

## MEMORANDUM

**To:** File

**From:** John Fieldsend  
Special Counsel  
Office of Rulemaking  
Division of Corporation Finance  
U.S. Securities and Exchange Commission

**Date:** November 17, 2011

**Re:** Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act Regarding Congolese Conflict Minerals

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On November 17, 2011, Meredith Cross, Director of the Division of Corporation Finance, and Felicia Kung and John Fieldsend of the Division of Corporation Finance met with Masahiro Yamazaki and Motoko Ferrara of the Japan Electronics and Information Technology Industries Association, Akihiro Tanii and Shuichi Yoshikawa of Panasonic Corporation, Rei Tsuchiya of Hitachi, Ltd., and Yoshihiro Kato and Yasuyo Tadokoro of Holzworth & Kato PC. The participants discussed the Commission's required rulemaking in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which relates to reporting requirements regarding conflict minerals originating in the Democratic Republic of the Congo and adjoining countries. At the meeting, the document attached to this memorandum was provided to the staff.

Attachment

November 17, 2011

The Honorable Mary L. Schapiro, Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**RE: Additional Comments Regarding Proposed Rules for Section 1502 of the  
Dodd-Frank Wall Street Reform and Consumer Protection Act (Conflict Minerals)**

Dear Chairman Schapiro:

On March 2<sup>nd</sup>, 2011, Japan Electronics and Information Technology Industries Association (JEITA), together with five other Japanese trade associations submitted comments regarding the proposed rules on Conflict Minerals. JEITA would like to submit additional comments regarding the impact on foreign companies and the status of the efforts of the companies on this matter.

JEITA is the largest electronics trade association with more than 400 companies in Japan covering consumer electronics, industrial electronics, semiconductor, and other electronic components. As we stated in our previous comments, JEITA fully supports the aims of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the legislative intent of which is to protect human rights in the Democratic Republic of Congo and its adjoining countries.

Conflict Minerals are used in many electronic components that are indispensable in our daily life. The rules on Conflict Minerals being prepared by the Securities and Exchange Commission (SEC) would have an impact not only on TVs, cell phones and PCs but also on automobiles, trains and aircrafts which would not function without electronic components. The supply chain of these products is global, involving thousands of companies in dozens of countries. While the number of Japanese issuers directly subject to the SEC rules is limited, a large number of Japanese companies in their supply chain would be asked to provide relevant information on Conflict Minerals in order for the issuers to meet the requirements of the rules. Thus, the SEC rules would certainly have impact on many Japanese companies in the issuers' supply chain as well.

To minimize potential confusion among all of the companies in the issuers' supply chain, in the U.S. or foreign countries, we would like the SEC to take comments and information from foreign companies such as our members into account.

In this letter, we would like to submit our views on the SEC rules as follows.

### 1. Reasonable country of origin inquiry

Use of the programs in existing initiatives should be recognized as a reasonable country of origin inquiry process.

### 2. Due diligence

Because business practices and manufacturing processes differ from industry to industry and from product to product, the due diligence requirement in the rules should allow a certain amount of flexibility as to the form and content.

When companies rely on the internationally recognized guidance or use the programs in existing initiatives to confirm accuracy of information provided by suppliers upstream in their supply chains, such use of the guidance or programs should be considered a reasonable and efficient manner of the due diligence required in the rules.

### 3. Filing of a Conflict Minerals Report

A Conflict Minerals Report should be an independent report and should not be included in an issuer's annual report such as Form 10-K, Form 20-F or Form 40-F. While early submission of a Conflict Minerals Report might serve investors' interests, to ensure the accuracy of information in a Conflict Minerals Report, it would need at least the same preparation time as other annual reports, e.g., four months, or more after the end of the fiscal year.

### 4. Costs related to meeting the requirements of the SEC rules.

Recognizing the credibility of due diligence performed using common formats and systems developed by the existing initiatives would certainly reduce the costs to be incurred by all companies in an issuer's supply chain. The audit requirements of the Conflict Minerals Report employing such common formats and systems should reflect the credibility of their due diligence standards.

Japan Electronics and Information Technology Industries Association (JEITA)