



# **Vision for the future** of integrated reporting and the role of CPAs

Building a corporate reporting model to support sustainable value creation

## I Need for corporate reporting model to support sustainable value creation

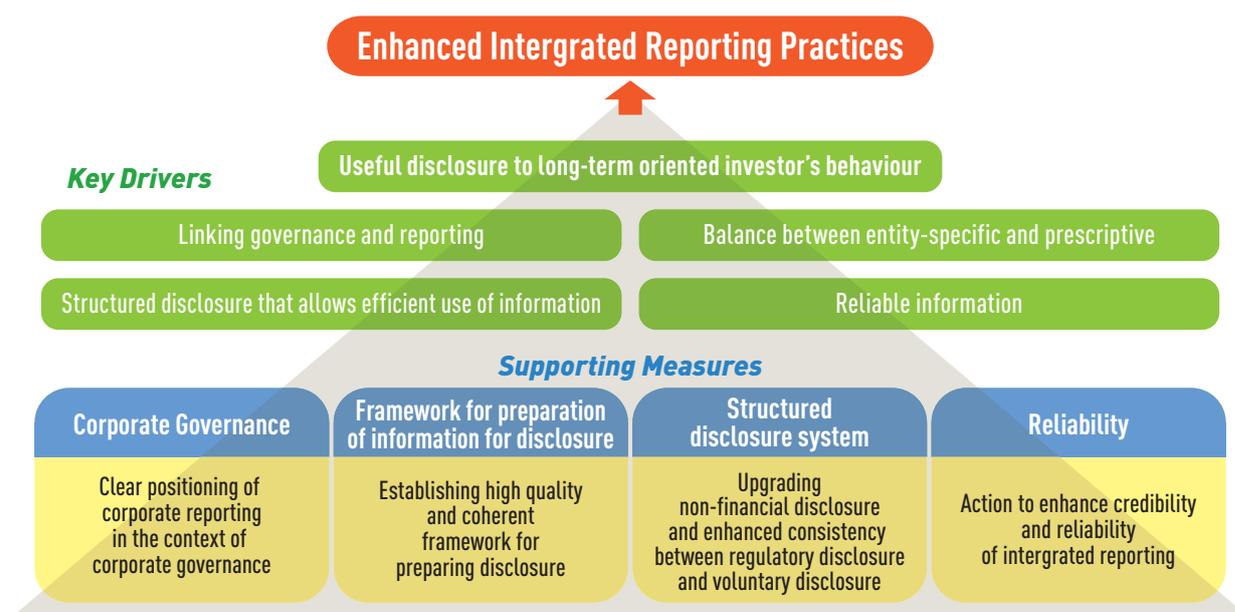
Corporate reporting is in the midst of a great transformation. The importance of non-financial information is increasing due to diversification of the sources of corporate value and needs for responding to ESG requirements on businesses. From the perspective of serving as a basis for the sustainable value creation in the economy and society at large, future-oriented corporate reporting with a focus on the value creation processes is crucial.

## II Building a corporate reporting model based on an integrated reporting concept

Long-term perspectives on resource allocation and a monitoring process in the investment chain consisting of companies and investors are the twin pillars of sustainable value creation cycles. By building a corporate reporting model based on an “integrated reporting” concept, which communicates a holistic view of value creation processes in a concise manner and focuses on the vision, business model and strategy, it is possible to both assist investor activities with a long-term perspective and contribute to the establishment of corporate governance and integrated thinking that focuses on creating value.

## III Key drivers and supporting measures toward enhanced integrated reporting practices

In addition to the efforts to disseminate integrated reporting practices, it is crucial to improve the quality of integrated reports. The aim is to build a corporate reporting model that support sustainable value creation. To achieve high quality integrated reporting practices, it is necessary to share understanding of the importance of the 'five key drivers' and to work on the 'four supporting measures'.



## IV Role of CPAs

To realize sustainable value creation, certified public accountants (CPAs) are expected to play a leading role in enhancing reliability of reporting in light of changing corporate reporting circumstances. CPAs are required to achieve higher levels of expertise, including strategic viewpoints, by building on their core competence in the disclosure of corporate information, professional ethics and a sense of responsibility. Furthermore, CPAs face an increasing need to enhance and expand their knowledge and experience to play a key role in promoting corporate governance both from within and outside companies.

## V JICPA policy on integrated reporting initiatives

JICPA is committed to play a leadership role in enhancing corporate reporting in Japan to ensure that it will strengthen a platform for reinvigorating capital markets and better adapting to changes in society and economy to achieve better community for all. JICPA will promote wide-ranging activities in all areas such as research, proposals, participation and the human resources development, while coordinating effectively with related parties.