

Statement from Chairman

Statement Relating to Recent Corporate Scandals and Auditor's Response

December 15, 2011

The Japanese Institute of Certified Public Accountants (JICPA)
Shozo Yamazaki, Chairman and President

On December 14, 2011, Daio Paper Corporation and Olympus Corporation submitted correction reports. Prior to this, the special investigation panel and the third-party committee released reports of their findings. JICPA, as a self-disciplinary professional body, has already launched its own investigation into the past audit engagements of the CPAs and the audit firms. Based on the findings from our investigation, JICPA will implement appropriate measures, in accordance with its constitution.

In the above mentioned reports, the finding of issues included, among other issues, related-party transactions, using the work of experts, and the relationship between external auditors and company's auditors, as well as the change and succession of auditors. For all of these issues, auditor's response and procedures have been specified in the related Acts and JICPA statements, such as Auditing Standards Committee Statements. While I am fully convinced that our members have carried out their work faithfully and in an independent manner, I hereby, again, urge all our members to ensure that audits are performed appropriately, and with due professional care.

As stated in the November 30, 2011 press release, audits conducted by CPAs are performed on the premise that appropriate corporate governance is in effect. Users of financial statements, such as investors, ultimately rely on audits conducted by CPAs and audit firms, as a foundation for the appropriate disclosure system of financial information. Again, I ask all of the JICPA members to consider carefully the expectation from the public, and continue with their work to conduct proper audits.