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**FEATURES AND CULTURE OF FINANCIAL REPORTING IN JAPAN**

Japan's accounting system is one of the most interesting in the world. The features of the country's economic development, its achievements in the advanced fields of scientific and technological progress, the ability to quickly respond to the changing conditions of the world market attract attention to it.

The reasons for the country's economic success are some historical features of Japan's development and certain regularities of the modern model of stimulating the Japanese economy. Thus, the historical features of the development of the Japanese state are largely related to the specifics of the Japanese mentality, which is based on the harmonious integration of the achievements of other states (USA, Great Britain, Germany, Italy, France) and Japanese individuality. Japanese individuality is manifested in the hierarchical value system of the people, which is based on Japanese spirituality, Chinese scholarship and European knowledge. In addition, there is a hierarchical and collective consciousness in the relationships between employees of different management levels, which are respectively integrated into the model of firm management and the macroeconomic model of country management [1].

Financial reporting in Japan has several distinctive features that distinguish it from the standards adopted in other countries. Here are some of the key features:

1. Japanese Financial Reporting Standards (JGAAP). Japan uses its own financial reporting standards known as JGAAP (Japanese Generally Accepted Accounting Principles). They differ from international financial reporting standards (IFRS) and American standards (US GAAP). However, many large Japanese companies, especially those listed on international exchanges, may also provide financial statements in accordance with IFRS. The private sector standards-setting body (the Financial Reporting Standards Board) was established in Japan in 2001 as a result of trends toward standardization and harmonization of national accounting and reporting rules in accordance with international requirements. Despite the long implementation process, currently International Financial Reporting Standards are allowed for use only by public companies [2].

2. The "residual" system (Kaisha Keiei). In Japan, many companies use the balance-based reporting system (Kaisha Keiei), which places more emphasis on balance sheets and asset management than on profit and loss. This is done to increase the financial stability and long-term stability of the company. Local budgets in Japan are drawn up without a deficit. In addition to the total balance of the year, the real balance is taken into account, which is calculated by excluding the balance of financial resources of the previous year from the total balance.

3. Traditions and corporate culture. Japanese companies traditionally pay attention to long-term stability and relationships with partners, which affects their approach to financial reporting. In particular, they may refrain from disclosing short-term financial results in order to maintain stability and avoid fluctuations in stock markets. The financial system depends on the company's prestige, which determines its access to external financial sources [3].

4. Relations with banks (Main Bank System). Banks play an important role in the financial life of Japanese companies, as they are often the main lenders and have representatives on the company's boards of directors. This affects financial reporting, as companies can provide more detailed financial information to banks than to shareholders. Japan is the most powerful banking center and international creditor. Export of capital is the main form of its foreign economic activity. Most Japanese capital works in the USA, Asian countries, Western Europe, and Latin America [4].

5. Consolidated reporting. In Japan, as in other countries, large groups of companies are required to prepare consolidated financial statements. However, there are certain peculiarities, for example, regarding the accounting of subsidiaries and the use of the equity method. At the same time, in Japan, the consolidation of financial statements was not applied until 1976 [5].

6. Compliance with corporate governance norms. In order to increase transparency and investor confidence, Japanese companies are required to comply with corporate governance norms. This includes providing detailed information on the governance structure, audit and risk policies.

These features reflect the specifics of the Japanese corporate culture and economic environment, which makes financial reporting in Japan unique. Since the level of integration of Ukraine into the world economy is increasing, studying the Japanese experience is important for the formation of the most optimal way of convergence of accounting and reporting to international standards.

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