

NIPPON KEIDANREN
《Japan Business Federation》

9-4, OTEMACHI 1-CHOME, CHIYODA-KU, TOKYO 100-8188, JAPAN

April 8, 2008

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-05-08
Comments to Proposed Rule Release No. 33-8900
("Foreign Issuer Reporting Enhancements")

Dear Ms. Morris,

Nippon Keidanren (Japan Business Federation) is a comprehensive economic organization consisting of 1,400 major Japanese companies. Nippon Keidanren's Sub-Committee on Accounting discusses issues relating to topics such as accounting, disclosure and audit systems, and coordinates the views of Japanese companies on such topics as a representative of its member companies.

As a follow-up to the comments we submitted on September 18, 2007 to the Proposed Rule Release No. 33-8818, this letter summarizes the views of major Japanese companies that file annual reports on Form 20-F (the "Form 20-F") with the U.S. Securities and Exchange Commission (the "SEC"), and expresses the collective views of such major Japanese companies concerning the proposal in the Proposed Rule Release No. 33-8900 to accelerate the due date of the Form 20-F for foreign private issuers ("FPIs").

We submitted for the SEC's consideration the following comments to the question in the Proposed Rule Release No. 33-8818 relating to the possibility of shortening the filing period applicable to the Form 20-F filed by FPIs:

1. First of all, the focus of this question should be limited to those FPIs that

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prepare IFRS financial statements in English, and should not be applied generally to all FPIs. Japanese companies that file their annual reports on Form 20-F with the SEC, in particular, have the following concerns:

- 1) Japanese companies that file their annual reports on Form 20-F with the SEC require an adequate period of time to complete their annual reports because they engage in double the amount of disclosure and audit preparatory work – first, in connection with their Japanese annual reports that are required to be prepared and filed with the Japanese regulatory authorities within three months of their fiscal year end in accordance with Japan’s Financial Instruments and Exchange Law, and second, in connection with their annual reports on Form 20-F.
 - 2) When preparing their annual reports on Form 20-F, Japanese companies require additional time to understand legal developments in the United States. The practice of these Japanese companies is to indirectly confirm and review all disclosure-related regulatory developments in the United States, mainly through their U.S. counsel.
 - 3) Japanese companies also require extra time to translate their information into English in connection with the preparation of their annual reports on Form 20-F, when compared with U.S. or FPIs that prepare their original reports in English.
2. Japanese companies that currently file annual reports on Form 20-F with the SEC have been preparing their annual reports on Form 20-F based on a schedule that allows for filing within six months of their fiscal year end. Should the SEC propose to shorten the filing period for annual reports filed on Form 20-F by FPIs (notwithstanding the comments discussed in paragraph 1. above), Japanese companies will need adequate preparatory time to change their internal reporting systems and procedures for preparing their annual reports on Form 20-F before any such proposal becomes effective.

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We appreciate the fact that the SEC has considered our comments submitted in connection with the Proposed Rule Release No. 33-8818 and is asking again for further comments in the Proposed Rule Release No. 33-8900. Please find below our comments to some of your questions in the order presented in the current Proposed Rule Release .

[Comments solicited: 9]

“Would accelerating the due date for Form 20-F annual reports be beneficial for investors?”

We do not believe that accelerating the due date for the Form 20-F would significantly benefit investors. Japanese SEC reporting companies submit an English translation of their fiscal year end business results on Form 6-K to the SEC soon after disclosing their fiscal year end business results in Japan in compliance with applicable Japanese regulations. Many companies customarily submit such year-end results on Form 6-K within 45 days of the fiscal year end. We believe that investors typically make investment decisions based on the fiscal year end business results disclosed in the Form 6-K or news release materials rather than waiting to review the information provided in the Form 20-F. For the most part, investors primarily review the Form 20-F, which present information in a prescribed organized manner, to confirm the fiscal year end business results that were previously provided on Form 6-K. Accordingly, we believe that the benefits to be derived from accelerating the due date for the Form 20-F would be limited for investors.

[Comments solicited: 10 and 11]

“Would accelerating the due date for filing annual reports on Form 20-F impose any unreasonable burdens on FPIs?”

“Should different due dates be imposed on FPIs depending on whether their disclosure was originally prepared in a foreign language and needs to be translated into English?”

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For these questions, please reconsider our previous comments 1), 2) and 3) of Paragraph 1. to the Proposed Rule Release No. 33-8818 (reproduced above for your convenience). We would like to supplement our previous comments in particular to your proposal to impose a 90-day filing period due date for large accelerated filers.

As previously stated in 1) of Paragraph 1., Japanese publicly reporting companies are required to file Japanese annual reports, the official Japanese disclosure document, with the Japanese regulatory authorities within three months after their fiscal year end. Instituting the same due date for the Form 20-F would not be appropriate because many Japanese SEC reporting companies prepare their Japanese annual reports first, and then prepare their Form 20-F. Disclosure requirements differ greatly between the Japanese annual report and Form 20-F. Because of such significant differences, even after Japanese companies have prepared their Japanese annual reports, a significant amount of additional effort is still needed to prepare information required for Form 20-F purposes. For example, the MD&A and Supervision and Regulation sections required on Form 20-F are unique to the Form 20-F. In recent years, the SEC has required enhanced disclosure particularly with respect to the MD&A section. To respond to these enhanced SEC disclosure requirements, Japanese SEC reporting companies are required to provide greater detail with respect to their financial analyses. Primarily because of these enhanced disclosure requirements with respect to the MD&A section Japanese companies need additional time.

In addition, Japanese companies must translate financial statements prepared in Japanese into English for the Form 20-F. Since the Japanese and English languages differ greatly in terms of grammar and styles of expression, translating a Japanese document into English requires more time as compared to translating a document in many other languages into English.

Considering the above matters, we believe a considerable amount of time should be given to Japanese SEC reporting companies in addition to the proposed 90-day filing period due date.

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Please also note that Japanese issuers in certain regulated industries (such as banking) that are also SEC reporting companies are required under applicable Japanese laws and regulations to prepare consolidated financial statements in accordance with Japanese GAAP. After preparing their consolidated financial statements in accordance with Japanese GAAP, these issuers must reconcile their financial figures in accordance with U.S. GAAP and prepare the disclosure required for their Form 20-F. Please note that these issuers must incur even more time and effort, as they must prepare their financial statements in two formats – one set prepared in accordance with Japanese GAAP and the additional set prepared to reconcile the Japanese GAAP financial figures to U.S. GAAP.

[Comments solicited: 12]

"Should the deadline for filing Form 20-F annual reports be linked to the issuer's home country requirements for filing annual reports? If so, should the deadline be the same as the one in the issuer's home country, or should it be on a delayed basis, such as one or two months later? If you believe that the deadline for filing Form 20-F should be linked to the issuer's home country requirements, should the foreign private issuer be responsible for submitting supporting materials that indicate when annual reports are due in its home jurisdiction . . . to the Commission at the time of its Form 20-F submission? Would varying deadlines . . . cause confusion for investors?"

We agree with the SEC that the deadline for filing the Form 20-F should be linked to the issuer's home country requirements for filing annual reports. As expressed in our comments to Nos. 10 and 11 above, Japanese companies undertake additional steps that they would not otherwise have to undertake in order to prepare their Form 20-F. More specifically, Japanese companies first file their Japanese annual reports in accordance with Japanese laws and regulations, and then prepare the disclosure required for their Form 20-F and translate all requisite information into English. Accordingly, in light of the additional steps that need to be undertaken, we believe that the due date for filing the Form 20-F should be a date that occurs after a specified period of time has elapsed following the due date for the annual reports required to be prepared and filed under the issuer's home country laws and

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regulations. With respect to the question of imposing a requirement on FPIs to submit supporting materials that indicate when annual reports are due in their respective home jurisdictions, we believe it would be appropriate to require FPIs to submit the requisite information at the time of their Form 20-F submissions. We also believe that an investor would not be confused with varying due dates if language is provided in the Form 20-F clearly disclosing the due date of the home country annual report in the FPI's home jurisdiction.

[Comments solicited: 13]

“Would a different transition period be more appropriate for implementation of the accelerated deadline? For example, should foreign private issuers be subject to the accelerated deadline after a longer or shorter transition period instead?”

We appreciate your proposal to provide a transition period for implementation, consistent with what we previously proposed in our comment to the Proposed Rule Release No. 33-8818 as reproduced in Paragraph 2. above. We believe that worldwide trends toward greater convergence with IFRS should also be taken into consideration when determining the transition period. As generally accepted accounting principles around the world, including those used in the United States, will be changed in the course of convergence, we believe an additional transition period is necessary for such changes. In other words, in addition to the transition period for implementation of the accelerated deadline for filing the Form 20-F, another transition period for complying with all changes in accounting principles resulting from convergence should be established. Accordingly, the proposed transition period should take into consideration the additional work necessitated by the ongoing convergence of accounting standards, and should be longer than two years.

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Imposing an accelerated filing deadline is a common trend of the times. We also recognize that timely disclosure of financial information to investors is an important responsibility of companies. For Japanese companies, however, there is no question

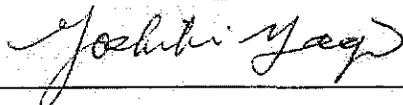
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that filing annual reports in accordance with both applicable Japanese laws and regulations and the SEC's rules and regulations result in double the amount of work. In particular, as it takes substantial effort for Japanese companies to prepare and translate the disclosure required for their Form 20-F, we believe it would be appropriate to provide Japanese companies with a period of time considerably longer than the 90-day filing period proposed by the SEC. With respect to the transition period, we believe that an additional transition period for complying with changes in accounting principles should be established after assessing the anticipated pace of the worldwide trend towards greater convergence with IFRS.

We understand that the SEC's proposals are designed to disclose financial information to investors in a timely manner and thereby make the U.S. capital markets ever more transparent. At the same time, however, we believe that the SEC should give particular consideration to the additional costs incurred by those that prepare the required financial information (*i.e.*, FPIs). Should the accelerated deadline for filing the Form 20-F be implemented without adequate consideration of the practical consequences of the proposed filing deadline or transition period, we would like for you to recognize that foreign companies may no longer view the U.S. capital markets as an attractive market in which to raise capital.

Sincerely yours,



Yoshiki Yagi
Chairman of the Sub-Committee on Accounting
Nippon Keidanren (Japan Business Federation)