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November 29, 2010

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090
U.S.A.

File No. S7-22-10; Release Nos. 33-9143; 34-62932
(Short-Term Borrowings Disclosure)

Dear Ms. Murphy:

We are pleased to submit this letter on behalf of Mitsubishi UFJ Financial Group, Inc. ("MUFG"), Mizuho Financial Group, Inc. ("Mizuho") and Sumitomo Mitsui Financial Group, Inc. ("SMFG", and together with MUFG and Mizuho, the "Japanese Bank Registrants") in response to the request for comments on the recent proposal by the U.S. Securities and Exchange Commission (the "Commission") to enhance the disclosure that registrants provide with respect to their short-term borrowings.

The Japanese Bank Registrants generally agree that a company's liquidity and capital resources is often dependent on its access to short-term borrowings for working capital and to fund its operations. Furthermore, they generally agree that period-end amounts of short-term borrowings may not always be indicative of a company's general funding needs, and believe that additional transparency about companies' short-term borrowings would be helpful to investors.

The Japanese Bank Registrants, however, respectfully submit that the proposed rules, if adopted as proposed, would create undue burden to "financial company" registrants in compiling the required data, and therefore, believe that the Commission should consider modifications to the proposed rules. The Japanese Bank Registrants believe that the intended benefits to investors from such enhanced disclosure should be measured against the significantly increased burden on financial companies in compiling and computing additional data. For the Commission's consideration, the Japanese Bank Registrants respectfully submit the following recommendations that,

while making helpful information available to investors, would not create undue costs or unmanageable burdens on financial company registrants:

- Provide a phase-in period to allow financial companies to modify their financial reporting systems and procedures on a prospective basis for the fiscal years beginning after January 1, 2011;
- Allow financial companies to begin reporting the information required under the proposed rules on a prospective basis only;
- Continue to allow registrants to report, for each prescribed category of short-term borrowings, the approximate daily average amount outstanding during each reported period and the approximate weighted average interest rate thereon;
- Similarly allow registrants to report, for each prescribed category of short-term borrowings, the approximate maximum daily amount outstanding during each reported period; and
- Clarify that the maximum daily amounts are to be presented on an end-of-day balance basis.

1. Background – Current Guide 3 Disclosure by Foreign Bank Holding Companies

The general instructions to Industry Guide 3, Statistical Disclosure by Bank Holding Companies (“Guide 3”) provide that “averages called for by the Guide are daily averages. Where the collection of data on a daily average basis would involve unwarranted or undue burden or expense, weekly or month-end averages may be used, provided such averages are representative of the operations of the registrant.”¹ Based on the general instructions to Guide 3, certain bank holding companies, including the Japanese Bank Registrants, have obtained individual exemptions from the daily average disclosure due to the undue burden and expense of calculating daily averages and have disclosed monthly averages as an alternative to certain daily averages.

Some of the daily information relating to short-term borrowings is currently available within each Japanese Bank Registrant’s respective risk management system. In some cases, however, the data tracked by the internal risk management systems are not directly linked to their financial reporting systems. With respect to non-U.S. operations, the data are often monitored in accordance with local accounting principles (*i.e.*, on a basis other than generally accepted accounting principles in the United States (“U.S. GAAP”) or under the International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”)). In those circumstances, the Japanese Bank Registrants have been separately recording and

¹ General Instruction 4 to Guide 3.

tracking the data for Guide 3 disclosure purposes, and in some cases, have been utilizing month-end data calculated on a manual basis for such purposes.

Item VII.(3) of Guide 3 currently requires bank holding companies to provide information, for each prescribed category of short-term borrowings, the approximate average amounts outstanding during each reported period and the approximate weighted average interest rate thereon. Disclosure of approximate amounts under Item VII.(3) of Guide 3 allows the Japanese Bank Registrants to compile and present disclosure of their short-term borrowings on a consolidated basis without undue burden and expense.

2. Concerns Relating to Proposed Effective Date

As noted above, certain foreign bank holding companies, including the Japanese Bank Registrants, have received exemptions from, or otherwise relied upon the flexibility provided within, the Guide 3 requirements, and have not computed daily averages for Guide 3 disclosure purposes. The Japanese Bank Registrants and other similarly situated foreign bank holding companies will need to modify their financial reporting systems and procedures to compile and disclose the additional daily data (even if disclosure is provided on an approximate basis as discussed below). We have been advised that such modifications cannot be achieved immediately without significant burden and expense. Therefore, the Japanese Bank Registrants respectfully submit that the Commission postpone the effective date of the proposed rules to fiscal years beginning after January 1, 2011 to allow registrants to modify their financial reporting systems and procedures on a prospective basis.

3. Concerns Relating to Retroactive Application of Proposed Rules

The Japanese Bank Registrants respectfully submit that the proposed daily average and maximum amount disclosure requirements should not be applied retroactively to prior reporting periods. In particular, foreign bank holding companies that may have obtained exemptions, including the Japanese Bank Registrants, would be unduly burdened if they are required to retroactively prepare and disclose daily average information. We understand that not all financial data may be available to recreate prior period statistics on a daily basis. Although some daily financial data may be available for local regulatory reporting purposes, the data is mostly recorded in accordance with generally accepted accounting principles in Japan ("Japan GAAP"). The Japanese Bank Registrants will need to make adjustments to such data to present the average data on a basis consistent with the financial statements included in their annual reports filed with the Commission (*i.e.*, U.S. GAAP or IFRS). The Japanese Bank Registrants, therefore, respectfully request that the proposed rule with respect to daily average and maximum amount disclosure requirements be applied only prospectively to fiscal years after the requirements become effective. The accommodation would be similar to the phased-in transition accommodation proposed for registrants that are not bank holding companies or subject to Guide 3.

4. Concerns Relating to Elimination of Use of Approximate Averages

The Japanese Bank Registrants note that the proposed rules, if adopted as proposed, would require registrants to provide, for each prescribed category of short-term borrowings, "the average amount outstanding during each reported period and the weighted average interest rate thereon." The Japanese Bank Registrants respectfully submit that the omission of "approximate" in comparison to the current Item VII.(3) requirements would impose undue burden on registrants by requiring them to disclose exact amounts on a consolidated basis, as opposed to approximate amounts that represent the overall operations of financial company registrants. This flexibility is also absent in the proposed requirement for financial companies to disclose "the maximum daily amount outstanding during each reported period."

The Japanese Bank Registrants believe financial company registrants would be unreasonably burdened if they were required to compile and compute daily averages and maximum amounts at the level of precision required by the proposed rules. Most financial companies, including the Japanese Bank Registrants, currently have systems and procedures in place to track their short-term borrowings data on a daily basis with respect to their core financial operations. The Japanese Bank Registrants, however, would need to establish additional systems and procedures to monitor daily average data if the scope of such monitoring is to calculate exact amounts on a consolidated basis. Moreover, they would need to make additional adjustments on a daily basis to calculate the exact amounts to the extent data with respect to their non-U.S. operations are maintained only under local accounting principles (such as Japan GAAP).

Therefore, the Japanese Bank Registrants respectfully request that the Commission continue to allow the required daily averages to be approximate averages and allow the daily maximum amounts to be approximate amounts for financial companies, particularly foreign financial companies.

5. Concerns Relating to Use of Intra-Day Balances

The Japanese Bank Registrants respectfully urge the Commission to clarify the maximum daily amount of short-term borrowings to be an end-of-day balance and not be expanded to an intra-day balance. The Japanese Bank Registrants note that the tracking and consolidation of intra-day balances would be impossible for entities in various regions of the globe, especially for frequently traded financial instruments. Moreover, certain netting adjustments can only be performed on end-of-day balances.

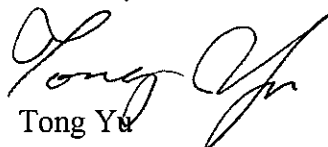
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We appreciate this opportunity to comment on the proposed rules and would be happy to discuss any questions the Commission or its staff may have with respect to this letter. General questions about the content of this letter or any specific questions relating to MUFG may be directed to the undersigned at +81-3-3597-6306 (fax number +81-3-3597-8120). Please contact Mr. Takahiro Saito of Simpson Thacher & Bartlett LLP at +81-3-5562-6214 (fax number +81-3-5562-6202) with respect to any

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specific questions relating to Mizuho. Please contact Mr. Theodore A. Paradise or Mr. Michael T. Dunn of Davis Polk & Wardwell LLP at +81-3-5561-4421 (fax number +81-3-5561-4425) with respect to any specific questions relating to SMFG.

Sincerely,


Tong Yu

cc: Mitsubishi UFJ Financial Group, Inc.

Mizuho Financial Group, Inc.
Simpson Thacher & Bartlett LLP

Sumitomo Mitsui Financial Group, Inc.
Davis Polk & Wardwell LLP