuring the reliability of that information. As the Japanese economy moves out of a deflationary era, the so-called "lost 30 years," we are witnessing a significant change to an inflationary era with a greater focus on how money is invested. Expectations for CPAs, who are responsible for auditing, are also changing to a focus on facilitating fundraising and supporting the stimulation of corporate activities.
Suzuki: Many Japanese companies are struggling with how to continue growing amid a contracting domestic market driven by Japan's declining birth rate and aging society, as well as pronounced labor shortages. Despite further accelerating globalization, the world is also becoming more fragmented, and nationalism is becoming increasingly prevalent.
Minami: That is also certainly one change in the environment surrounding CPAs. Another change with a significant impact is the rapid evolution and spread of technology. In the past, it would take a certain amount of time for new technology to be established in society. However, new technologies such as generative AI spread almost immediately in two to three years after becoming widely known. Using AI in business operations is also an urgent task for our industry.

Another change is in the information being disclosed by companies. Traditionally, CPAs have endowed trust in the financial information disclosed by companies. However, in recent years, in addition to financial information, companies have become required to disclose non-financial information such as sustainability-related information, meaning that the role played by CPAs is greatly expanding.

Sharing the Changing Needs of Society with Our Members and Associate Members

Suzuki: Amid a changing environment surrounding CPAs, what do you feel the issues are for JICPA?
Minami: If we cannot respond to the changing times, we will not be able to respond to the needs of society and become unable to demonstrate the value of our existence as CPAs. However, the reality is that not all of JICPA's more than 45,000 members and associate members share this sense of urgency. To add, I am also unsure if our members and associate members have the proper level of awareness and pride in the social value of CPAs. I think that is certainly one issue. At the same time, we need to further expand the skill development available to our members and associate members. I think that there are many things we need to do, including understanding and using new technologies such as generative AI and acquiring new skills related to sustainability.
Suzuki: JICPA already began running the JICPA Professional Program in Sustainability (ProPS) in April 2026, correct?
Minami: That is correct. The program is based on a syllabus organized into a basic/general edition, and an applied edition. Trainees first learn about sustainability fundamentals, then they develop the necessary insight and skills for assurance work.
Suzuki: I'm sure that another big challenge for JICPA is communicating the value of auditing to a changing capital market.
Minami: Yes, this is why I feel that branding CPAs and auditing is so important. In April 2022, JICPA released the tagline of "Building trust, empowering our future." Based on this tagline, we will share information on the roles and value of CPAs through various media channels. In partnership with the

Responding to the needs of society is CPAs' very core purpose, and JICPA must also embrace change proactively.

Only CPAs can perform audits. That is both the source of trust for CPAs and our greatest source of value.

educational publisher Gakken, in February 2026, we donated copies of the educational book “Kouninkaikeishi no himitsu [The Secrets of CPAs]” to elementary schools and public libraries throughout Japan. I feel that initiatives such as this have had a strong branding impact on a wide range of people. Field of Education P.32

Our Goal Is to Create an Environment in Which Younger CPAs Can Excel

Suzuki: After your appointment as Chairman and President, based on the vision of “building trust to create a society where the next generation can excel,” JICPA laid out a management policy composed of five items. Please tell me about the details of that management policy. Management Policy P.12

Minami: I believe that the role of the Chairman and President of JICPA is to steer everyone, including our members, associate members, and administrative offices, in the same direction. In my first three months as Chairman and President, I traveled around the country from Hokkaido to Okinawa to speak to everyone and share my thoughts. I believe that this helped to deepen our shared understanding of JICPA’s vision.

Suzuki: I think that you got off to a fast start as the new Chairman and President, which later connected to launching various projects.

Minami: The next generation excelling is written into our vision, and I have been happy to see an increasing number of young people taking and passing the CPA Examination in the past few years. Our vision is to create an industry in which those young people can continue to have dreams and pride and in which they can excel. That is why JICPA’s primary mission is “increasing the trust and appeal of auditing.” To achieve this mission, JICPA is advancing various reforms. Our secondary mission is “contributing to the resolution of social issues.” As the demands placed on CPAs become increasingly diverse and complex, we are steadily working to create work environments in which they can fully perform for our members and associate members.

Suzuki: From what kind of problem awareness did the current management policy originate?

Minami: I passed the CPA Examination at 23 years old. For seven years, I belonged to a major audit firm, and for the following 32 years, I established and grew my own audit firm to a certain scale. I was involved in management from 30 years old to 62 years old, and I have come to believe that auditing is extremely significant to society and is a very worthwhile and attractive profession. However, I regret that we have been unable to fully communicate that value and appeal to younger CPAs, and that a significant number of them have left the auditing profession mid-career. The desire to finally communicate the value and appeal of auditing is a big part of our management policy.

Suzuki: I think that your hopes for younger CPAs have been expressed well in the words of JICPA’s vision for the next generation to excel.

Minami: This can be hard to express in words, and I feel we have a major problem with the reality of the vision being difficult to grasp. Each year, regulations are enhanced, and the volume of work involved in producing audit working papers to prove that proper auditing procedures have been performed continues to balloon. Even if younger CPAs are optimistic when they join the profession, a gap develops between the ideal and the reality when they are tasked with creating audit working papers. I believe that changing these conditions is an important role of JICPA. Auditing is in principle about making decisions.

Suzuki: You are saying that younger CPAs are spending so much time with audit working papers that they cannot get to the more attractive and worthwhile work of decision-making, correct?

Minami: That is correct. Auditing is performed on site with a team. The depth of the audit increases through team discussion on questions such as whether any strange numbers were found, whether there were any issues, and whether more accurate evidence needs to be collected. This process also leads to individual growth.

The Special Role of “Auditing” Reserved Exclusively for CPAs

Suzuki: To understand more about you as a person, could you share any stories about when you felt a personal attraction to

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auditing work?

Minami: Like I just mentioned, communication within the auditing team is important. The back-and-forth with the company being audited is part of the one of the most compelling aspects of auditing, and it was through that experience that I really felt the value in auditing work.

During my younger years as a CPA after I had just become independent, I remember a fierce exchange over an accounting decision with the management team of a company we were auditing. In response to our objective points as experts, the management team pushed back, citing the company's survival as the reason for their opposition. Ultimately, they accepted our points and issued the appropriate financial statements. We were then asked to help create a management plan aimed at corporate rebuilding, and while working together, we provided advice to create a highly feasible plan. As a result of this plan, fundraising from banks and other deeply embed themselves enders progressed smoothly, and the company achieved solid growth.

Suzuki: I see. Being able to move forward on the correct path marked a big turning point.

Minami: The fact that auditors receive compensation from the entity that they are auditing may seem strange to the general public, but both ethics and independence have been drilled into CPAs. Because they are the source of our confidence and pride, we must continue to maintain our ethics and independence.

Suzuki: With that in mind, allow me to ask you again what you feel the value of auditing is to CPAs.

Minami: Only CPAs can perform audits. That is both the source of trust for CPAs and our greatest source of value. The work of CPAs is extremely wide-ranging, from corporate advisory services to tax-related work. Although this other work can be performed by non-CPA professionals, the fact that companies can trust the work performed by CPAs is a significant source of appeal. This is because, as professionals with special certifications, CPAs maintain a certain level of ethics, and their independence is ensured. If we think about it, CPAs have always been involved in diverse assurance work even before issues like sustainability. Although it happens behind the scenes, CPAs are involved in evaluating whether processes have been performed correctly in granting many famous awards in Japan and overseas. Around 40% of JICPA's members and associate members belong to an audit firm, and the other 60% are involved in diverse work outside of audit firms. These 60% also benefit equally from the trust that supports the auditing profession.

Suzuki: Lately, I have heard of more young people returning to auditing after having left audit firms.

Minami: Me too. I believe that they realize that there are many things they can do because they are CPAs and end up returning. It is only because they are performing auditing work that they can engage deeply with core management into the core of management and view highly confidential information. They are also able to observe companies of various sizes and in various growth stages. There is no other profession like auditing.

Suzuki: When CPAs are young, the wall facing them seems high, but once they leave, it seems that they are again able to see the true appeal of auditing from the other side of the wall.

Lastly, please share a message with CPAs from the younger generation and with aspiring CPAs.

Minami: Part of the mission of CPAs codified in the Certified Public Accountants Act is "contributing to the sound development of the national economy." In Japan's process of emerging from the devastation of World War II to grow into a major economic power, the diverse achievements of CPAs provided support behind the scenes. While showing thanks for the efforts of those who came before us, we should not forget that our role is also to support the development of companies and the Japanese economy, and we should take pride in this role. Due to the many changes taking place in the social environment, the world of CPAs is also approaching a significant turning point. JICPA will continue to work to create the necessary environment and support the growth of CPAs so that they can fully realize the value demanded of them by society.

Suzuki: Thank you for your time today.

Post-interview notes

I feel that JICPA's various reforms got off to a fast start.

Makie Suzuki
Integrated Report Creation Committee Chair
(Executive Board Member of JICPA)

CHAPTER

01

Value Creation Story

POINTS

- ☑ We summarize JICPA's value creation story.
- ☑ We introduce JICPA's activities broadly divided into four phases.
- ☑ We introduce the society that JICPA aims for.

CONTENTS

OUR CORE VALUE

Becoming "An Attractive Industry"

MAXIMIZING OUR VALUE

The current executive team began work on July 23, 2025, under the leadership of Naruhito Minami, and is advancing polices from the two perspectives of "auditing" and "resolving social issues."

- ☑ We enhance the attractiveness of auditing by enabling CPAs to recognize the value auditing brings to companies and society, thereby fostering a strong sense of purpose and pride.
- ☑ We are working to address social issues by providing broad support for the activities of members across diverse regions and areas of expertise.

We are here

2026

Initiatives by the current executive team in the first year

- We are carrying out branding activities to communicate the value and attractiveness of auditing.
- We established a project team to review audit fees in line with evolving circumstances and began examining how audit fees should be determined.
- The Chairman visited all 16 regional chapters, sharing JICPA's vision for the future of the profession and helping to align the entire organization around this shared vision.

2027

2028

Vision of the current executive team

Building trust for a future where the next generation thrives

By building a foundation of trust in society, CPAs help create a future where the next generation can thrive with confidence and pride

Value Creation That Connects Sustainable Trust to the Future

PHASE 1 INPUT

JICPA's Built-up Resources

Social credibility

Self-regulatory oversight of CPAs

Human resources

Members and Associate Members
46,316

Administrative Offices
339

(as of March 31, 2026)

Knowledge

Experience and knowledge built up at JICPA

PHASE 2 MANAGEMENT MODEL

Operations as a Self-regulatory Body

Core operations
Auditing

Ensuring audit quality through self-regulation

- Setting standards for CPAs
- Developing CPAs
- Supporting audit firms
- Ensuring audit quality
- Addressing individual incidents

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PHASE 3 DIRECTION

Direction (Vision)

Key Issues in Delivering Sustained Value to Society

- Transforming the auditing industry
- Addressing social issues
- Strengthening the organizational foundation

Management policy

Building trust, empowering our future

- Enhancing the credibility and attractiveness of auditing
- Contributing to solving social issues
- Attracting and developing diverse, high-quality talent
- Enhancing accounting literacy
- Establishing a sustainable foundation

PHASE 4 OUTCOME

Roles Performed for Society

Improving audit quality

Strengthening the auditing foundation and enhancing the attractiveness of audit

Responding to evolving disclosure requirements

Enhancing sustainability disclosures, integrating disclosure documents under the Companies Act and the Financial Instruments and Exchange Act and centralizing audit

Addressing social issues in various sectors

Contributing to economic development through regional revitalization initiatives and promoting accounting education

The society JICPA aims to achieve

A secure and vibrant, prosperous future

Enhancing organizational capabilities

Enhancing trust from society

PHASE 1 INPUT

JICPA's Built-up Resources

Established in 1949 under the Certified Public Accountants Act as a self-regulatory body, JICPA is the sole professional organization of certified public accountants in Japan.

In light of the mission and responsibilities of CPAs, to ensure quality and make progress in improving auditing and the other tasks performed by CPAs, JICPA's objectives include conducting tasks related to providing guidance, communication, and supervision to members, registering CPAs and Specified Partners, as well as registering auditors on the "List of auditors that engage in audits of listed companies and similar companies."

Since its establishment, JICPA has operated as a self-regulatory body. Leveraging the experience and knowledge accumulated through these efforts, and supported by a membership base of more than 45,000 professionals, JICPA is working to further enhance its capabilities.

The source of CPAs' value creation

The source of JICPA's value creation

Evolution of Trust » P.40

PHASE 2 MANAGEMENT MODEL

Operations as a Self-regulatory Body

JICPA engages in three main activities as a self-regulatory body.

Standard Setting » P.16

JICPA sets professional standards and guidance for auditing, which CPAs are required to follow in conducting audits. Stakeholder engagement is incorporated into the standard-setting process.

Capacity Building » P.18

In response to changes in the environment surrounding CPAs, JICPA promotes capacity building through the integrated and holistic development of professional competence. This approach spans the entire process, from the CPA Examination and practical experience to the Professional Accountancy Education Program, the Final Assessment, and Continuing Professional Development (CPD).

Quality Control » P.19

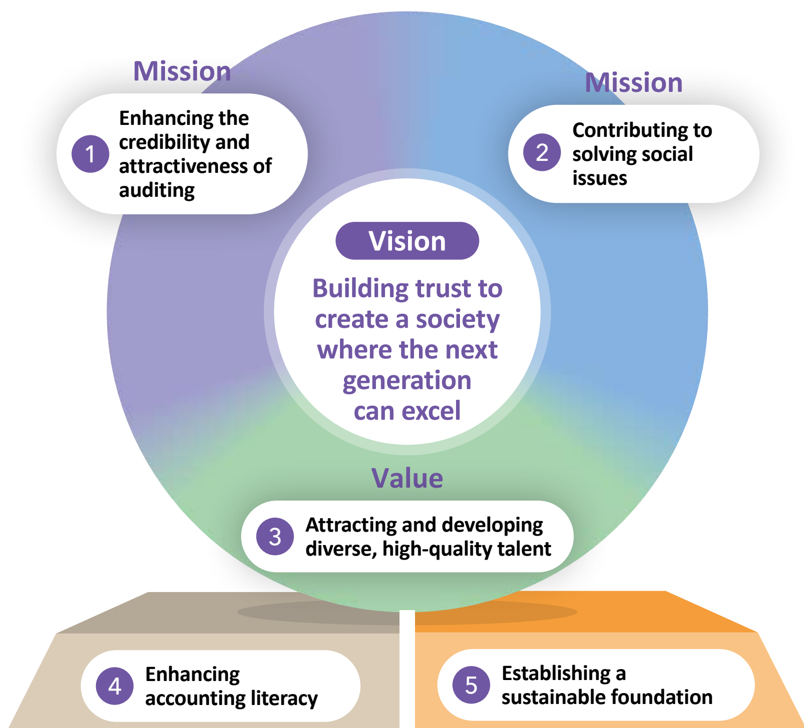
JICPA conducts quality control reviews and operates the Registration System for Auditors that Engage in Audits of Listed Companies and Similar Companies with the objective of maintaining and enhancing audit quality at audit firms.

In cases where specific issues arise, JICPA investigates and reviews audit practices, the appropriateness of audit opinions, and matters related to ethics under its audit practice review and investigation framework, and where deemed necessary, imposes disciplinary measures under its disciplinary procedures.

PHASE 3 DIRECTION

Direction (Vision)

The chart below represents JICPA's management policy outlining our vision.



Mission 1 Enhancing the credibility and attractiveness of auditing

Trust in auditing, the absolute top priority, is the source of trust for every CPA. By listening carefully to those at the frontlines of auditing, consolidating the issues, and formulating and implementing initiatives to resolve those issues, JICPA contributes to increasing corporate value, creates an auditing environment that prevents and detects accounting fraud, and increases the attractiveness of auditing.

Mission 2 Contributing to solving social issues

By being responsible for developing frameworks at expanding assurance services and providing support to CPAs active in diverse fields, JICPA contributes to solving social issues.

Value 3 Attracting and developing diverse, high-quality talent

By maintaining and improving the professional quality of our more than 45,000 members and associate members and attracting future CPAs, JICPA ensures both the quality and quantity of CPAs who build trust in society.

4 Enhancing accounting literacy

To promote and establish accounting literacy, it is necessary to work with a wide range of stakeholders including educational institutions, government institutions, the academic world, and economic groups. JICPA will play a central role in advancing such cooperation.

5 Establishing a sustainable foundation

JICPA establishes a foundation for CPAs to continue contributing as professionals to creating a secure and vibrant society based on their high ethical standards and expertise.

PHASE 4 OUTCOME

Roles Performed for Society

The changes taking place in the social environment, including the increasing complexity of corporate economic activities and the dramatic evolution of information technology, are both large-scale and increasingly fast-paced. To be able to provide auditing that responds to these changes, JICPA is strengthening the audit foundation and continuously improving the quality of auditing. Additionally, by contributing to society through auditing, JICPA is creating a sense of fulfillment and pride for CPAs themselves and working to increase the attractiveness of auditing.

JICPA is responding to information disclosure in line with the times through improvement polices to accommodate the expanded disclosure needs for sustainability information, integrating disclosure documents including business reports, etc. under the Companies Act and securities reports under the Financial Instruments and Exchange Act, and centralizing auditing.

Furthermore, JICPA is engaging in activities to address social issues, including contributing to economic development through support for regional revitalization and promoting accounting education aimed at increasing accounting literacy.

REFERENCE | JICPA's vision

"JICPA aims to realize a secure and vibrant, prosperous future."

CPAs act as the gatekeeper of the capital markets, and by protecting investors and creditors, JICPA contributes to the stability and vitality of the capital markets and, in turn, to sound economic development.

Moreover, not limited to economic prosperity, JICPA continuously endeavors to make social contribution including regional revitalization, etc., based on the "Leave No One Behind" guiding principle of the Sustainable Development Goals (SDGs).

Certified Public Accountants Act　Article 1

The mission of CPAs

The mission of certified public accountants, as professionals on auditing and accounting, is to ensure matters such as the fair business activities of companies, etc. and the protection of investors and creditors by ensuring the reliability of financial documents and any other information concerning finance from an independent standpoint, thereby contributing to the sound development of the national economy.

CPA Badge
(JICPA membership badge)

CHAPTER

02

Value Creation Through Auditing

POINTS

- We summarize the value created by auditing and its appeal.
- We invite experts involved in the creation of international standards to speak with us about the value of auditing.
- We share stories from an individual with many years of experience in auditing work.

CONTENTS

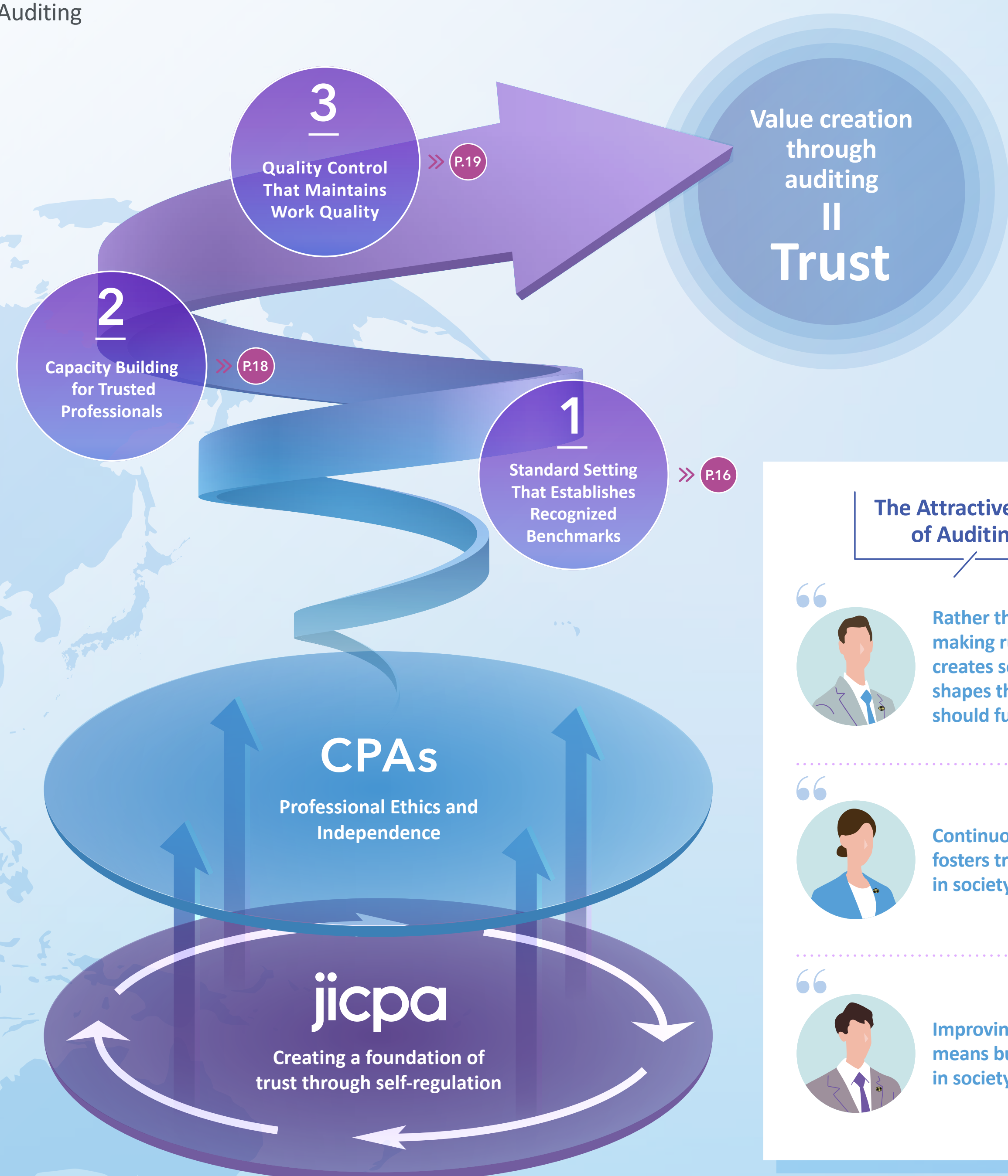
CORE AUDIT VALUES

BUILDING TRUST IN SOCIETY

Building Trust and Increasing the Attractiveness of Auditing

JICPA operates a self-regulatory system. JICPA investigates whether there are issues in the work performed by CPAs, and where issues are discovered, it not only imposes disciplinary measures, but also learns from those issues to maintain and improve the quality of CPA services. JICPA has also established a Code of Ethics as a code of conduct for CPAs, which all CPAs must uphold. In this way, CPAs are required to maintain both professional ethics and independence.

We believe that it is this framework that makes CPAs trusted, and allows the auditing work performed by CPAs to provide trust, in other words, to create value in the form of trust.



The Attractiveness of Auditing

“Rather than simply making rules, auditing creates sound values and shapes the way society should function.”

“Continuous learning fosters trust in society.”

“Improving quality means building trust in society.”

1 Standard Setting That Establishes Recognized Benchmarks

The Attractiveness of Auditing

"Rather than simply making rules, auditing creates sound values and shapes the way society should function."

JICPA's Initiatives

Formulating Practical Guidelines Through Broad-based Committees

JICPA formulates Practical Guidelines, etc., with which CPAs must comply in performing their work, and prepares materials to support their work through its various committees. In addition to members who are active in their individual fields, external experts with specialized knowledge also participate in JICPA's committees.

The Practical Guidelines, etc. formulated at JICPA's committees not only serve as a code of conduct for CPAs but also impact related industries and markets. As such, dialogue with stakeholders is essential in the formulation process.

The Practical Guidelines, etc. formulated at JICPA may not seem very familiar to those not involved in auditing. However, they are in fact directly and indirectly related to everyday people's lives through their jobs, business partners, Japan's NISA investment system, and the stock market. JICPA's committees contribute to shaping the structures of society, connecting them with many different people.

Committee Activities P.38

Standard-setting Process

—Auditing and Assurance Standards Committee—

In addition to the opinions of members, the Auditing and Assurance Standards Committee deliberates on and considers the opinions of diverse external stakeholders from a public perspective. Here, we introduce the process behind the setting of the "Auditing Standards Committee Statements," which act as practical norms for auditing work.

1 Establishment and issuance of "International Standards on Auditing"

International Auditing and Assurance Standards Board (IAASB)
JICPA actively provides our opinions on the standard-setting process of the International Standards on Auditing at IAASB

2 Evaluation and preparation of the Exposure Draft of the Auditing Standards Committee Statements

Auditing and Assurance Standards Committee/ Standard-Setting Sub-Committee
Based on the International Standards on Auditing (ISA), JICPA evaluates its application in Japanese auditing work and develops an Exposure Draft of JICPA's Auditing Standards Committee Statements

3 Obtaining opinions from External Stakeholders

Auditing and Assurance Standards Committee Expert Advisory Council
At the Expert Advisory Council established within the Auditing and Assurance Standards Committee, JICPA obtains opinions on the Exposure Draft from External Stakeholders

4 Deliberation on JICPA's Auditing Standards Committee Statements

Auditing and Assurance Standards Committee
Referencing opinions of external related parties obtained at the Expert Advisory Council, JICPA formulates a draft of our Auditing Standards Committee Statements

5 Deliberation and determination of Exposure Draft of JICPA's Auditing Standards Committee Statements

JICPA Executive Board
The JICPA Executive Board engages in deliberations on the issuance of an Exposure Draft for public consultation of the Auditing Standards Committee Statements

6 Public consultation (Exposure Draft)

After developing the draft of our Auditing Standards Committee Statements in steps 2–5, JICPA issues an Exposure Draft for public consultation. Based on comments received, the draft is reconsidered, and steps 2–4 are repeated as necessary before finalization in step 7.

7 Deliberation and determination of the Auditing Standards Committee Statements

JICPA Executive Board
The JICPA Executive Board engages in deliberation on applying the final draft of the Auditing Standards Committee Statements

Exchange of opinions, discussions, and adjustments with stakeholders
Because changes to the rules related to the work of CPAs impact the market, JICPA's rules must contribute not to the interests of CPAs, but to the public good. As such, we exchange opinions and hold discussions with stakeholders related to CPAs, including relevant government bodies, economic groups, securities exchanges, and investor groups.

1 Standard Setting That Establishes Recognized Benchmarks

Contributing to Global Standard-setting and Conducting Audits in Accordance with International Standards

JICPA's Initiatives

JICPA Contributes to the Creation of International Frameworks

JICPA dispatches members to relevant international organizations, participates in the development of international standards, and shares information on initiatives where Japan is taking a leading role. Additionally, when Exposure Drafts are issued for public consultation by international standard-setters, JICPA reviews and considers the contents at the appropriate internal committee and submits its comments.

Through such activities, JICPA is fulfilling its role in contributing to the creation of international frameworks.

Appointments of Japanese CPAs at Major International Organizations
(as of March 31,2026)

International Federation of Accountants (IFAC)	6
International Foundation for Ethics and Audit (IFEA)	5
Global Accounting Alliance (GAA)	6
ASEAN Federation of Accountants (AFA)	2
Confederation of Asian and Pacific Accountants (CAPA)	2
International Organization of Securities Commissions (IOSCO)	1
Public Interest Oversight Board (PIOB)	1
IFRS Foundation (IFRSF)	8
International Valuation Standards Council (IVSC)	1

Building Trust Globally Through Audits in Accordance with International Standards

JICPA is a member of the International Federation of Accountants (IFAC), and our Auditing Standards Committee Statements, which serve as professional standards for auditing practice in Japan, incorporate the International Standards on Auditing (ISA) issued by the International Foundation for Ethics and Audit (IFEA). This is the same for other countries, and their professional accounting bodies are also members of the IFAC and adopt or converge with ISAs. As a result, the same international standards are used worldwide, and auditing is global in nature. This is a distinguishing feature of auditing, as rules in other fields, such as laws, typically differ across countries.

Opportunities for Global Careers

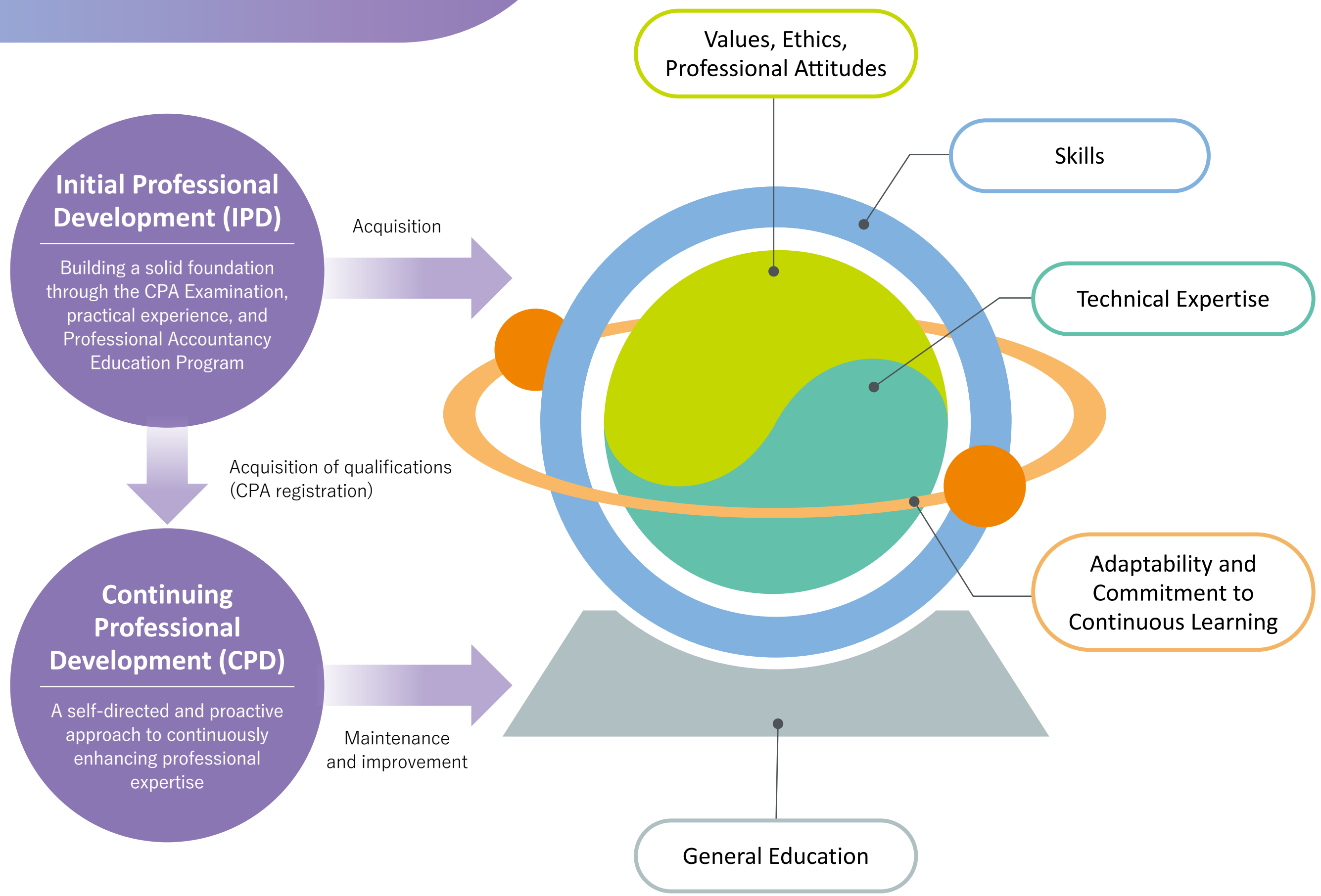
Because auditing work is borderless, the career opportunities for CPAs are not limited to Japan. Japanese CPAs can audit companies overseas accounting firms or the local subsidiaries of Japanese companies. They can also utilize their experience to serve as accounting managers at overseas operating companies or be appointed to the position of Chief Financial Officer (CFO). Through these opportunities, many Japanese CPAs are finding success on the global stage.

Japanese CPAs Leading on the Global Stage (in Japanese)
https://jicpa.or.jp/vision_future/people/

2 Capacity Building for Trusted Professionals

The Attractiveness of Auditing

"Continuous learning fosters trust in society."



JICPA's Initiatives

Providing Continuous Learning Opportunities

With the expansion of the fields in which CPAs are active and their deepening expertise, for CPAs to continue to be trusted by society, continuous professional development in line with changes in the environment is essential.

In June 2025, JICPA published the report "Toward a Systemic Integration for the Lifelong Development of CPA Professional Competence (2025) —Building a Future of Trust, Aspiration, and Hope—" in which JICPA conducted a comprehensive and integrated review of the entire skill development process from initial professional development (IPD) through continuing professional development (CPD) and organized the salient issues and discussion points.

CPA Integrated Skill Development (in Japanese)
https://jicpa.or.jp/specialized_field/integrated-competency-development/

"Toward a Systemic Integration for the Lifelong Development of CPA Professional Competence (2025) —Building a Future of Trust, Aspiration, and Hope—"
https://jicpa.or.jp/english/news/2026/20260331egf.html

3 Quality Control That Maintains Work Quality

The Attractiveness of Auditing

> “Improving quality means building trust in society.”

JICPA's Initiatives

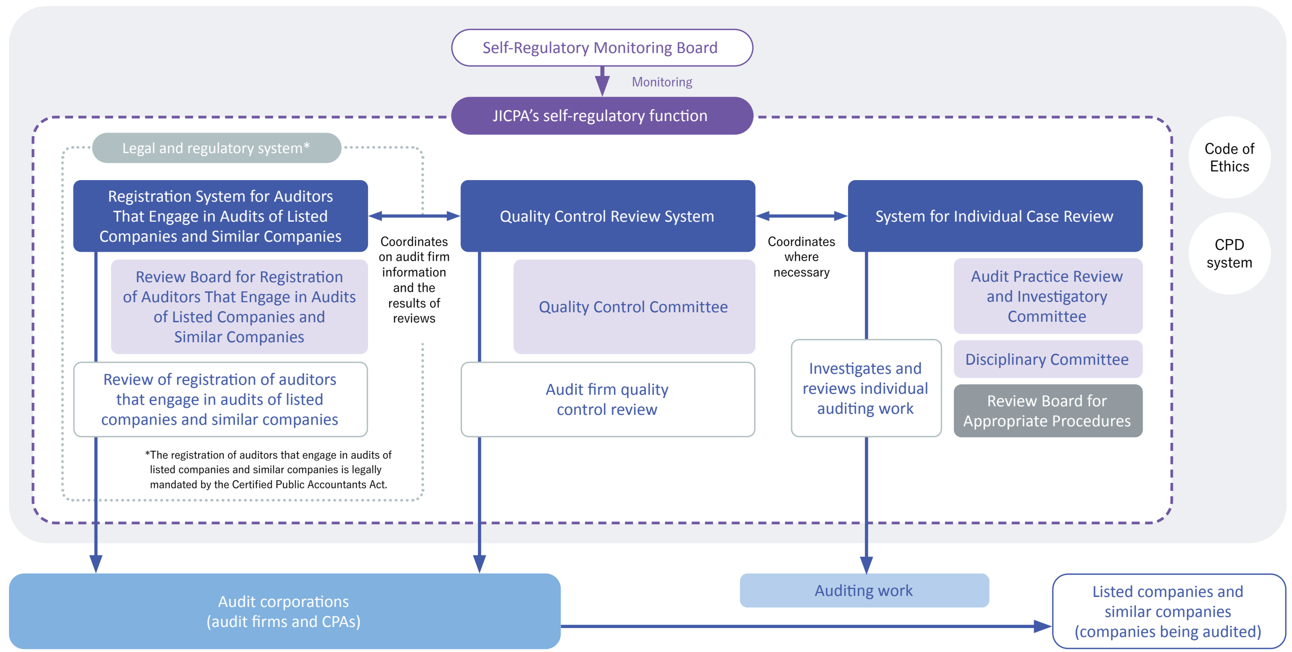
The Three Review and Oversight Systems Supporting Audit Quality

JICPA's self-regulation includes three pillars: the Registration System for Auditors That Engage in Audits of Listed Companies and Similar Companies, the Quality Control Review System, and the System for Individual Case Review.

These systems are monitored by the Self-Regulatory Monitoring Board, which ensures the transparency of the operations of these systems through the participation of external experts.

Self-Regulatory Monitoring Board » P.36

Self-Regulation Report (in Japanese)
https://jicpa.or.jp/about/activity/self-regulatory/self-regulation-report/



Registration System for Auditors That Engage in Audits of Listed Companies and Similar Companies

It requires that audit corporations that audit listed companies and similar companies have systems in place to perform audits appropriately and fairly, investigate the state of those systems, and register and deregister audit firms from the list of auditors that engage in audits of listed companies and similar companies.

Quality Control Review System

With the aim of maintaining and enhancing audit quality and ensuring public trust in auditing work, the Quality Control Review System assesses the design and operation of audit firms' quality management systems.

System for Individual Case Review

In cases where issues arise in individual engagements, the System for Individual Case Review investigates and reviews the state of auditing implementation by the member, the validity of the audit opinion, and any ethical matters.

ROUNDTABLE

International Standards That Confer Global Trust

From left to right »

Tomoyuki Furusawa
Public Interest Oversight Board (PIOB) Member

Kohei Kan
International Federation of Accountants (IFAC) Board member

Tatsumi Yamada
Public Interest Oversight Board (PIOB) SSB Nominations Committee member

Facilitator
Takako Fujimoto
JICPA Deputy President

With cross-border corporate activities becoming increasingly active, international coordination is also becoming indispensable. We gathered three experts each involved in a different aspects of international standard-setting to share their views on the value and challenges of international standards, which continue to evolve to support high-quality auditing in a changing environment, as well as the significance of participating in rulemaking and the role Japan should play.

Three Experts with Major Roles at International Organizations

Fujimoto: As the globalization of corporate activities progresses, global fragmentation is increasing, and the auditing and assurance work performed by CPAs is becoming increasingly complex. This makes global coordination ever more important. In the light of this, we have invited three experts who hold key positions in international organizations to discuss the importance of international standards, the significance of participating in the standard-setting process, and the role that Japan should play in this process. First, I would like to ask everyone to start by briefly sharing your career history.

Furusawa: I worked at Japan's Financial Services Agency until 2022 and was responsible for areas including systems design for financial regulation. Since 2023, I have served as a member of the Public Interest Oversight Board (PIOB)*1, which oversees activities related to the setting of international standards by the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) from the standpoint of the public interest.

Yamada: I worked in accounting at a general trading company for close to 18 years, and from 1995–2001, I served as the Japanese representative at the International Accounting Standards Committee (IASC)*3. Through 2011, I served as an inaugural member of the International Accounting Standards Board (IASB)*3 and worked on the establishment of the International Financial Reporting Standards (IFRS)*4 accounting standards. Thereafter, I became a partner at an audit firm, and I now serve as a Nomination Committee Member at the PIOB. The role as a Nomination Committee Member is to appoint board members to the IAASB and the IESBA, which are involved in creating international auditing standards and international ethics standards.

Kan: I worked at a major audit firm for more than 30 years and performed auditing work in the auditing division for many years. In the second half of my tenure, I served as a board member of the firm, as the chief of the

*1 Organization established to oversee the standard-setting activities of the International Federation of Accountants (IFAC)*2 from the standpoint of the public interest.
*2 International organization composed of 188 professional accounting bodies from 143 regions throughout the world (as of January 2026).
*3 Organization that created the International Accounting Standards (IAS). The organization was restructured in 2001, and now the International Accounting Standards Board (IASB) functions as the organization responsible for setting IFRS accounting standards.
*4 Accounting standards established by IASB.

auditing and assurance division, and as the leader of auditing and assurance operations in the Asia region. I resigned from the audit firm in 2020 and began serving as a member of the IFAC in the same year.

International Standards Supporting Global Corporate Activities

Fujimoto: Each of you is involved in international standard-setting from a different standpoint: Mr. Furusawa from the standpoint of activities monitoring, Mr. Yamada in the appointment of board members, and Mr. Kan as a CPA yourself. I would like to hear from each of you about the significance and value of having international standards.

Kan: With globalization becoming as advanced as it now is, how we ensure the credibility of financial statements disclosed by companies, is becoming an even greater issue. Progressing globalization means that companies' businesses are now conducted across borders and that investors can be located anywhere throughout the world. If there were no international standards, each country would apply its own standards, and that task would be extremely challenging. Additionally, having international standards is beneficial in limiting the overall costs associated with auditing and assurance work.

Furusawa: International standards play two key roles. The first premise that we should consider is "Who is auditing protecting?" While it is protecting a wide range of stakeholders, ultimately, it is the investor who is being protected. I have always felt this way since my time at the Financial Services Agency, and I still approach my work with this understanding. Lately, through programs like NISA, we have seen a growing number of younger investors. NISA investments may include overseas companies, and one of the values of international standards is supporting sound investment through appropriate auditing.

Another value from the auditing side is that auditing is ultimately largely dependent on the discretion of the auditor. Ensuring that frameworks are in place to prioritize the decisions of auditors as professionals, while carefully organizing the details of the procedures needed to facilitate those decisions is yet another important value of international standards.

Yamada: I agree with everyone that the globalization of economic activities has created the need for international standards. A focal point in the late 1980s was how to protect investors amid rapidly expanding cross-border transactions. To do so, it was necessary to align the accounting and auditing standards of the financial statements used in cross-border transactions. Thereafter, from the 1990s to the early 2000s, economic globalization further progressed, and a strong awareness emerged of the need to set unified standards on a global scale for investor protection. JICPA has worked to incorporate international standards in its auditing and ethical standards to create a world-class auditing framework. I think that it is extremely significant that what is learned in Japan can be applied globally that functions effectively as is on a global scale. I also believe that that value will only increase in the future.

Issues in Standard-setting and Their New Appeal

Fujimoto: Along with changes in the social and economic environment, there is now a greater range of stakeholders than ever before associated with auditing and assurance work. Even international standards have reached a point where they can no longer be created solely centered on CPAs as experts in accounting and auditing. In response to these changes, in 2020, the Monitoring Group (MG) composed of the national regulatory authorities of different countries began pursuing structural reforms related to the setting of international auditing and ethical standards. These structural reforms were known as the "MG reforms" and included regulatory authorities and public institutions overseeing and strengthening the governance of international standard-setting bodies for auditing and ethical standards such as IFAC. I would like to ask Mr. Furusawa to explain the background behind the MG reforms from your supervisory position.

Furusawa: From a more long-term perspective, traditionally, international accounting standards, auditing standards, and ethical standards have mainly been created by professional accounting bodies. However, with the importance of these standards now being recognized among a wide range of stakeholders, the formulation of international standards is now starting to be shifted beyond professional accountancy organizations. For example, for international auditing standards and ethical standards, in the 2005 reforms, the PIOB was formed to monitor standard-setting by the IFAC, and thereafter in the 2020 MG reforms, standard-setting began to be handled by groups outside of the IFAC. However, in the 2020 reforms, issues including funding remained, and even though standard-setting was "outsourced," the so-called "Big 4" audit firms remained the primary users of international standards. Additionally, on the side of the major audit firms, the multi-disciplinary business model continued, in which the major audit firms provided trust

International standards support sound investment and to support the judgment of CPAs as experts
— Tomoyuki Furusawa

through auditing as their core business while also providing tax and consulting services. As part of this trend, the major audit firms still have no choice but to maintain some level of involvement in standard-setting. As such, we are still discussing how to make further progress with the MG reforms.
Yamada: I believe that there were also concerns about IFAC being involved in auditing and ethical standard-setting. Part of the background behind the MG reforms was the recognition of the need to maintain the independence of the standard-setting body, even in appearance.
Kan: I have several reservations about the MG reforms. At a fundamental level, auditors are required to maintain independence, and are subject to many restrictions, such as prohibitions on holding shares in the companies they audit. Given this, it is fundamentally problematic for practitioners to set the standards governing their own work. This concern was the starting point for the MG reforms. However, most of the funding still comes from the auditing profession.

In addition, in an effort to develop higher-quality auditing and ethical standards, around two-thirds of the board members are now non-practitioner stakeholders. This raises questions about whether this approach is truly appropriate.
Yamada: Although auditing and ethical standard-setting involves these kinds of issues, it is also interesting to participate in the process. One interesting part of the process is the disclosure standards related to sustainability. What kind of impact corporate activities have on the global environment is completely different depending on the industry and company. With standards are still evolving, companies are now deciding the measurement standards used in disclosure. In this situation, auditors must also develop a deep understanding of different industries and research for themselves what kind of impact each industry has on the environment. I believe that this expansion of the role of auditors is a new appeal of auditing work.
Fujimoto: I feel that this type of new appeal of auditing work is gradually spreading among younger CPAs.
Yamada: The framework has now changed so that companies must not only have their financial figures assured but also disclose sustainability-related information for investors to be able to make decisions. I believe that the scope of sustainability disclosure will expand even further beyond greenhouse gases (GHG) and human capital, and that the work of auditing will become even more challenging and valuable.

"Sharing the Asian Perspective with the World." The World's Expectations for Japan

Fujimoto: With the creation of international standards and progress in reforms, it is becoming more important to reflect Japan's opinions. I would like to hear everyone's opinions on the issues involved and the initiatives that need to be tackled in this process.
Yamada: In the context of international standards, there are those who set the rules and those to whom they apply. Given its economic strength and global contributions, Japan should naturally play a role in standard-setting. What is important, however, is not only to advance our views based on Japan's specific circumstances, but also, in international forums where diverse perspectives come together, to distinguish clearly between what is non-negotiable and where compromise is possible. It is also essential to consider timing. A strategic approach is needed—for example, accepting a certain outcome at the initial stage, and then aiming to raise the quality of the standards in subsequent stages.

Japan should position itself on the rulemaking side and make strategic assertions from a broad perspective — Tatsumi Yamada

Fujimoto: Did you find enjoyment in the process of international standard-setting?
Yamada: I participated in international standard-setting at the IASB for around ten years, and while there were certainly struggles, it was an incredibly rewarding experience. Even in an environment full of people with completely different approaches, if you could properly explain your point, a certain number of people would always understand. And even if they didn't agree, some would at least recognize it as another approach. Language skills are secondary, and the most important factor is being able to use logic to make your argument and explain your reasoning.
Kan: This probably goes along with Mr. Yamada's point of being able to use your own logic, but it is also important to be aware of Japan's unique strengths and perspectives. The term "collective voice" is often used at IFAC meetings. As the leading country in Asia, one of Japan's great strengths is being in a position to bring together the voice of Asia.
Furusawa: As you all have mentioned, also to bring together voices from across Asia, how Japan interacts with other Asian countries will become even more important in the future. The overall global economy is now becoming progressively fractured. However, in the world of auditing and accounting, the Americas region is becoming viewed as a block including the giant U.S. economy combined with Canada, Mexico, and South America, while Europe, due to historical circumstances, is seen as a grouping with the Middle East and Africa. Meanwhile, Asia is more nebulous, with China, Hong Kong,

India, Australia, and Singapore all exercising unique presences. Given this reality, a big question in the coming ten to twenty years is how Japan will be able to support the emergence of a "voice for Asia."

Yamada: How we unify a voice for Asia is certainly an important issue. As a democratic economic superpower, and not being Europe or the United States, it is certain that strong expectations are placed on Japan to actively speak out from the perspective of Asia.

The Invaluable Experience of the Frontlines of International Standard-setting

Fujimoto: One important role of ours at JICPA is to continue to send CPA personnel to the frontlines of international standard-setting. I would like each of you to share your advice with young CPAs responsible for our future on the mindset necessary to work overseas.

Yamada: I just mentioned that language skills are secondary to the importance of developing one's own logic. However, when considering that English is now the de-facto global language, it is in fact better to be able to speak English when taking part in discussions with the key members of standard-setting bodies, who are mainly British and American and speak English as their native language. I served at the IASB for ten years, but I only was able to become a key member in my final five years. At the time, of the 14 board members, five or six were key members. When we were seeking a consensus on a specific project and began to share more in-depth information, it was the key members who led the overall discussion.

Furusawa: With international organizations, what is important is not only Japan's perspective as a country, but the member's perspective as an individual, whether that individual is Mr. Yamada, Mr. Kan, or Mr. Furusawa. Separately from the position of the country, discussions are based on individuals expressing their opinions.

Yamada: I think that it is less about the country and more about the individual. Points made based on individual experience are more valued. Even when opinions differ at a meeting, everyone should understand that this doesn't mean that the individual themselves is being devalued. I remember past meetings with a French board member with whom I disagreed about everything. When we were away from work, he invited me out to eat and to his vacation home. Being able to separate work life and private life was something that I found very different from Japan.

JICPA acts as a hub to provide human resources to international organizations — Takako Fujimoto

I would like young people to experience the Western culture at the foundation of international standards, and to have their own unique experiences — Kohei Kan

Kan: I would certainly encourage young people to venture overseas and to have their own unique experiences. To put it bluntly, the logical foundation of accounting, auditing and ethical standards is deeply rooted in the everyday lives of Westerners. Working overseas allows you to understand this, and it is also a good experience in being able to view your own life from a different angle.

At the organizations at which I worked, there were two main patterns. The first pattern was to dispatch members who had been with the organization for three to four years to overseas offices to be responsible for auditing local companies alongside local staff. The second pattern was to dispatch staff with slightly more experience to work mainly in supporting Japanese companies abroad. Working overseas in your younger years certainly involves overcoming challenges like language and culture, but there is a lot to be gained from the experience. When you return to Japan, you can be the one people go to for direct advice when dealing with overseas issues, and you will get the call more when global project teams are formed.

Furusawa: The FSA traditionally sends younger staff overseas for development. There is a pattern of working in the local Japanese community, such as an embassy, but there is also a lot to be learned from working at a local organization, such as being a staff member at an international organization with an overseas presence.

Fujimoto: We at JICPA also intend to put more effort into developing the CPAs that will be responsible for the future. This discussion has provided valuable insight of both the significance of participating in rulemaking from different positions and the role that Japan should play in this process. I appreciate everyone taking the time amid your busy schedules to speak with me today.

INTERVIEW

With Greater Responsibility Comes Greater Appeal in Auditing

The more experience auditors gain, the more they come to appreciate the appeal, value, and social significance of their work. Mr. Teruhisa Tamai spent 33 years at a major audit firm, including an overseas assignment and 17 years as a partner, and now runs his accounting office, using social media and other tools to share information about CPAs and auditing. We asked him about his realizations during his many years of experience as well as the various points of value and attraction of auditing work.

Teruhisa Tamai
CPA

Became Independent After 33 Years at a Major Audit Firm. Now Shares Information on the CPA Profession and Auditing

I passed the CPA Second Examination used at the time in 1989 during my third year at university. This was still a time in which passing the CPA Examination during school was rare. What inspired me to become a CPA was that, at the time, I aspired to join the Japan Overseas Cooperation Volunteers (JOCV). I decided to obtain my qualification during school so that I wouldn't struggle to find work even after my overseas assignment was completed.

Realizing My Dream of Working Overseas

I gradually lost sight of that original goal and began working at a major audit firm after passing the CPA Examination. However, my dream of working overseas eventually came true when I was dispatched to the firm's Houston office as an expat for four years starting in 1995. It is often said that working overseas broadens your perspective, and I found that to be exactly the case. What is "normal" in Japan simply didn't apply in Houston, as the mindsets were completely different. I was able to make it through with the help of my local clients and the office staff, and I believe that the experience made me a bit more resilient.

I returned to Japan as a manager, and in 2005, I was promoted to partner. After being involved in auditing for 17 years both at the Japanese global companies and the Japanese offices of Western companies, I became independent in 2022. I have a total of 33 years of frontline experience in auditing work, about half as a staff member and manager, and about half as a partner.

Now, to help even more people understand the roles of CPAs and auditing, I share information on the social media platforms note and X under the name "Teritama," give speeches, write articles and other contributions, and act as an advisor to small and medium-sized audit firms.

Realizing That Learning Is Valuable in Practical Application. My Years as a Staff Member Fueled My Growth

It was not necessarily smooth sailing in my career advancement from staff member to senior staff, to manager, to senior manager, to partner. However, in each position, I discovered a different kind of fascination and value in auditing.

Experiencing Personal Growth Through Learning

During my time as a staff member, I was responsible for a lot of routine tasks, including collecting materials and preparing audit working papers according to stringent specifications. Lately, when asked for advice from younger CPAs, I often hear them struggle with not understanding what is interesting about auditing. While I understand that feeling, in my case, I would find enjoyment in immediately identifying a practical application for what I had studied. During my time as a university student and when I was studying for the CPA Examination, I felt like I was studying without a clear sense of how it would apply in practice, as I didn't understand how what I was currently studying would apply to my future. However, when I began working, I quickly understood just how well the knowledge that I had acquired applied. I would then study more to make up for the knowledge I was lacking. I truly feel that repeating this process is what led to my personal growth. When managers or partners would speak to me in a way that I didn't understand, I would listen with a desire to understand better. I would also engage in stimulating conversations with top senior staff. I believe that this approach was the driving force behind my growth. Even as a younger staff member in only my second or third year, being able to directly ask questions and have discussions with staff of a major companies who were close to my parents' age was something that I truly looked forward to.

Managers Are "the Pivot of a Folding Fan" That Drive Effective Auditing

I became a manager during my four years as an expat in the U.S. During my time in America, I was tasked with acting as the point of contact for Japanese clients and was not involved directly with auditing work. Because of this, after returning to Japan, I did everything I could for four years to fill in the blanks. Throughout this process, I again felt a strong sense of reassurance from the Japanese staff and senior staff. They would provide output that exceeded my expectations even without detailed instructions. This reaffirmed for me the cultural differences between Japan and the West, and I was nearly moved to tears by how easy it was to work in Japan.

The Trust Built by Having Clients Rely on Us and by Fulfilling Their Expectations

I think that one source of fulfillment as a manager is the increasing sense of trust and gratitude that we receive from clients. During my time as a staff member, I would mainly ask for things like materials from clients, but when I became a manager, the clients came to me more for advice. The requests were very wide-ranging and not limited directly to auditing, and I grew closer to the clients by providing them with personalized responses. One great sense of fulfillment as a manager was having an increasing number of clients come to see me as a reliable partner through the repetition of this process.

The Manager as a "Player-coach"

I often liken the role of a manager to that of a "the pivot of a folding fan." When you open a folding fan downward, the three large triangular sections correspond to the staff and senior staff members, and the manager, who assembles the auditing teams and leads auditing, is the "pivot pin." There is also an upper triangular section with multiple partners, but the manager does not necessarily move based on the instructions of the partner alone. For example, when the manager runs into difficulty coordinating with the client on matters such as write-downs, they may have a younger partner accompany them to discussions with a CFO, but have the senior partner give the explanation to the company's president. In this way, the job of the manager is to effectively leverage the partners' strengths.

Becoming a Go-to Specialist in Your Field

Additionally, when I became a manager, I received more involved consultations on accounting, which helped me to hone my own areas of expertise. One starts to become known within the corporation—for corporate integration, this person, and for lease accounting, this person—and becomes the go-to person for advice from other managers and partners in their areas of expertise. This is why it is so important to continue learning. This was the same as when I became a partner, and rather than thinking that doing this much was enough, I knew that I needed to grow every year. On the other hand, this also means that you can discover your own true potential for growth.

Through Proper Auditing, We Can Help Clients Become Better Companies

I was fortunate to become a partner in my late 30s. Even now, I will never forget the first audit report that I signed. It was a Companies Act audit, and I remember hesitating for a split second as I contemplated the level of responsibility I would be assuming by affixing my name to an audit report that had made it all the way to me for approval.

The Greatest Satisfaction Comes from the Sound Growth of Clients

Proper auditing is an act of service for the client that leads to their increased corporate value. This became a conviction of mine when performing auditing, particularly after becoming a manager and a partner. When making proposals to strengthen internal control, we hold thorough discussions with the clients and seek to gain their understanding. This process increases the level of social trust placed in the client company. In this way, I feel that being able to contribute to the client becoming an even better company is one of the most rewarding aspects of auditing. The higher the position one achieves, from manager to partner, the greater the scope of one's abilities increases, and the greater one's sense of fulfillment becomes. For younger CPAs struggling with not understanding what is interesting about auditing, I would urge you to keep working hard and climbing the ladder, so that we have more people experienced with the full scope of auditing.

If You Continue to Hone Your Skills, the Scope of Your Success Is Limitless

In the process of auditing, something new occurs every year, and both continued study and the willingness to accept challenges are essential in overcoming these obstacles. As I mentioned before, you must continue to grow even after becoming a partner, and there is no such thing as "mastering auditing." It is a process of endless self-improvement akin to the path of mastering a martial art.

Lately, the impact of AI and the evolution of digital technology have become an increasingly common topic of conversation. For quite a while, at job fairs for those who have passed the CPA Examination, I have been saying that "We don't know how major audit firms will change with the expanded use of digital technology. However, if you properly study and hone your skills, CPAs will definitely continue to be required." With the evolution in AI, we may see the arrival of a time in which we can determine whether financial reporting is appropriate or inappropriate with the press of a button. That being said, it will still be people who control AI, and I believe if CPAs have skills in accounting, auditing, and internal control, there are limitless avenues to make meaningful contributions.

CHAPTER

03

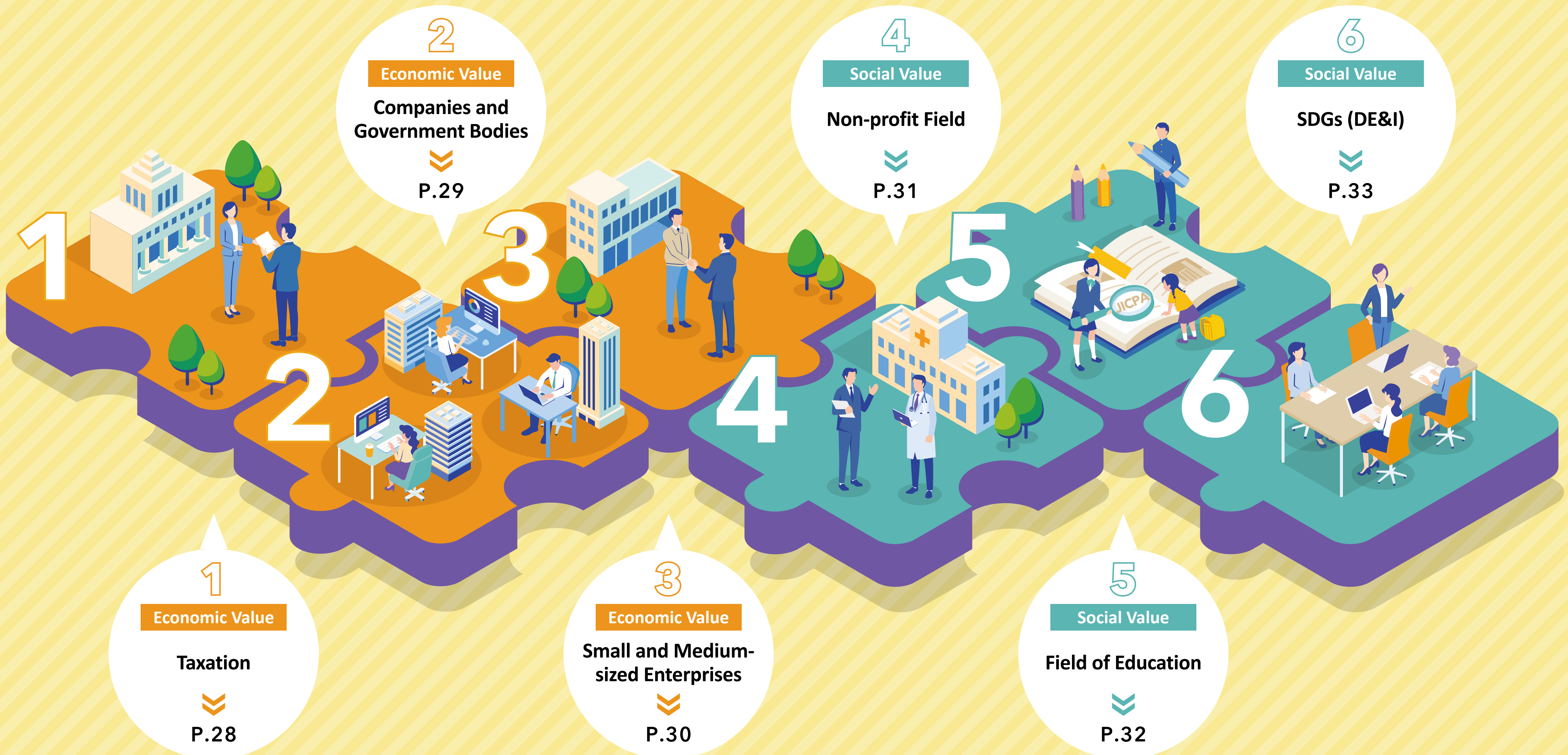
Value Creation Throughout Society

POINTS

- We introduce JICPA's initiatives to resolve social issues divided into six fields.
- We explain the connection between each initiative and the 17 SDG goals.

CONTENTS

VALUE CREATION ACTIVITIES



SOCIAL IMPACT

Achieving Multi-faceted Value Creation Based on Auditing Insight

CPAs perform audits as specialists in auditing and accounting. Their activities are not limited to auditing for-profit companies, and the role of CPAs is expanding to respond to expectations from society. Through the activities of JICPA and CPAs in a wide range of fields, we are contributing to the resolution of various social issues faced by modern-day Japan and working to create a secure and vibrant, prosperous future.

1

Economic Value

Taxation

Supporting the Resolution of Tax Issues

Value Creation Mechanisms

JICPA's Activities

Evaluating the Tax System with Impartiality and Issuing Our Opinion Paper

At our Tax Research Committee, JICPA conducts research and provides materials and support to its member CPAs to enhance and improve the tax-related work that they perform.

At our Subcommittee on Tax Policy established within the Tax Research Committee, we hold study groups with experts to deepen our understanding of the tax system and tax law and compile and submit our annual Tax Reform Opinion Paper.

JICPA's Tax Reform Opinion Paper is not for the benefit of any particular industry and is organized to present impartial opinions on the ideal tax system. JICPA will continue to actively share information on issues that can be resolved in the tax system, hold discussions with relevant parties, and work to be able to contribute to realizing tax system policies.

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CPAs' Activities

CPAs' Strengths in Providing Consultations and Advice on Special Tax Matters

CPAs possess sophisticated accounting knowledge, skills in analyzing financial statements developed through experience in auditing work at audit firms, experience having observed the economic activities of companies with global presences, and skills in proposing resolutions to issues to companies. By combining these skills and experience with knowledge on tax matters, CPAs can also exercise their strengths in tax consulting for complex international transactions.

*CPAs must be registered as tax accountants to perform tax-related work.

ECONOMIC VALUE

Related Initiatives

Providing Robust Support to Members Performing Tax-related Work

The Tax-related Work Council is an organization that mainly provides support to members engaged in tax-related work. In addition to running a Tax Consultation Office to field tax-related inquiries from members, it also provides tax-related workshops.

The workshops held by the Tax-related Work Council feature lectures for members who are preparing to begin or have just begun tax-related work, as well as useful lectures even for members already engaged in tax-related work.

The workshops given by the advisors at the Tax Consultation Office are available at both JICPA's Divisions and our Chapters (Regional Chapters). By providing explanations and commentary on the points submitted as questions to the Tax Consultation Office, the Tax-related Work Council supports the work of our members.

2

Economic Value

Companies and Government Bodies

Supporting the Resolution of Issues Faced by Companies and Government Bodies

Value Creation Mechanisms

JICPA's Activities

Providing the Knowledge and Networks Needed in Companies and Government Bodies

The Professional Accountants in Business (PAIB) Council works to maintain and improve the qualifications of CPAs who work at organizations outside of audit firms and tax accountant firms, such as general companies, non-profit groups, and government offices and agencies, while also promoting networking for PAIBs. As of the end of March 2026, 3,138 PAIBs are registered with the council, with that number increasing each year.

The Council for Accountants Serving as Outside Directors and Corporate Auditors works to maintain and improve the qualifications of CPAs appointed as outside officers, while also promoting networking. The council prepares a “Guide for CPAs Serving as Outside Corporate Auditors” and provides the necessary knowledge and experience for outside corporate auditors.

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CPAs' Activities

Exercising Expertise as PAIBs

Because CPAs possess sophisticated accounting knowledge and experience in auditing work, they can be successful as managers of accounting divisions, management planning divisions, and internal auditing divisions, and as chief financial officers (CFOs).

They can also be successful in outside officer positions such as outside director and outside corporate auditor where they can contribute to enhancing corporate governance, preventing fraud, and increasing corporate value.

ECONOMIC VALUE

Related Initiatives

Creating New Connections Among PAIBs

The CPA Alumni Membership Portal (CAMP) was created as a platform aimed at increasing the value of PAIBs by allowing them to share opinions and is operated independently on a volunteer basis by the Professional Accountants in Business (PAIB) Council.

CAMP began full operations in April 2024 with the goal of maximizing networking among PAIBs. CAMP was created as a tool for PAIBs to easily exchange information and has provided opportunities for exchange through various business and personal topics.

In November 2025, CAMP's target users were expanded to all JICPA members and associate members, and it has evolved into a tool for exchange that creates new connections.

3

Economic Value

Small and Medium-sized Enterprises

Supporting the Resolution of Issues Faced by Small and Medium-sized Enterprises (SMEs)

ECONOMIC VALUE

Value Creation Mechanisms

JICPA's Activities

Co-creating the Sustainable Development of SMEs in Partnership with Relevant Government Organizations and Groups

At JICPA, the Small and Medium Practices Committee leads activities to promote support by CPAs for SMEs, including mainly start-up support, growth support, listing (IPO) support, M&A and business succession support, and business revitalization support.

In partnership with JFCPTAA*[1], JCCI*[2] and ASBJ*[3], the Small and Medium Practices Committee formulates The Accounting Guidelines for SMEs. In cooperation with JFCPTAA, the committee formulates the "Guidelines for the Conduct of Accounting Advisors." The Small and Medium Practices Policy Committee also evaluates ways to disseminate these guidelines. The committee also sends members to the meeting bodies of METI*[4] and SMEA*[5] to cooperate and share JICPA's opinions on national policy aimed at supporting SMEs.

*1 Japan Federation of Certified Public Tax Accountants' Associations
*2 Japan Chamber of Commerce and Industry
*3 Accounting Standards Board of Japan
*4 Ministry of Economy, Trade and Industry
*5 The Small and Medium Enterprise Agency

CPAs' Activities

Accompanying SMEs Through Various Growth Stages

Because CPAs possess sophisticated accounting knowledge and experience in auditing work, they are able to support SMEs in every stage from foundation to listing or business revitalization and M&A and business succession. As "audit" derives from the Latin *auditus*, which means "to listen," CPAs will always lend an ear to the concerns of the management teams of SMEs and continue to be strong confidants.

Related Initiatives

Holding Seminars and Training Sessions with Other Licensed Professionals

As CPAs provide support to SMEs, JICPA supports networking with other licensed professionals such as attorneys and tax accountants, holding seminars and workshops at each of our Chapters (Regional Chapters).

For example, in partnership with the Tokyo Bar Association and the Tokyo Certified Public Tax Accountants' Association, JICPA's Tokyo Chapter hosts the "General Consultation Session for Life and Business." The Tokyo Chapter and the Kanto Branch of Japan Patent Attorneys Association also held a joint workshop to explain the significance of CPAs and patent attorneys working together on IP valuations and corporate valuations for business loans.

JICPA provides support to SMEs to achieve increases in corporate value and smooth business successions by working with licensed professionals who are experts in their respective fields.

4

Social Value

Non-profit Field

Supporting the Resolution of Issues Unique to Non-profit Organizations

Value Creation Mechanisms

JICPA's Activities

Building Systems in Line with the Unique Qualities of Non-profit Organizations

The Public Sector Accounting and Audit Practice Committee conducts research on the theory and practice of accounting and auditing covering the public sector, including the national and regional government bodies. In partnership with relevant government bodies, the committee also evaluates and publishes the accounting standards and Q&A regarding annotations for national university corporations, incorporated administrative agencies, and local incorporated administrative agencies.

The Not-for-profit Organization Accounting and Audit Practice Committee conducts research on the theory and practice of accounting and auditing covering a wide range of non-profit organizations*. The committee compiles practical guidelines and research reports as the results of its research, which are published after coordinating with relevant government bodies and groups.

CPAs' Activities

Supporting Sound Organizational Operations Even in the Non-profit Field

In addition to being involved in the public sector and at non-profit organizations as accounting auditors, Professional Accountants in Business (PAIBs), and outside officers, CPAs are also active as outside auditors for regional government bodies. Through these activities, CPAs ensure trust in the financial documents of Japan's public sector and non-profit sector while supporting the creation of internal control. CPAs play an important role as experts in facilitating sound organizational operations.

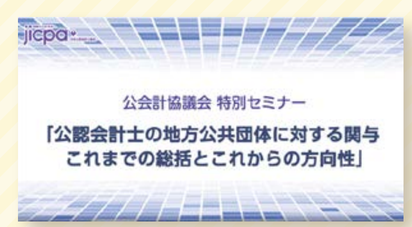
Related Initiatives

Developing Personnel Involved with the Public Sector and Non-profit Organizations

In addition to maintaining and improving the qualifications of members and associate members involved with the public sector and non-profit organizations, the Public Accounting Council was established with the goal of promoting organization. Its subcommittees include the Local Government Body Accounting and Auditing Subcommittee and the Non-profit Organization Accounting and Auditing Subcommittee.

The Local Government Body Accounting and Auditing Subcommittee develops numerous experts in responding to diverse administrative needs related to the public accounting and public auditing of regional government bodies throughout Japan. The Non-profit Organization Accounting and Auditing Subcommittee was established with the goal of increasing the expertise of members and associate members interested in accounting and auditing work for non-profit organizations*.

We publish a list of the subcommittee members with high levels of expertise in these fields.



*Including social welfare corporations, healthcare corporations, agricultural cooperatives, fisheries cooperative associations, public interest corporations, and incorporated educational institutions

jicpa

INTEGRATED REPORT 2026

5

Social Value

Field of Education

Supporting the Resolution of Issues Related to Accounting Education

Value Creation Mechanisms

JICPA's Activities

Providing Learning Opportunities to Spread Accounting Literacy

To proactively raise the visibility of accounting in education, JICPA creates classroom support tools for middle schools and high schools and hosts seminars for educators. In March 31, 2026, we opened the "Accounting Exploration Lab" online. From the perspective of educators, the Lab provides helpful information and recommendations for teaching accounting as well as ready-to-use teaching materials and other resources. The wide range of information offered by the Lab helps answer questions and uncover new subjects for the classroom. JICPA also prepares and publishes an Accounting Literacy Map to present a big picture of accounting that can be easily understood even by non-experts in accounting or education.

Accounting Exploration Lab (in Japanese)
https://www.kaikeitankyulab.jp/

Accounting Literacy Map (in Japanese)
https://jicpa.or.jp/about/activity/basic-education/literacy-map.html

CPAs' Activities

Embodying the Ideal CPA for the Next Generation

JICPA aims not just to maintain but to improve the qualifications possessed by CPAs by spreading accounting literacy, increasing the number of young people aspiring to become CPAs, and providing seamless skill development from before certification to after they become CPAs.

We will further increase the trust placed in CPAs as well as the very value that they provide by endowing trust in financial statements.

SOCIAL VALUE

Related Initiatives

Providing Accounting Education Classes and Donating "Kouninkaikeishi no himitsu [The Secrets of CPAs]" Book

Led by our Regional Chapters, JICPA holds free accounting education classes. These include "Hello! Accounting," a class for elementary and junior high schools, career education classes for elementary through high schools, and presentations on the CPA system for high schools and universities. In FY2025, we held 243 accounting education classes attended by a total of around 20,000 participants. With publisher Gakken, JICPA created the educational books "Manga de yokuwakaru shirizu shigoto no himitsu hen [Easy-to-Understand Series—The Secrets of the Job Edition] 'Kouninkaikeishi no himitsu [The Secrets of CPAs]'" (not for sale) and distributed copies to around 24,000 elementary schools and libraries throughout Japan.

Kouninkaikeishi no himitsu [The Secrets of CPAs] (in Japanese)
https://jicpa.or.jp/news/information/2026/20260225jga.html

6

Social Value

SDGs (DE&I)

Supporting the Resolution of Issues for Everyone to Thrive

Value Creation Mechanisms

JICPA's Activities

Promoting the Creation of Comfortable Work Environments Where Women Can Be Successful

JICPA has established the Women in Accounting Professional Promotion Council, which engages in activities that promote the success of female members and associate members by allowing them to fully exercise their individuality and skills. By taking measures such as hosting events organized by the Women in Accounting Professional Promotion Council aimed at network building among female CPAs, JICPA aims to ensure an industry where it is comfortable for female CPAs to work.

Two KPIs

- Increase the percentage of female members and associate members to 30% by 2048 (the 100th anniversary of the CPA system)
- Increase the percentage of women passing the CPA Examination to 30% by 2030

+

CPAs' Activities

Defining Workstyles for Female CPAs

As of March 31, 2026, women made up 17.2% of members and associate members, and 24% of those who passed the 2025 CPA Examination were women, meaning the percentage of female members and associate members is steadily rising each year. As of March 31, 2026, women also made up 20.5% of the officers at JICPA's divisions.

We aim to create a positive cycle in which the more female CPAs we have, the more they can act as lifestyle role models, resulting in more women aspiring to become CPAs.

SOCIAL VALUE

Related Initiatives

SDG-related Activities

Accounting and financial knowledge is essential in steadily carrying out the activities necessary to achieve a sustainable society. As they possess this expertise, CPAs also play an important role in the field of SDGs. JICPA is focused on advancing SDG policies and coordinating with our Chapters (Regional Chapters) to carry out initiatives to broadly share information both within and outside our industry on how CPAs contribute to achieving SDGs.

Examples of initiatives

- **YouTube: "CPAs Active Throughout Japan with SDGs" (in Japanese)**
  https://sustainability.jicpa.or.jp/accountant
- **Holding SDG training workshops (Keiji Chapter, Chiba Chapter)**
- **Participating in the "2030 Zero Disposable Umbrella Project" (Tokyo Chapter) (in Japanese)**
  https://tokyo.jicpa.or.jp/information/details.html?itemid=504&dispmid=878
- **Resource recycling services at events**
  Installation of "PASSTO" clothing collection service

CONTENTS

CHAPTER

04

Governance Operations Supporting Value Creation

POINTS

- This section outlines the governance framework and organizational structure that underpin JICPA.
- It introduces committee activities that develop rules and guidance to support CPAs, as well as the administrative functions that support these activities.
- It also provides an overview of JICPA's financial position.

JICPA GOVERNANCE

Officers

The JICPA's officers comprise the chairman and president, deputy presidents, chief executive, executive board members, council members, and corporate auditors. The total number of officers is capped at 90. Officers are primarily CPAs elected among the JICPA's members; however, to ensure the transparency in the management of the organization, a portion of officers are appointed from external experts who are not members. In addition, the chief executive may be appointed either from among CPAs or from external experts.

1 Chairman and President **Naruhito Minami**
2 Deputy President **Tatsuya Arai**
3 Deputy President **Kanako Ogura**
4 Deputy President **Mitsuo Tsuruta**
5 Deputy President **Takako Fujimoto**
6 Deputy President **Syuichiro Akiyama**
7 Deputy President **Katsunori Takahashi**
8 Deputy President **HONG Sung-oh**
9 Chief Executive **Hisashi Sato**

Executive Team (in Japanese)
https://jicpa.or.jp/news/information/2025/20250725ehv.html

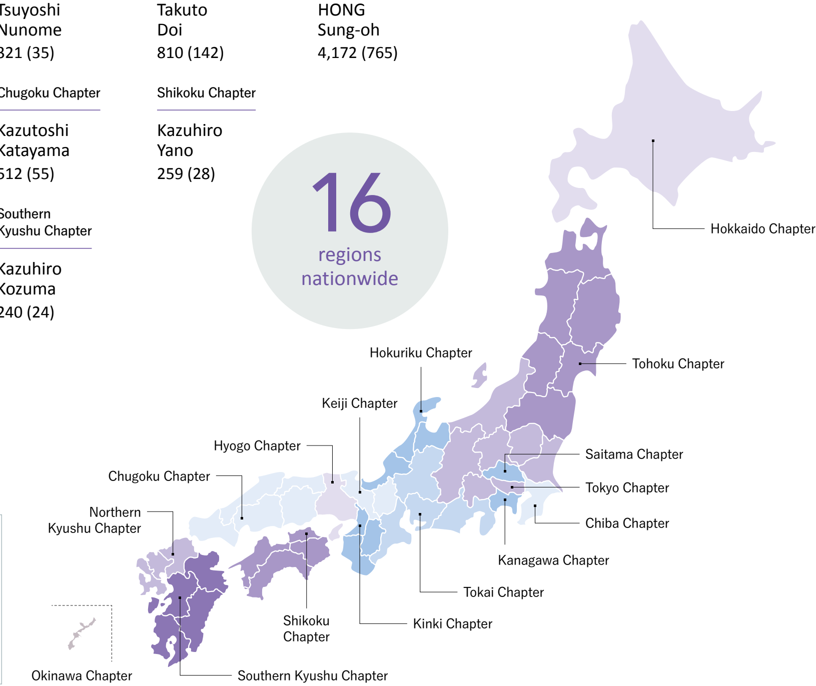
Nationwide Network of Regional Chapters

Although JICPA is a single organization, it maintains 16 regional chapters covering all of Japan to provide guidance, coordination, and oversight to CPAs across the country and help ensure the consistent provision of high-quality services.

Chairmen and CPA Members of the Regional Chapters (as of March 31, 2026)

Names of Regional Chapters	Names of Chairmen of Regional Chapters	Number of CPAs (Numbers in parentheses indicate the number of female CPAs)
Hokkaido Chapter	Takeshi Shibamoto	439 (55)
Tohoku Chapter	Kiyohiko Takashima	471 (48)
Saitama Chapter	Michihiro Kudo	942 (106)
Chiba Chapter	Kazunori Oguri	907 (111)
Tokyo Chapter	Katsunori Takahashi	22,397 (3,378)
Kanagawa Chapter	Masato Inagaki	1,804 (227)
Tokai Chapter	Yoshiaki Oshima	2,409 (386)
Hokuriku Chapter	Tsuyoshi Nunome	321 (35)
Keiji Chapter	Takuto Doi	810 (142)
Kinki Chapter	HONG Sung-oh	4,172 (765)
Hyogo Chapter	Junji Murakami	965 (166)
Chugoku Chapter	Kazutoshi Katayama	512 (55)
Shikoku Chapter	Kazuhiro Yano	259 (28)
Northern Kyushu Chapter	Tsuguo Ito	963 (152)
Southern Kyushu Chapter	Kazuhiro Kozuma	240 (24)
Okinawa Chapter	Hiroshi Tamamoto	104 (11)

16 regions nationwide



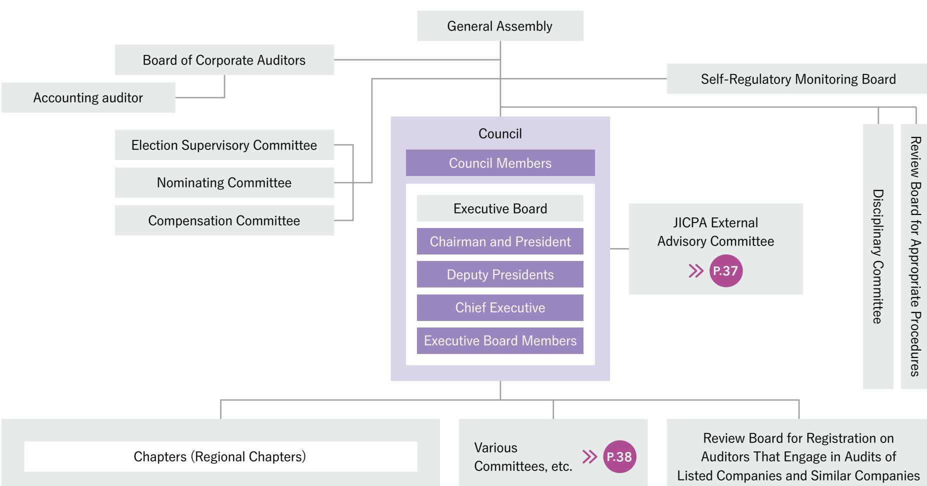
Basic Approach to Governance

JICPA's governance comprises the General Assembly, which serves as the highest decision-making body; the Executive Board and Council, which are responsible for the execution and oversight of operations; a range of advisory committees; and the Board of Corporate Auditors and Self-Regulatory Monitoring Board, which serve as monitoring bodies. External experts participate in bodies where a high degree of transparency is required or where expertise beyond that of CPAs is needed.

Decision-making Flow (Summary)

Executive Board	Council	General Assembly
Deliberates matters to be proposed to the Council and matters related to the execution of institute operations	Deliberates matters to be proposed to the General Assembly and makes regular reports on institute operations	Holds resolutions on JICPA's activity plans, budgets and financial results, and changes to the JICPA Constitution and other rules/ reports on institute operations

Organization (as of March 31, 2026)



The Organization and its Committee Activities (in Japanese)
https://jicpa.or.jp/about/activity/organization/

Activities of Meeting Bodies Chaired by External Experts

Comments from Heads of Meeting Bodies P.37

Auditing and Assurance Standards Committee Expert Advisory Council

JICPA has established the Auditing and Assurance Standards Committee to develop and issue professional standards relating to auditing, assurance, and related services, including quality management at audit firms. The Auditing and Assurance Standards Committee Expert Advisory Council provides input on the committee's deliberations and requests opinions from the preparers and users of financial statements and academic experts with the goal of formulating codes with social agreement.

Summaries and meeting materials for the Auditing and Assurance Standards Committee Expert Advisory Council (in Japanese)
https://jicpa.or.jp/about/activity/yuushikisya/auditing_standards.html

Ethics Standards Committee Expert Advisory Council

To evaluate and establish codes related to the professional ethics of committee members, JICPA has established an Ethics Standards Committee. The Ethics Standards Committee Expert Advisory Council provides input on the committee's deliberations by seeking views from preparers and users of financial statements, as well as academics and other experts, with the aim of developing standards that reflect broad stakeholder consensus.

Summaries and meeting materials for the Ethics Standards Committee Expert Advisory Council (in Japanese)
https://jicpa.or.jp/about/activity/yuushikisya/ethics.html

Self-Regulatory Monitoring Board

To ensure objectivity and fairness in our self-regulatory activities and trust from society in the CPA system, JICPA has established a Self-Regulatory Monitoring Board. The Self-Regulatory Monitoring Board's goal is to monitor the overall operations and status of JICPA's self-regulation and items for improvement and to provide opinions and advice from the broad perspective of capital markets and society.

Summaries and meeting materials for the Self-Regulatory Monitoring Board (in Japanese)
https://jicpa.or.jp/about/activity/self-regulatory/monitoring/

Support from External Experts

JICPA has appointed non-member experts as advisors and holds meetings of the JICPA External Advisory Committee three times a year for the advisors to provide advice on the necessary items related to progress in improving the work of CPAs.

External Advisory Committee Members (as of March 31, 2026)

*Positions and titles are current as of March 31, 2026

Noriaki Shimazaki

Chairman, Kamikawa Taisetsu Sake Brewery Co., Ltd./
Former Trustee, IFRS Foundation

Apr. 1969 Joined Sumitomo Corporation
Jan. 2003 Member, Business Accounting Council, Financial Services Agency
Jan. 2009 Trustee, IASCF (Currently the IFRS Foundation)
Jun. 2011 Director, Financial Accounting Standards Foundation
Public Governor
Japan Securities Dealers Association
Chairman, Self-regulation Board Japan Securities Dealers Association
Jun. 2016 Outside Director, Nomura Holdings, Inc.
Jul. 2016 Chairman, Kamikawa Taisetsu Sake Brewery Co., Ltd.
Apr. 2022 Special Professor, Otaru University of Commerce

Takaaki Nishii

Outside Director, DAIICHI SANKYO COMPANY, LIMITED/
Outside Director, Kao Corporation

Apr. 1982 Joined Ajinomoto CO., Inc.
Jun. 2007 Corporate Vice President, Ajinomoto Frozen Foods Co., Inc.
Apr. 2009 Head of Human Resources, Ajinomoto Co., Inc.
Jun. 2013 Member of the Board & Corporate Vice President Ajinomoto Co., Inc., General Manager, Latin America Division and President of Ajinomoto Brazil
Jun. 2015 Representative Director, President & Chief Executive Officer, Ajinomoto Co., Inc.
Jun. 2022 Senior Corporate Advisor, Ajinomoto Co., Inc.
Mar. 2023 Outside Director, Kao Corporation
Jun. 2023 Outside Director, DAIICHI SANKYO COMPANY, LIMITED.

Mariko Bando

Chancellor, Showa Women's University/
Former Director General, Gender Equality Bureau Cabinet Office

Jul. 1969 Joined the Prime Minister's Office
Oct. 1985 Counselor, Cabinet Public Relations Office
Jul. 1989 Director of Consumer Statistics Division, Statistics Bureau, Management and Coordination Agency
Apr. 1995 Vice-Governor of Saitama Prefecture
Jun. 1998 Consul General of Japan in Brisbane, Australia
Jan. 2001 Director General of Gender Equality Bureau, Cabinet Office
Apr. 2007 President, Showa Women's University
Apr. 2014 Chairperson of the Board, Showa Women's University
Jul. 2016 Chancellor, Showa Women's University

Katsunori Mikuniya

Director and Executive Advisor, Shinkin Central Bank/
Former Commissioner, Financial Services Agency of Japan

Apr. 1974 Joined the Ministry of Finance
Aug. 2005 Director General, Planning and Coordination Bureau, Financial Services Agency
Jul. 2008 Director General, Supervisory Bureau, Financial Services Agency
Jul. 2009 Commissioner, Financial Services Agency
Mar. 2015 Chair, Deposit Insurance Corporation of Japan
Apr. 2022 Outside Director, Procrea Holdings, Inc.
Jun. 2023 Trustee (part-time), Tokyo Keizai University
Jun. 2024 Director and Executive Advisor, Shinkin Central Bank

Yuko Miyazaki

Attorney/Nagashima Ohno & Tsunematsu Advisor/
Former Justice of the Supreme Court of Japan

Apr. 1979 Registered as an attorney, Nagashima & Ohno (Currently Nagashima Ohno & Tsunematsu)
Aug. 1984 The World Bank Legal Vice Presidency Counsel
Apr. 2004 University of Tokyo Faculty of Law Visiting Professor
Jan. 2018 Justice of the Supreme Court of Japan
Jul. 2021 Legally mandated retirement
Sep. 2021 Advisor to Nagashima Ohno & Tsunematsu
Jan. 2022 International Judge of the Singapore International Commercial Court International Judge

Hiromi Yamaji

Director and Representative Executive Officer,
Group CEO, Japan Exchange Group, Inc.

Apr. 1977 Joined Nomura Securities Co., Ltd. (now Nomura Holdings, Inc.)
Jun. 1998 Director, Nomura Securities Co., Ltd.
Jun. 2000 Managing Director, Nomura Securities Co., Ltd.
Apr. 2002 President & CEO, Nomura Europe Holdings plc (London)
Chairman, Nomura Holding America Inc. (New York)
Apr. 2007 Executive Vice President, Nomura Securities Co., Ltd.
Jun. 2013 Director, Japan Exchange Group, Inc.
President & CEO, Osaka Securities Exchange Co., Ltd. (now Osaka Exchange, Inc.)
Apr. 2021 President & CEO, Tokyo Stock Exchange, Inc.
Apr. 2023 Representative Executive Officer, Group CEO, Japan Exchange Group, Inc.

Comments from Heads of Meeting Bodies

Chair, Auditing and Assurance Standards Committee/
Specially Appointed Professor,
Nihon University College of Commerce

Masayuki Horie

Auditing and Assurance Standards Committee Expert Advisory Council

Through suggestions on the standard-setting that utilize broad, external knowledge and differing perspectives from those held internally, we are working to contribute to the continued development of the CPA industry in response to the dramatically changing auditing environment.

Chair, Ethics Standards Committee
Expert Advisory Council/
Professor Emeritus,
Aoyama Gakuin University

Shinji Hatta

Ethics Standards Committee Expert Advisory Council

As an adjunct organization to the Ethics Standards Committee, the Ethics Standards Committee Expert Advisory Council works to enhance the transparency of the process to create codes including ethical rules from an international perspective and to formulate codes with social agreement through the opinions of stakeholders other than auditors.

Chair, Self-Regulatory
Monitoring Board/
Attorney

Asaka Kanda

Self-Regulatory Monitoring Board

JICPA is called on to ensure both the efficacy and transparency of its self-regulatory activities. The Self-Regulatory Monitoring Board plays the necessary role of a safety net in monitoring JICPA's self-regulation, striving for the best possible activities while continuing to consider diverse perspectives.

Committee Activities

JICPA develops the rules that its member CPAs must follow in performing their work as well as reference materials for their practice. JICPA also conduct surveys and research for use not only by its CPA members, but also by the general public. These activities are carried out primarily through JICPA's committees, which are composed of CPA members who are leading professionals across a wide range of fields. The committees also include nonmember experts who are invited to participate in order to incorporate external perspectives.

List of Publications Including Practical Guidelines (in Japanese)
https://jicpa.or.jp/specialized_field/publication/

List of Committees (as of March 31, 2026)

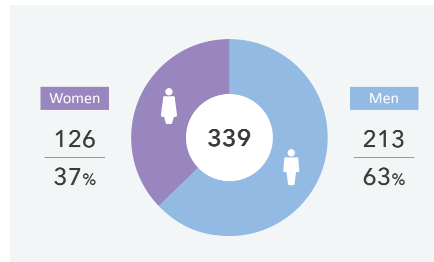
- Developing and reviewing guidelines and related matters for CPA practice
- Maintaining the integrity of CPAs and ensuring the quality of their work
- Maintaining and enhancing the competencies of CPAs
- Addressing emerging and special issues
- Promoting the attractiveness of the CPA profession and the importance of accounting

Ethics Standards Committee	Management Research Committee	Sustainability Capacity Building Council
Ethics Standards Committee Expert Advisory Council	Tax Research Committee	Practice Training Council
Auditing and Assurance Standards Committee	Small and Medium Practices Committee	Final Assessment Committee
Auditing and Assurance Standards Committee Expert Advisory Council	Small and Medium Practices Policy Committee	Committee for the Promotion of Integrated Competence Development
	Laws, Regulations and Systems Committee	Sustainability Information Disclosure and Assurance Special Committee
Industry-specific Committees	Audit Practice Review and Investigatory Committee	
Accounting System Committee	Quality Control Committee	General Affairs Committee
Technology Committee	Qualification Review Committee	Public Relations Committee
Corporate Disclosure Committee	Registration Review Committee	Publishing Planning and Editing Committee
Not-for-profit Organization Accounting and Audit Practice Committee	Dispute Mediation Committee	SDGs Promotion Committee
Public Sector Accounting and Audit Practice Committee	Continuing Professional Development Systems Committee	Accounting Education Promotion Council

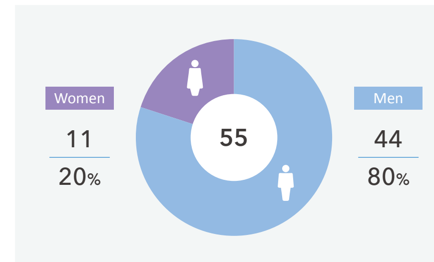
Administrative Office Data (as of March 31, 2026)

The administrative offices that support the operations of JICPA are staffed by 339 people (213 men and 126 women). Around 20% of those staff members are CPAs, and the rest are made up of attorneys, U.S. CPAs, small and medium-sized enterprise consultants, labor and social security attorneys, and information technology engineers. Moreover, JICPA is promoting female empowerment at its administrative offices, with women making up 20% of management positions.

Number of Staff (male/female ratio)



Number of Management Staff (male/female ratio)



Administrative Organization

*Reflects the organizational changes administered on April 1, 2026.

Chapter (Regional Chapters) — Director General — Chief Executive

Self-Regulation
- Quality Control
- Audit Practice and Review
- Discipline
- Risk Monitoring

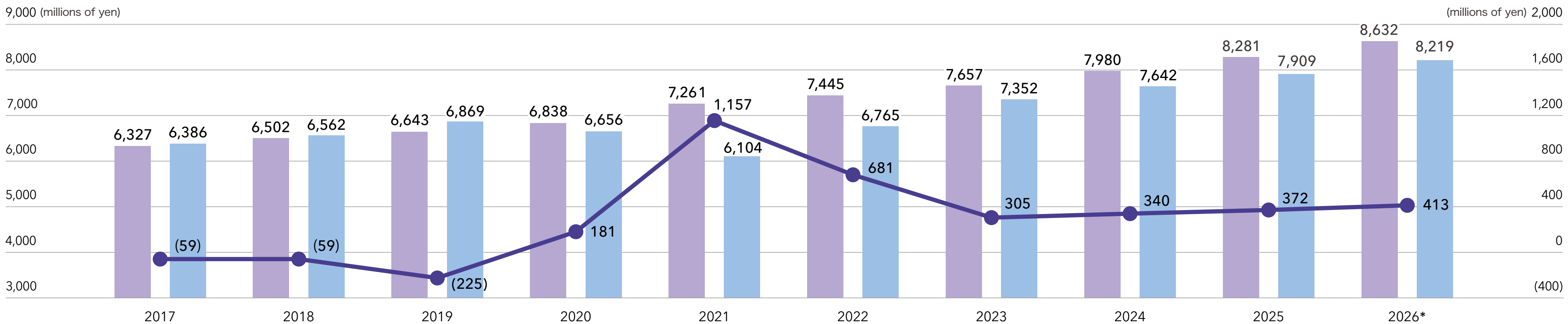
Corporate Administration
- Accounting
- Human Resources
- Business Infrastructure and Systems
- Internal Control

Planning
- Planning and External Affairs
- Media and Public Relations
- International Affairs
- Institutional Reform Recommendations

Professional Standards and Practices
- Ethics
- Auditing
- Sustainability Disclosure and Assurance
- Corporate Accounting
- Non-Profit and Public Sector
- Small and Medium-sized Practices
- Tax and Management

General Affairs
- General Affairs
- Legal Affairs
- Member Registration
- Member Management
- Continuing Professional Development
- Final Assessment and Accounting Education
- Networking

Trends in Ordinary Revenues, Ordinary Expenses, and Net Ordinary Changes

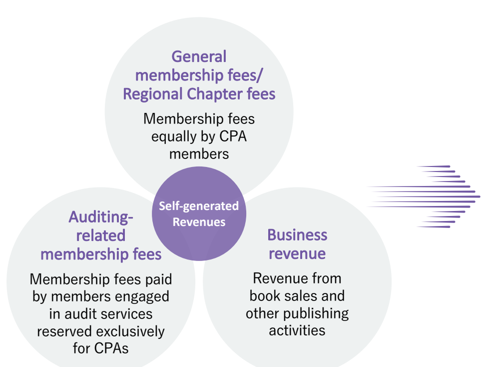


*The financial results figures in this report are unconfirmed figures for the year ended March 2026 that have not yet been approved by the General Assembly. The confirmed figures will be provided on the website on the bottom right of this page.

Ordinary revenues (left) Ordinary expenses (left) Net ordinary changes (right)

Revenue and Cost Structure

JICPA' revenue, which support initiatives related to CPAs, are derived from membership fees paid by CPAs and audit firms, and associate members. These revenues are allocated to the initiatives described below, as well as to strengthening administrative functions that support these activities.



01 Activities to support the implementation of professional standards P.16

02 Strengthening collaboration with overseas accountancy and related organizations P.17

03 Professional training services to enhance the competencies of CPAs P.18

04 Strengthening JICPA's self-regulatory functions through quality control reviews P.19

Financial Conditions in Recent Years

As shown in the graph of Trends in Ordinary Revenues, Ordinary Expenses, and Net Ordinary Changes, the scale of JICPA's operations has expanded in line with the growth in the number of the members and associate members and both ordinary revenues and ordinary expenses has been increasing.

Ordinary expenses decreased temporarily due to restrictions on activities caused by the COVID-19 pandemic. However, as restrictions on movement were eased and activities in Japan and overseas resumed, JICPA has been utilizing ordinary revenues efficiently and effectively, even amid global inflation. These efforts support value creation by CPAs, whose work is expanding and diversifying in response to a changing environment.

Number of Members and Associate Members P.02

Please visit the following website for JICPA's detailed financial information.

Activity Report and Plans/Budget and Financial Results/ Integrated Reports (in Japanese)
https://jicpa.or.jp/about/activity/report/

Our History of Building Trust in Society

The current CPA system was established in 1948 through the Certified Public Accountants Act and has continued to evolve in response to changes in the environment. In line with the developments in the CPA system, JICPA has worked to build trust in society. Today, guided by a long-term vision, JICPA aims to continue building trust for the future.

1948 Building a foundation for growth alongside Japanese society

TOPICS

1948	The Certified Public Accountants Act established
1949	The Japanese Institute of Certified Public Accountants founded
1953	The JICPA became an incorporated association
1966	The Certified Public Accountants Act amended (introduction of the audit corporation system)
	The JICPA is reorganized as a special corporation
1973	Commemorative ceremony and other events held to mark the 25th anniversary of the CPA system

Responding to Society

Following World War II, Japan's securities market expanded significantly. In this context, the Certified Public Accountants Act was enacted in 1948, establishing the CPA system. As the market grew, the importance of audits by CPAs increased. In 1966, the audit corporation system was introduced to enable organized audits in response to the growing scale of corporate activities.

1991 Reforms for the future of trust

TOPICS

1991	Auditing Standards, Working Rules for Fieldwork, and Working Rules of Audit Reporting amended
1992	The Certified Public Accountants Act amended (revision of the examination system)
1998	Continuing professional education (CPE) system launched
	Commemorative ceremony and other events held to mark the 50th anniversary of the CPA system
1999	Audit firm quality management review system enters into effect
2001	Audit Practice Monitoring Board established
2003	The Certified Public Accountants Act amended (establishment of mission clause and strengthening of independence)
2004	The JICPA becomes a special private corporation

Responding to Society

As Japanese society matured, to improve and strengthen audit procedures, in 1991, auditing standards were fundamentally revised. To maintain and improve the quality levels of CPA work and to maintain and ensure the trust of society in auditing, in 1998, the continuing professional education (CPE) system was launched, and in 1999, the audit firm quality management review system was introduced.

2007 Accelerating the expansion of operations in Japan and overseas

TOPICS

2007	Registration system for listed company audit firms launched
	The Certified Public Accountants Act amended (strengthening quality control of audit firms)
	Vision Paper issued
2008	Commemorative ceremony and other events held to mark the 60th anniversary of the CPA system
2010	Tax-related Work Subcommittee established
2012	Professional Accountants in Business (PAIB) Council established
	Commencement of Statements on Auditing Standards based on the new drafting policy
2014	Public Accounting Council established
2016	Basic Accounting Education Promotion Council established
	Women in Accounting Professional Promotion Council established
2017	Council for Accountants Serving as Outside Directors and Corporate Auditors established
2018	Commemorative ceremony and other events held to mark the 70th anniversary of the CPA system
2019	Self-Regulation Monitoring Conference established
2021	The JICPA SDGs Declaration

Responding to Society

Following economic volatility, Japan's financial markets grew more sophisticated. In addition to auditing work, CPAs began to be called on to contribute to the resolution of various social issues. Many different councils were launched to support the activities of CPAs in various fields including taxation, public accounts, and as external corporate officers. In 2021, the "JICPA SDGs Declaration" was formulated, marking the start of real sustainability initiatives at JICPA.

2022 Delivering the value of trust into the future

TOPICS

2022	Creation of the Vision Paper 2022
	Declaration of Ethics
2023	Revised Certified Public Accountants Act enforced (introduction of a registration system for auditing listed companies)
	Continuing professional development (CPD) system launched (expansion of the continuing professional education (CPE) system)
2024	JICPA Sustainability Capacity Building Syllabus published
2025	Special Committee for Deliberation on the Systemic Integration of Professional Competence Development established
2026	JICPA Professional Program in Sustainability (ProPS) begins operations

Responding to Society

Social conditions are ever-changing, including the digitalization of society and expanded sustainability information disclosure. In addition to building trust in society through their auditing work, CPAs are expected to build trust in society in a wide range of fields, starting with the assurance field for non-financial information.

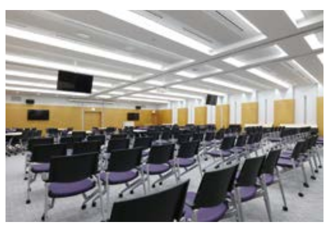
jicpa
INTEGRATED REPORT 2026

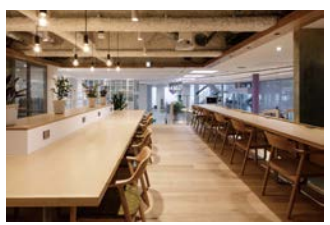
[COLUMN]

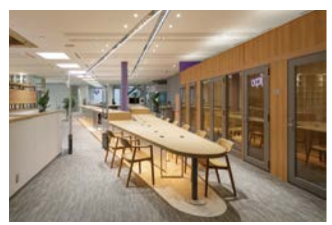
JICPA Member Hall Renewal Project

THE NEXT WORKSPACE

Creating Value Through Synergy







As the number of member CPAs has increased, so has the number of administrative staff at the JICPA Member Hall, creating a need for more effective use of limited space. In response, JICPA has undertaken the renewal of the JICPA Member Hall to create an environment that facilitates greater participation by CPAs in association activities, while enhancing organizational capabilities through improved staff productivity. These efforts aim to build a foundation that enables CPAs to make even greater contributions to the economy and society.

As part of this renewal project, JICPA obtained an A rating under CASBEE*1, a comprehensive system for evaluating the environmental performance of buildings. In addition, JICPA achieved an S rating under the CASBEE Wellness Office (CASBEE WO)*1 certification, which assesses the health, comfort, and productivity of office environments.

In addition to addressing environmental considerations such as energy efficiency and reducing environmental impact, JICPA is also enhancing the comfort and safety of the working environment to create a workplace where people can work in good health and with vitality. Through these initiatives, the JICPA Member Hall is evolving into a workplace where value is created through synergy among "society and the environment," "member CPAs," and "JICPA administrative staff."

Additionally, as part of efforts to contribute to a sustainable society, JICPA began calculating greenhouse gas (GHG) emissions at its headquarters in 2021. Currently, JICPA monitors and manages GHG emissions across the entire organization, including its regional chapters, and continues to implement measures to reduce environmental impact*2.

JICPA will continue to pursue sustainable facilities operations from both environmental and social perspectives as we work to fulfill our social responsibility.

CASBEE Assessment

List of CASBEE certified Buildings/ Projects (in Japanese)
https://www.ibecs.or.jp/CASBEE/certified_buld/CASBEE_certified_buld_list.htm

*1 The "Comprehensive Assessment System for Built Environment Efficiency (CASBEE)" is a Japanese assessment system for comprehensively evaluating the environmental quality (comfort, functionality, etc.) and environmental load (energy saving, reduced environmental impact) of buildings, which ranks buildings on a five-point scale from S to C. An A Rank represents a high level of environmental performance for a building.
"CASBEE Wellness Office (CASBEE WO)" is a comprehensive assessment system for the level of the health, comfort, safety, and intellectual productivity of the people working in an office, with an S Rank being the highest assessment.
The CASBEE assessment of the JICPA Member Hall is included in the office list of CASBEE Certified Buildings/Projects published by the Institute for Built Environment and Carbon Neutral for SDGs (IBECs). The CASBEE WO assessment for JICPA Member Hall is also included in corresponding official list.

*2 **Publication of greenhouse gas emissions data for FY2024**
https://jicpa.or.jp/english/news/2026/20260310jiq.html

To create deeper mutual understanding with the members of society, JICPA shares information on our activities and initiatives by CPAs using various PR tools and produces a wide range of content, including creating explanatory videos.

Brand Movie

Our Brand Movie was created as part of our branding initiative to make CPAs feel more familiar.

Short Videos

JICPA has created short explanatory videos on the details of the work of CPAs. These videos are used as PR tools at business offices and schools.

PR Films

"Shinjin kouninkaikeishi Shota [Rookie CPA Shota]"

"Shinjin kouninkaikeishi Shota [Rookie CPA Shota]" is an anime depicting the work of auditing created with the goal of making the CPA profession feel more familiar.

"Tenkousei wa kouninkaikeishi [Transfer Student CPA]"

"Tenkousei wa kouninkaikeishi [Transfer Student CPA]" is an anime that introduces the CPA profession to middle school and high school students. It was created with an accompanying anime book (manga-style illustrated booklet depicting the story of the anime as is).

PR Tools

CPA & JICPA

"CPA & JICPA" introduces the CPA profession and JICPA.

FOR OUR FUTURE

Created for aspiring CPAs, "FOR OUR FUTURE" introduces the details of the work of CPAs and includes interviews with licensed CPAs and people who have passed the CPA Examination.

Kaikei wa, kochiradesu [What Accounting is All About]

"Kaikei wa, kochiradesu [What Accounting is All About]" covers the accounting literacy needed to understand economic activities and to play an active role in society on a broader scale.

Details about our PR contents are provided on the following website.

PR Tool Library (in Japanese)
https://jicpa.or.jp/sitemap/tool_library.html

Building trust, empowering our future
jicpa
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