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U.S. Securities and Exchange Commission
100 F Street, NE Washington DC 20549

Japanese Bankers Association

JBA response to SEC Request for Comment on Climate Change Disclosures

Dear Sirs/Madams:

The Japanese Bankers Association[1] (JBA) appreciates the opportunity to provide comments on "The U.S. Securities and Exchange Commission (SEC) request for comment on Climate Change Disclosures" published on March 15, 2021.

As climate change disclosure is a common global issue and various standards are being developed in the EU as well as in other regions, a globally harmonized framework is urgently needed. In this context, we welcome the review and discussion by SEC to develop a more comprehensive framework that produces a consistent, comparable, and reliable climate-related disclosure on climate change. We hope our comments will be useful for future discussions at SEC.

Need for global alignment

To ensure global consistency and comparability and to avoid regulatory fragmentation, an internationally consistent framework for the reporting of climate-related information is needed. Also to minimize any compliance burden for issuers while providing investors with the material, consistent, comparable and reliable information they need in order to make investment decisions, JBA believes that SEC climate disclosure rule should be a minimum requirement that is consistent with the existing Taskforce for Climate-related Financial Disclosures (TCFD) framework and the global sustainability reporting standard to be established by IFRS Foundation Trustee which is encouraged by IOSCO[2].

Needless to say, the TCFD recommendations is an internationally well-established disclosure framework for climate-related financial information. More than 2,000 companies and institutions, including financial institutions, have expressed support for TCFD globally, including 401 Japanese companies[3] and many firms have already invested substantial resources in establishing voluntary reporting processes under this framework. In addition, the IFRS Foundation Trustee, the body that sets International Financial Reporting Standards (IFRS), is in the process of developing a unified, comparable and consistent disclosure framework for sustainability, including climate-related financial information, taking into account the TCFD recommendations. It is our understanding that the IFRS Foundation Trustee is in the middle of developing a unified framework for sustainability disclosure based on the TCFD recommendations, and we have urged the framework to be aligned with the TCFD recommendations[4].

JBA supports the IFRS Foundation's initiative to create a global sustainability reporting standard[5]. We also support the proposal made by the Japan Exchange Group[6] to revise Japan's Corporate Governance Code to

[1] The Japanese Bankers Association is the leading trade association for banks, bank holding companies and bankers associations in Japan. As of June 11, 2021, the JBA has 114 Full Members (banks), 3 Bank Holding Company Members (bank holding companies), 74 Associate Members (banks & bank holding companies), 58 Special Members (regionally-based bankers associations) and one Sub-Associate Member for a total of 250 members. Several of its largest member banks are active participants in the US financial markets.
[2] https://www.iosco.org/news/pdf/IOSCONEWS603.pdf
[3] TCFD supporters as of May 28, 2021 https://tcfd-consortium.jp/en/about
[4] https://www.ifrs.org/news-and-events/news/2021/04/ifrs-trustees-publish-institutional-arrangements-for-proposed-new-sustainability-standards-board/
[5] JBA comments on the IFRS Consultation Paper on Sustainability Reporting, December 29, 2020 https://www.zenginkyo.or.jp/fileadmin/res/en/news/news201229.pdf
[6] Supplementary Principles 3.1.3 at https://www.jpx.co.jp/english/rules-participants/public-comment/detail/d01/e20210407-01.html

enhance the climate-related disclosure based on the TCFD recommendations or equivalent international frameworks for prime market listed companies.

The Financial Stability Board (FSB) is currently working on climate-related disclosure to promote globally consistent and comparable disclosures by companies based on the TCFD recommendations and is planning to publish a roadmap to G20 in July. In addition, the Basel Committee for Banking Supervision (BCBS) and the G20 Sustainable Finance Working Group (SFWG) are also working to create a consistent sustainability/climate change disclosure framework.

We encourage SEC to align U.S. standards with the global framework that FSB and other international setting bodies plan to propose. JBA believes that the future SEC disclosure framework should avoid a prescriptive approach that may create practical challenges in preparing disclosure materials.

Direct impact for the foreign SEC registered company

JBA members primarily consist of non-U.S. financial institutions headquartered in Japan, but we note that the 2010 guidance on climate-related disclosures applies not only to U.S. companies but also to non-U.S. SEC registered companies that are subject to filing of Form 20-F.

Given the SEC disclosure framework will be established after this consultation process, the framework will have a significant direct impact to Japanese SEC-registered companies, including financial institutions. The future SEC climate disclosure rule should provide minimum standards for corporate disclosures (as discussed in our response to Question 3) and be consistent with the TCFD framework and the global sustainability reporting standard to be established by the IFRS Foundation Trustee. Without the alignment, firms will have to prepare multiple disclosure materials describing the same reality/substance.

This principle will minimize any compliance burden for issuers while providing investors with the material, consistent, comparable and reliable information they need for investment decisions. We respectfully request SEC to continue discussions and engagement with various stakeholders not only in the U.S. but also globally, including the IFRS Foundation Trustee.

Specific comments

We have provided further comments to the specific questions for your kind consideration in the Annex.

(End)

[Specific Comments to 15 questions]

Questions	Comments
1. (1) How can the Commission best regulate, monitor, review, and guide climate change disclosures in order to provide more consistent, comparable, and reliable information for investors while also providing greater clarity to registrants as to what is expected of them? (2) Where and how should such disclosures be provided? (3) Should any such disclosures be included in annual reports, other periodic filings, or otherwise be furnished?	[(1)-(3)] From banks' perspective, we expect SEC to coordinate with banking regulators such as central banks and to align regulatory requirements for banks related to non-financial information including climate change. This means that to meet the disclosure requirements, banks need to gather clients' information from materials disclosed or provided by clients. It is desirable if we can obtain clients' material information from issuer's SEC periodic reports such as Form 10-K which will guarantee the reliability of disclosed information. The detailed climate change-related information such as metrics or data which are not included in the Form 10-K can be included in the corporate's annual report as one of the data sources for investors and banks. However, we believe that disclosure of climate change related information should not be required to be included in a stand-alone sustainability report. If SEC registrants/issuers are required to make climate-related disclosures on an annual basis, they should be permitted flexibility as to when during the course of the year they make those disclosures, as opposed to being required to make those disclosures at a specific time during the year imposed SEC. This flexibility will make compliance less burdensome for global institutions.
2. (1) What information related to climate risks can be quantified and measured? (2) How are markets currently using quantified information? (3) Are there specific metrics on which all registrants should report (such as, for example, scopes 1, 2, and 3 greenhouse gas emissions, and greenhouse gas reduction goals)? (4) What quantified and measured information or metrics should be disclosed because it may be material to an investment or voting decision? (5) Should disclosures be tiered or scaled based on the size and/or type of registrant)? (6) If so, how? (7) Should disclosures be phased in over time? (8) If so, how? (9) How are markets evaluating and pricing externalities of contributions to climate change? (10) Do climate change related impacts affect the cost of capital? if so, how and in what ways? (11) How have registrants or investors analyzed risks and costs associated with climate change?	[(1)-(4) etc.] Generally, we are still in a development stage on how to utilize metrics and trying to find a way to disclose with comparable and consistent metrics due to lack of globally standardized methodologies. It is important to consider the current practice and level of maturity of methodologies for any next step for the disclosure of metrics. Otherwise, as there is an issue on consistency in metrics used by each entity, this may cause concern that when we disclose metrics, investors might misunderstand or have difficulty in comparison with other financial institutions. In relation to the metrics on GHG emission, we understand that carbon footprint (Scope3) is useful for investment decision-making and stakeholder communications. On the other hand, there are many companies that do not collect or disclose their carbon footprint and there is also an issue on lack of comparable methodologies. These issues could be relieved by standardization of metrics related to carbon footprint measurement or disclosure of carbon footprint reference data of each sector by the government, which will encourage banks to disclose their Scope 3 GHG emissions and to utilize it for investment / loan and management decision-making. SEC should build on the established work and accumulated knowledge of TCFD framework on the disclosure of climate-related quantified information or specific metrics. Please note that the TCFD recommendations may soon be revised including supplemental guidance on forward-looking metrics following from the TCFD's public consultation process in late 2020 to earlier this year.

(12) What are registrants doing internally to evaluate or project climate scenarios? (13) What information from or about such internal evaluations should be disclosed to investors to inform investment and voting decisions? (14) How does the absence or presence of robust carbon markets impact firms' analysis of the risks and costs associated with climate change?	[(1)] Climate risks can be quantified and measured by scenario analysis, and some of the JBA member banks conducted scenario analysis for their portfolio related to certain selected sectors on transition risk and physical risk using various data from clients, publicly available data and third-party data source. However, there is a lack of available data to expand the scope of the scenario analysis, including data on the difference of impact of physical risk analysis due to clients' location, GHG reduction target and results as well as GHG emissions intensity. We need such data which is useful to understand the clients' climate change risk initiatives. [(3)] We recognize that Scope 1,2 &3 and Carbon footprint are useful sources of information for banks' decision-making as well as for communication with stakeholders (e.g. investors). On the other hand, from banks' perspective, there are many companies that do not collect or disclose their carbon footprint. That is the reason why obtaining or estimating GHG emissions is a major issue for the banks. (we recognize that the Global Standards have not yet been established regarding the estimation methodology). The above-mentioned issues could be relieved by (i) standardization of metrics related to carbon footprint measurement and/or (ii) disclosure of carbon footprint reference data of each sector by the government. Both domestic (i.e. between different agencies in the U.S.) and international standardization of and coordination on disclosure requirements and metrics are critical. We would strongly ask SEC to take part in standardizing metrics and/or encourage governments to disclose relevant data, as these activities are expected to boost the disclosure of banks. Also, we would like SEC to enhance the industry- or sector-specific disclosure of the relevant KPIs, especially for carbon-intensive sectors such as electric power and transportation sector, including scopes 1, 2 and 3 GHG emissions. [(7), (8)] Climate-related disclosure requirements should be phased in gradually, particularly given that there are currently some data gaps and the lack of the established methodology for quantification and that disclosure requirements should be updated on an ongoing basis. In addition, disclosure requirements should be flexible enough to accommodate evolving climate-related risks and risk-assessment practices. It is also expected that the engagement will be required to acquire clients' information. It will require sufficient time to give a thorough explanation to get the understanding/cooperation from clients. [(10)] We recognize that the climate change related impacts could affect the cost of capital, in the result of incorporating clients' climate change risk factors into credit risk assessment process. When the risk is reflected in the default rate and parameter such as PD deteriorated, it directly triggers the bank's RWA increase, which potentially result in the increase of required capital (i.e. increased cost of shareholders' equity). On the other hand, we acknowledge that it is extremely difficult to establish the methodology. If we are to incorporate

	those risks into Borrower Rating, we recognize that we ought to clarify the connection and correlation between the risk and default rate and that the methodology will be established by the validation. However, the major bottleneck is, since the time horizon of climate change/environmental risk is as long as 30-50 years, that we cannot conduct back testing. Hence, we understand that it is extremely difficult to measure the degree of impact on the cost of capital at the moment due to lack of global standard methodology that confirms the connection between the risk and PDs. [(11)] Calculate risks participating in projects such as UNEP FI TCFD Pilot Project to gather information seeking standardized methodologies. [(12)] Scenario analysis development and climate related risks calculation [(13)] Results of risk analysis are usually disclosed in IR documents based on an instruction of TCFD etc.
3. (1) What are the advantages and disadvantages of permitting investors, registrants, and other industry participants to develop disclosure standards mutually agreed by them? (2) Should those standards satisfy minimum disclosure requirements established by the Commission? (3) How should such a system work? (4) What minimum disclosure requirements should the Commission establish if it were to allow industry-led disclosure standards? (5) What level of granularity should be used to define industries (e.g., two-digit SIC [Standard Industrial Classification Codes], four-digit SIC, etc.)?	[(1)-(5)] As the progress of transition to low carbon is different by industry, industry-led disclosure standards will cause wide range of difference in the level of disclosure and there is a gap between investors and SEC registrants/industry participants regarding the expectation level of climate change information disclosure. Investors expect much higher level of disclosure than SEC registrants/industry participants. The most useful information for investors using sustainability reporting is the impact of climate change on companies. In light of the urgency of addressing climate change, a single materiality approach that focuses first on investor and market participants will be beneficial as adopted in the TCFD framework. Therefore, we expect SEC to align regulatory requirements related to non-financial information including climate change and to set the unified and minimum standards which will raise the level of disclosure and enhance the comparability of disclosed data. As a result, it will help to mitigate the complexity of climate change risk analysis and enhance the accuracy of climate change risk analysis. Climate change related disclosure requirements should be well-tailored so as to seek only information that is required and fit SEC's investor protection mission—in order to minimize burden on registrants/issuers. [(5)] Some of our member banks have been developing internal Industrial Classification Standard based on GICS (Global Industry Classification Standard) and we consider that the granularity level of "GICS Sub Industry Code (8 digit)" should be used to define industries, as, in general, a high degree of granularity should be used to define industries, considering that certain industry sub-sectors may be well positioned to respond to the strategic risks and opportunities associated with climate change and the low-carbon transition. SEC should consider the practice and work across jurisdictions to seek

	consensus on the degree of granularity of disclosures in multiple jurisdictions.
4. (1) What are the advantages and disadvantages of establishing different climate change reporting standards for different industries, such as the financial sector, oil and gas, transportation, etc.? (2) How should any such industry-focused standards be developed and implemented?	[(1), (2)] Materiality is different by each industry, therefore we support SASB's sector-specific standards including basic common reporting standards, and we would like SEC to enhance the industry- or sector-specific disclosure of the relevant KPIs, especially for carbon-intensive sectors such as electric power and transportation sector, including scopes 1, 2, and 3 GHG emissions. In order to reduce environmental burden and risks associated with the portfolios in accordance with the Paris Agreement, many financial institutions have promoted to set carbon intensity as one of their KPIs for specific sectors, following certain guidelines such as PACTA, SBTi for financial institutions, Transition Pathway Initiative. For example, for automobile manufacturers, not only Scope 1 and Scope 2 emissions, but also Scope 3, which includes emissions by vehicles they manufacture, are important. It is thus necessary to measure carbon intensity as a KPI to compare the status of CO2 emissions across the industry or manage environmental burden in their portfolios. Therefore, we would like to request that SEC to issue guidelines for each industry, including recommended KPIs for disclosure similar to SASB standards. [(1)] From banks' perspective, there are supervisory expectations to enhance the climate-related risk management framework. For example, in the EU, JBA understands that the European Banking Authority (EBA) has its mandate to consider how to include the climate-change factors to current disclosure framework. Also, the TCFD recommendations already have banks-specific factors, and the Executive Order on Climate-Related Financial Risk issued by the President Biden on May 20, 2021 states that the Secretary of the Treasury, as the Chair of the Financial Stability Oversight Council, shall issue a report on the necessity of any actions to enhance climate-related disclosures by regulated financial entities. The JBA requests that a tailor-made treatment will be considered in the SEC's sustainability reporting framework, which is specific to regulated entities like banks, and SEC should create an industry-specific climate disclosure framework for banks, as we face specific considerations and issues, and any such industry-specific standards should be created in consultation with the industry. [(1)] Also, SEC should take into account that financial sector relies on disclosure from corporate counterparties or banks will have to collect information from their clients in order to make climate-related disclosures. In other words, enhancement of disclosure from corporate sector is indispensable to enhance financial institutions' disclosure. In order to satisfy the disclosure requirement for financial sector to reflect the impact of their investments and loans, it requires financial sector to obtain clients' data, which is not fully available at this stage, including GHG emission data. It is therefore important that disclosure guidelines for financial sector will consider the current disclosure by corporate sector and will enhance the availability and quality of data and information from corporate sector as well. It will enhance data availability and comparability (i) to have guidelines on the minimum list of disclosure requirements both for financial sector and non-financial corporations and (ii) to standardize the data classification of data. In order to design a flexible disclosure system incorporating industry or sector characteristics while maintaining the consistency of reporting standards, we believe that it is preferable to set recommended disclosure items for each sector based on a uniform standard applicable across

	industries developed in light of the TCFD recommendations.
5. (1) What are the advantages and disadvantages of rules that incorporate or draw on existing frameworks, such as, for example, those developed by the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the Climate Disclosure Standards Board (CDSB)?[*] (2) Are there any specific frameworks that the Commission should consider? (3) If so, which frameworks and why? *This list is not meant to be exhaustive, and should also be construed to include potential successor organizations. *See, e.g.*, IIRC and SASB announce intent to merge in major step towards simplifying the corporate reporting system (Nov. 25, 2020).	[(1)] Disclosure requirements should be principles-based and allow for some flexibility but should still lay out some minimum requirements. The future SEC climate change disclosure rule should provide minimum disclosure requirements that are consistent with the existing TCFD disclosure framework and the global sustainability reporting standard to be established by the IFRS Foundation Trustee and encouraged by IOSCO. According to the latest TCFD Status Report published in October 2020, more than 1,500 global companies have already disclosed sustainability-related information in accordance with the TCFD recommendations. This includes many Japanese financial institutions and large companies. The TCFD framework is a voluntary one. However, having multiple standards will create and would lead to confusion and lack of comparability to companies including financial institutions, as well as investors, who are the beneficiaries of ESG disclosures. Moreover, having multiple standards may result in a “race-to-the-bottom” issue. In order to ensure international coherence and a widespread use, it is important to have a flexible framework. Therefore, sustainability reporting standards should be “principle-based”, to ensure comparability. In light of this point, we suggest you refer to the examples of TCFD recommendations, which are flexible and are already widely used internationally as a disclosure framework. The TCFD framework demonstrates the importance of a certain degree of flexibility in the disclosure framework while securing comparability. On the other hand, the TCFD framework lacks comparability, and we hope that these aspects will be reflected in the development of new disclosure standards. SEC should develop a framework that is easy to use and not confusing for companies and investors, for example, by referring to the terminology used in the TCFD framework so that stakeholders have common language to use. Many firms have already invested substantial resources in establishing voluntary reporting processes under this framework. When the IFRS Foundation Trustee develops a unified framework for sustainability disclosure based on the TCFD recommendations, it is expected that the framework will be equivalent to the TCFD recommendations. Therefore, we request SEC to continue discussions and engagement with various stakeholders not only in the U.S. but also globally, including the IFRS Foundation Trustee. Standardized definitions are useful but need to be flexible enough to foster innovations and facilitate transition. Limiting the flexibility of definitions would limit the future development of risk management framework at each financial institution. Considering banks’ business model and proportionality, a flexible approach should be allowed.
6. (1) How should any disclosure requirements be updated, improved, augmented, or otherwise changed over time? (2) Should the Commission itself carry out these tasks, or should it adopt or identify criteria for identifying other organization(s) to do so? (3) If the latter, what organization(s) should be responsible for doing so, and what role should the Commission play in governance or funding?	[(1)-(6)] As IIRC and SASB are merged, it is expected that the various existing standards will be put together in the future. This flow will support SEC to designate an ESG disclosure standard setter such as SASB. We expect SEC to review whether or not the standard setter’s standards are aligned with the regulatory requirements and the standard is updated periodically meeting the regulators requirements.

(4) Should the Commission designate a climate or ESG disclosure standard setter? (5) If so, what should the characteristics of such a standard setter be? (6) Is there an existing climate disclosure standard setter that the Commission should consider?	
7. (1) What is the best approach for requiring climate-related disclosures? (2) For example, should any such disclosures be incorporated into existing rules such as Regulation S-K or Regulation S-X, or should a new regulation devoted entirely to climate risks, opportunities, and impacts be promulgated? (3) Should any such disclosures be filed with or furnished to the Commission?	[(2)] We think it is more reasonable that nonfinancial information is regulated by a same regulation. From this perspective, we think climate change-related disclosures should be incorporated into existing Regulation S-K. Rather than adopting a new stand-alone regulation regarding climate change disclosures, any changes in the regulations should be made in the universal disclosure regulation – Regulation S-K. We do not think that a separate regulation dealing with financial statement disclosures under Regulation S-X is necessary or warranted. Issuers should continue to have discretion in determining which line items or footnotes in their financial statements should include quantification or disclosure of the impact of climate change, based on their particular circumstances and their assessment of materiality.
8. (1) How, if at all, should registrants disclose their internal governance and oversight of climate-related issues? (2) For example, what are the advantages and disadvantages of requiring disclosure concerning the connection between executive or employee compensation and climate change risks and impacts?	[(1)] We think material ESG issues and KPI are necessary to be disclosed in the Form 10-K. [(2)] The advantage of requiring disclosure concerning the connection between executive or employee compensation and climate change risks and impacts is that investors can evaluate the company's consciousness and measures toward the climate change, and it will enhance accountability and effectiveness. However, as the extent and magnitude of climate change risks and impacts may differ from industry to industry, this does not necessarily mean that climate change risks and impacts should be reflected in compensation.
9. (1) What are the advantages and disadvantages of developing a single set of global standards applicable to companies around the world, including registrants under the Commission's rules, versus multiple standard setters and standards? (2) If there were to be a single standard setter and set of standards, which one should it be? (3) What are the advantages and disadvantages of establishing a minimum global set of standards as a baseline that individual jurisdictions could build on versus a comprehensive set of standards? (4) If there are multiple standard setters, how can standards be aligned to enhance comparability and reliability? (5) What should be the interaction between any global standard and Commission requirements? (6) If the Commission were to endorse or incorporate a global standard, what are	[(1)-(6)] At this stage, each country/EU are already developing and try to implement the disclosure requirements with different level reflecting the country's business environment. Therefore, from the comparability and quality assurance, we think it is better for SEC to have a minimum global set of standards as a baseline rather than a comprehensive set of standards. JBA believes that globally consistent sustainability reporting standards are important in securing comparability and consistency of disclosure and SEC should establish the disclosure standards which are consistent with such global standards.

the advantages and disadvantages of having mandatory compliance?	
10. (1) How should disclosures under any such standards be enforced or assessed? (2) For example, what are the advantages and disadvantages of making disclosures subject to audit or another form of assurance? (3) If there is an audit or assurance process or requirement, what organization(s) should perform such tasks? (4) What relationship should the Commission or other existing bodies have to such tasks? (5) What assurance framework should the Commission consider requiring or permitting?	[(1)-(5)] We expect SEC to discuss the scope of assurance by auditors carefully, as it is still unclear how audit or external assurance perspective will be implemented in each jurisdiction for the information currently disclosed on a voluntary basis. Accordingly, requiring audit or another form of assurance will raise the hurdles to comply with the future SEC disclosure standards. From a credibility standpoint, the possibility of the auditability and external assurance of ESG information is understandable, but hasty implementation should be avoided as audit or assurance will remain difficult without common metrics and standards.
11. (1) Should the Commission consider other measures to ensure the reliability of climate-related disclosures? (2) Should the Commission, for example, consider whether management's annual report on internal control over financial reporting and related requirements should be updated to ensure sufficient analysis of controls around climate reporting? (3) Should the Commission consider requiring a certification by the CEO, CFO, or other corporate officer relating to climate disclosures?	[(1)] There should be a safe harbor against private litigation in the U.S. resulting from these disclosures. In particular, by legislation or rule it should be clear that disclosures regarding the impact of climate change are protected "forward-looking statements" as defined in the Securities Act of 1933, section 78u-5(c). This is a particular concern because most non-U.S. jurisdictions would offer such a safe harbor in connection with private litigation. [(1), (2)] SEC can enhance registrants to disclose the basis of nonfinancial information disclosed in the Form 10-K to other disclosure reports such as an annual report. Although climate change related information such as scenario analysis includes company's estimation and is difficult to certify, management should have a responsibility on the internal process of disclosure on nonfinancial information included in the Form 10-K. [(3)] However, we do not believe that a separate certification by the CEO and CFO in periodic SEC reports regarding the adequacy of any climate change disclosures is warranted or appropriate. The current certifications mandated by the Sarbanes-Oxley Act encompass the overall accuracy of the report. Singling out disclosures on climate change (or other disclosure topics) for special certifications will only increase the burden on issuers.
12. (1) What are the advantages and disadvantages of a "comply or explain" framework for climate change that would permit registrants to either comply with, or if they do not comply, explain why they have not complied with the disclosure rules? (2) How should this work? (3) Should "comply or explain" apply to all climate change disclosures or just select ones, and why?	[(1)-(3)] As a "comply or explain" framework for climate change disclosure makes it possible for SEC registrants to explain the reason that they cannot comply, this will enhance the transparency and flexibility and in light of difference in industry type and size of each company, it will be necessary and beneficial to use "comply or explain" framework for investors or stakeholders to understand current situation of SEC registrants. This framework does not need to be applied to all climate change disclosure requirements and it is better to be decided based on the difficulties of disclosure. We believe that analyzing the contents of the Explanation will be useful for considering the future shape of the SEC's rules.

13. (1) How should the Commission craft rules that elicit meaningful discussion of the registrant's views on its climate-related risks and opportunities? (2) What are the advantages and disadvantages of requiring disclosed metrics to be accompanied with a sustainability disclosure and analysis section similar to the current Management's Discussion and Analysis of Financial Condition and Results of Operations?	[(1)] We suppose that SEC registrants will request SEC the rules to be simple and to have flexibility. It should be clear that issuers have latitude to comment (if appropriate) on the possibility of positive impacts from climate change on their businesses – e.g., increased demand by customers of financial institutions for financing to facilitate capital investments in response to dealing with the effects of climate change. As noted in the TCFD's final report, while transition to a lower-carbon economy may entail certain risks, it may also present certain opportunities. [(2)] Requiring disclosed metrics to be accompanied with a sustainability disclosure and analysis section will meet the needs from the investors/ESG scoring companies to evaluate the company's ESG performance.
14. (1) What climate-related information is available with respect to private companies? (2) How should the Commission's rules address private companies' climate disclosures, such as through exempt offerings, or its oversight of certain investment advisers and funds?	[(1), (2)] There is a limitation on availability of climate-related information of private companies, and in such case, approaches such as (i) by encouraging information disclosure through steady engagement and by collecting information via client hearings and (ii) by purchasing data from external vendors can be considered. However, what kind of and to what extent information can be captured is unknown at this time. Therefore, it is expected for them from banks' perspective to disclose minimum level of information same as public listing companies.
15. (1) In addition to climate-related disclosure, the staff is evaluating a range of disclosure issues under the heading of environmental, social, and governance, or ESG, matters. Should climate-related requirements be one component of a broader ESG disclosure framework? (2) How should the Commission craft climate-related disclosure requirements that would complement a broader ESG disclosure standard? (3) How do climate-related disclosure issues relate to the broader spectrum of ESG disclosure	[(1)-(3)] We believe that SEC should focus first on developing disclosure standards related to climate change. Given addressing climate change is an urgent global issue, it is appropriate to begin with the development of climate-related disclosure standards from a priority perspective. As there are issues to be considered in establishing comparable sustainability reporting standards, such as clarification of definitions and identification of specific disclosure elements, we believe it is appropriate to begin with the development of climate-related reporting standards and then start to consider other factors of E,S and G in later stage.

(End)