

Notes to Consolidated Financial Statements

Sumitomo Mitsui Financial Group, Inc. and Subsidiaries

Years ended March 31, 2009 and 2008

1. Basis of Presentation

Sumitomo Mitsui Financial Group, Inc. ("SMFG") was established on December 2, 2002 as a holding company for the SMFG group through a statutory share transfer (*kabushiki iten*) of all of the outstanding equity securities of Sumitomo Mitsui Banking Corporation ("SMBC") in exchange for SMFG's newly issued securities. SMFG is a joint stock corporation with limited liability (*Kabushiki Kaisha*) incorporated under the Company Act of Japan. Upon formation of SMFG and completion of the statutory share transfer, SMBC became a direct wholly owned subsidiary of SMFG.

SMFG has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of overseas subsidiaries and affiliated companies were based on accounting records maintained in conformity with generally accepted accounting principles ("GAAP") prevailing in the respective countries of their domicile. Effective as from the fiscal year starting April 1, 2008, their accounting principles are in principle integrated with those of SMFG's accounting policies for purposes of consolidation unless they apply different accounting principles and standards as required under U.S. GAAP or International Financial Reporting Standards in which case a certain limited number of items are adjusted based on their materiality. This change did not result in significant differences or impact on the consolidated financial statements of SMFG.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of SMFG prepared in accordance with Japanese GAAP.

Some supplementary information included in the statutory Japanese language consolidated financial statements, but not necessarily required for fair presentation, is not presented in the accompanying consolidated financial statements.

Amounts less than 1 million yen have been omitted. As a result, the totals in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2009, which was ¥98.23 to US\$1. These translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at that rate.

2. Significant Accounting Policies

(1) Consolidation and equity method

(a) Scope of consolidation

Japanese accounting standards on consolidated financial statements require a company to consolidate any subsidiary when the company substantially controls the operations of the enterprise, even if it is not a majority owned subsidiary. Control is defined as the power to govern the decision-making body of an enterprise.

(i) Consolidated subsidiaries

The number of consolidated subsidiaries is as follows:

March 31	2009	2008
Consolidated subsidiaries	288	268

Principal companies:

Sumitomo Mitsui Banking Corporation
THE MINATO BANK, LTD.
Kansai Urban Banking Corporation
Sumitomo Mitsui Banking Corporation Europe Limited
Manufacturers Bank
Sumitomo Mitsui Finance and Leasing Company, Limited
Sumitomo Mitsui Card Company, Limited
QUOQ Inc.
SMBC Finance Service Co., Ltd.
SMBC Friend Securities Co., Ltd.
The Japan Research Institute, Limited
SMBC Capital Markets, Inc.

Changes in the consolidated subsidiaries in the fiscal year ended March 31, 2009 are as follows:

53 companies including SMM Auto Finance, Inc. were newly consolidated due mainly to acquisition of stocks.

17 companies including Sakura Information Systems Co., Ltd. were excluded from the scope of consolidation because they were no longer subsidiaries due to a decrease in shareholding ratio and other reasons.

Furthermore, 16 companies including SMFL FOMALHAUT Co., Ltd. were excluded from the scope of consolidation and became unconsolidated subsidiaries that are not accounted for by the equity method because they became operators of silent partnerships for lease transactions.

(ii) Unconsolidated subsidiaries

Principal company:

SBCS Co., Ltd.

226 subsidiaries including SMLC MAHOGANY CO., LTD. are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have been excluded from the scope of consolidation pursuant to Article 5 Paragraph 1 Item 2 of the Consolidated Financial Statements Regulations.

Other unconsolidated subsidiaries are also excluded from the scope of consolidation because their total amounts in terms of total assets, ordinary income, net income and retained earnings are immaterial, and as such, they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of consolidation.

(b) Application of the equity method

Japanese accounting standards also require that any unconsolidated subsidiaries and affiliates which SMFG is able to exercise material influence over their financial and operating policies be accounted for by the equity method.

(i) Unconsolidated subsidiaries accounted for by the equity method

The number of unconsolidated subsidiaries accounted for by the equity method is as follows:

March 31	2009	2008
Unconsolidated subsidiaries	4	3

Principal company:

SBCS Co., Ltd.

Bangkok SMBC Consulting Co., Ltd. was regarded as an unconsolidated subsidiary accounted for by the equity method from this fiscal year because it became a subsidiary due to an increase in shareholding ratio.

(ii) Affiliates accounted for by the equity method

The number of affiliates accounted for by the equity method is as follows:

March 31	2009	2008
Affiliates	75	71

Principal companies:

Sumitomo Mitsui Auto Service Company, Limited
 Promise Co., Ltd.
 Central Finance Co., Ltd.
 OMC Card, Inc.
 Daiwa Securities SMBC Co. Ltd.
 Daiwa SMBC Capital Co., Ltd.
 Daiwa SB Investments Ltd.
 Sumitomo Mitsui Asset Management Company, Limited

Changes in the affiliates accounted for by the equity method in the fiscal year ended March 31, 2009 are as follows:

4 companies including Vietnam Export Import Commercial Joint Stock Bank newly became affiliated companies accounted for by the equity method due mainly to acquisition of shares.

5 companies including Sakura Information Systems Co., Ltd. were excluded from the scope of consolidation due to a decrease in shareholding ratio and were treated as affiliated companies accounted for by the equity method.

2 companies including Japan Pension Navigator Co., Ltd. were excluded from the scope of affiliated companies accounted for by the equity method because they became consolidated subsidiaries due to an increase in shareholding ratio.

3 companies including F BALANCE Inc. were also excluded due mainly to liquidation.

(iii) Unconsolidated subsidiaries that are not accounted for by the equity method

226 subsidiaries including SMLC MAHOGANY CO., LTD. are operators of silent partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, they have not been accounted for by the equity method pursuant to Article 10

Paragraph 1 Item 2 of the Consolidated Financial Statements Regulations.

(iv) Affiliates that are not accounted for by the equity method

Principal company:

Daiwa SB Investments (USA) Ltd.

Affiliates that are not accounted for by the equity method are excluded from the scope of equity method because the attributable portions to SMFG from their total amounts in terms of net income and retained earnings are immaterial, and as such, they do not hinder a rational judgment of SMFG's financial position and results of operations when excluded from the scope of equity method.

(c) The balance sheet dates of consolidated subsidiaries

(i) The balance sheet dates of the consolidated subsidiaries are as follows:

March 31	2009	2008
May 31	1	—
June 30	6	6
July 31	2	2
September 30	5	7
October 31	2	2
November 30	4	2
December 31	125	122
January 31	15	7
February 28/29	7	6
March 31	121	114

(ii) The financial statements of subsidiaries with balance sheets dated May 31, July 31, September 30, November 30 and January 31 are consolidated after the accounts were provisionally closed as of March 31 for the purpose of consolidation. The financial statements of subsidiaries with balance sheets dated June 30 are consolidated after the accounts were provisionally closed as of December 31 or March 31. For subsidiaries with balance sheets dated October 31, financial statements are consolidated based on the provisional financial statements closed as of January 31 or March 31. Other subsidiaries are consolidated on the basis of their respective balance sheet dates.

Overseas consolidated subsidiaries with balance sheets dated December 31 were established in January and February 2009. Their financial statements are consolidated after the accounts were provisionally closed as of March 31.

Appropriate adjustments are made for material transactions during the periods between their respective balance sheet dates and consolidated balance sheet dates.

(d) Special purpose entities

(i) Outline of special purpose entities and transactions

SMBC provides loans, credit lines and liquidity lines to 14 special purpose entities ("SPEs") for their funding needs and issuing of commercial paper. The SPEs are engaged in purchases of monetary claims such as receivables from SMBC customers, and incorporated under the laws of the Cayman Islands or as intermediate corporations with limited liabilities. SMBC has no voting rights in the SPEs and

sends no directors or employees. Accordingly, SMFG does not consolidate these SPEs.

The combined assets and liabilities of the 14 SPEs as of their most recent closing dates of 2009 were ¥3,140,527 million (\$31,971 million) and ¥3,140,894 million (\$31,975 million), respectively. The respective amounts of 2008 were ¥3,219,524 million and ¥3,219,835 million.

(ii) The amounts of principal transactions with these SPEs in the years ended March 31, 2009 and 2008 were as follows:

Balances	Millions of yen		Millions of U.S. dollars
March 31	2009	2008	2009
Loans and bills discounted	¥1,851,401	¥1,803,952	\$18,848
Credit lines	824,149	905,533	8,390
Liquidity lines	394,533	326,074	4,016

Income	Millions of yen		Millions of U.S. dollars
Year ended March 31	2009	2008	2009
Interest on loans and discounts	¥26,092	¥25,194	\$266
Fees and commissions ...	2,133	2,509	22

(2) Trading assets/liabilities and trading income/losses

Transactions for trading purposes (seeking gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from variation among markets) are included in "Trading assets" or "Trading liabilities" on the consolidated balance sheet on a trade date basis. Income and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading income" or "Trading losses."

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end fair value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the consolidated balance sheet date.

"Trading income" and "Trading losses" include interest received or paid during the fiscal year. The year-on-year valuation differences of securities and monetary claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

(3) Securities

(a) Other than securities classified for trading purposes, debt securities that consolidated subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are carried at amortized cost (straight-line method) using the moving-average method.

Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost using the moving-average method.

Securities other than those classified for trading purpose, held-to-maturity securities and investments in unconsolidated subsidiaries and affiliates are classified as "other securities" (available-for-sale securities). Stocks (including foreign stocks) in other securities that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). Other securities with no

available market prices are carried at cost or amortized cost using the moving-average method. Net unrealized gains (losses) on other securities, net of income taxes, are included in "Net assets."

(b) Securities included in money held in trust are carried using the same method used for securities mentioned above.

(4) Derivative transactions

Derivative transactions, other than those classified as trading derivatives, are carried at fair value, with revaluation gain or loss included in the income or loss, unless they are designated as effective hedging instruments.

(5) Depreciation

(a) Tangible fixed assets

Tangible fixed assets owned by SMFG and SMBC are generally stated at cost less accumulated depreciation. Tangible fixed assets are depreciated using the straight-line method over the estimated useful lives of the respective assets. Others are depreciated using the declining-balance method. The estimated useful lives of major items are as follows:

Buildings: 7 to 50 years

Others: 2 to 20 years

Other consolidated subsidiaries depreciate their tangible fixed assets primarily using the straight-line method over the estimated useful lives of the respective assets.

In accordance with the amendment of the corporate tax laws in the fiscal year ended March 31, 2008, the tangible fixed assets acquired on or after April 1, 2007 are depreciated based on the depreciation method under the amended corporate tax laws. This accounting change had no material impact on the consolidated financial statements for the fiscal year ended March 31, 2008.

As for the tangible fixed assets acquired before April 1, 2007, from the fiscal year ended March 31, 2008, their residual values are depreciated over 5 years using the straight-line method after the fiscal year in which the depreciable limit is reached. This accounting change had no material impact on the consolidated financial statements for the fiscal year ended March 31, 2008.

(b) Intangible fixed assets

Depreciation of intangible fixed assets is calculated using the straight-line method. Capitalized software for internal use owned by SMFG and its consolidated domestic subsidiaries is depreciated using the straight-line method over its estimated useful life (basically 5 years).

(c) Lease assets

Lease assets with respect to non-transfer ownership finance leases, which are recorded in "Tangible fixed assets," are depreciated using the straight-line method, assuming that lease term is its expected lifetime and residual value is zero.

(6) Reserve for possible loan losses

The reserve for possible loan losses of major consolidated subsidiaries is provided for as described below in accordance with the internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("effectively bankrupt borrowers"), a reserve is provided for based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy ("potentially bankrupt borrowers"), a reserve is provided for in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

Discounted Cash Flows ("DCF") method is used for claims on borrowers whose cash flows from collection of principals and interest can be rationally estimated, and SMBC applies it to claims on large potentially bankrupt borrowers and claims on large borrowers requiring close monitoring that have been classified as "Past due loans (3 months or more)" or "Restructured loans," whose total loans from SMBC exceed a certain amount. SMBC establishes a reserve for possible loan losses using the DCF method for such claims in the amount of the difference between the present value of the future collection from principal and interest (calculated using the rationally estimated cash flows discounted at the initial contractual interest rate) and the book value.

For other claims, a reserve is provided for based on the historical loan-loss ratio.

For claims originated in certain specific overseas countries, an additional reserve is provided for in the amount deemed necessary based on the assessment of political and economic conditions.

Branches and credit supervision departments assess all claims in accordance with the internal rules for self-assessment of assets, and the Credit Review Department, independent from these operating sections, reviews their assessment. The reserves are provided for based on the results of these assessments.

The reserve for possible loan losses of other consolidated subsidiaries for general claims is provided for in the amount

deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

For collateralized or guaranteed claims on bankrupt borrowers and effectively bankrupt borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off was ¥717,010 million (\$7,299 million) and ¥518,594 million at March 31, 2009 and 2008, respectively.

(7) Reserve for employee bonuses

The reserve for employee bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses, which are attributable to the respective fiscal year.

(8) Reserve for executive bonuses

The reserve for executive bonuses is provided for payment of bonuses to executives, in the amount of estimated bonuses, which are attributable to the respective fiscal year.

(9) Reserve for employee retirement benefits

The reserve for employee retirement benefits is provided for payment of retirement benefits to employees, in the amount deemed accrued at the fiscal year-end, based on the projected retirement benefit obligation and the fair value of plan assets at the fiscal year-end.

Unrecognized prior service cost is amortized using the straight-line method, primarily over 9 years, over the employees' estimated average remaining service period from the fiscal year of its incurrence.

Unrecognized net actuarial gain or loss is amortized using the straight-line method, primarily over 9 years, over the employees' average remaining service period, commencing from the next fiscal year of incurrence.

(10) Reserve for executive retirement benefits

The reserve for executive retirement benefits is provided for payment of retirement benefits to directors, corporate auditors and other executive officers, in the amount deemed accrued at the fiscal year-end based on the internal regulations.

(11) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on historical reimbursements. Formerly, deposits which had been derecognized as liabilities were expensed when they were actually reimbursed. However, from the fiscal year ended March 31, 2008, such reserve is provided for in the estimated amount as described above in accordance with the "Treatment for Auditing of Reserve under Special Taxation Measures Law, Reserve under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors" (Japanese Institute of Certified Public Accountants ("JICPA") Audit and Assurance Practice Committee Report No. 42) of April 13, 2007.

As a result, income before income taxes and minority interests for the fiscal year ended March 31, 2008 decreased by ¥10,417 million as compared with the former method.

(12) Reserve under the special laws

The reserve under the special laws is a reserve for eventual future operating losses from financial instruments transactions pursuant to Article 46-5 and Article 48-3 of the Financial Instruments and Exchange Act.

(13) Translation of foreign currency assets and liabilities

Assets and liabilities of SMFG and SMBC denominated in foreign currencies and accounts of SMBC overseas branches are translated into Japanese yen mainly at the exchange rates prevailing at the consolidated balance sheet date, with the exception of stocks of subsidiaries and affiliates translated at rates prevailing at the time of acquisition.

Other consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at their respective balance sheet dates.

(14) Lease transactions

(a) Recognition of income on finance leases

Interest income is allocated to each period.

(b) Recognition of income on operating leases

Primarily, lease-related income is recognized on a straight-line basis over the term of the lease, based on the contractual amount of lease fees per month.

(c) Recognition of income and expenses on installment sales

Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date accrual basis over the period of the installment sales.

(15) Hedge accounting

(a) Hedging against interest rate changes

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, SMBC applies deferred hedge accounting.

SMBC applies deferred hedge accounting stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24) to portfolio hedges on groups of large-volume, small-value monetary claims and debts.

As for the portfolio hedges to offset market fluctuation, SMBC assesses the effectiveness of such hedges by classifying the hedged items (such as deposits and loans) and the hedging instruments (such as interest rate swaps) by their maturity. As for the portfolio hedges to fix cash flows, SMBC assesses the effectiveness of such hedges by verifying the correlation between the hedged items and the hedging instruments.

As for the individual hedges, SMBC assesses the effectiveness of such individual hedges.

As a result of the application of JICPA Industry Audit Committee Report No. 24, SMBC discontinued the application of hedge accounting or applied fair value hedge accounting to a portion of the hedging instruments using "macro hedge," which had been applied in order to manage

interest rate risk arising from large-volume transactions in loans, deposits and other interest-earning assets and interest-bearing liabilities as a whole using derivatives pursuant to "Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 15). The deferred hedge losses and gains related to such a portion of hedging instruments are charged to "Interest income" or "Interest expenses" over a 12-year period (maximum) according to their maturity from the fiscal year ended March 31, 2004. Gross amounts of deferred hedge losses on "macro hedge" (before deducting tax effect) at March 31, 2009 and 2008 were ¥6,921 million (\$70 million) and ¥17,608 million, respectively. Gross amounts of deferred hedge gains on "macro hedge" (before deducting tax effect) at March 31, 2009 and 2008 were ¥5,688 million (\$58 million) and ¥13,358 million, respectively.

(b) Hedging against currency fluctuations

SMBC applies deferred hedge accounting stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25) to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies.

Pursuant to JICPA Industry Audit Committee Report No. 25, SMBC assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign-currency monetary claims and debts corresponding to the foreign-currency positions.

In order to hedge risk arising from volatility of exchange rates for stocks of subsidiaries and affiliates and other securities (excluding bonds) denominated in foreign currencies, SMBC applies deferred hedge accounting or fair value hedge accounting, on the conditions that the hedged securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged securities denominated in the same foreign currencies.

(c) Transactions between consolidated subsidiaries

As for derivative transactions between consolidated subsidiaries or internal transactions between trading accounts and other accounts (or among internal sections), SMBC manages the interest rate swaps and currency swaps that are designated as hedging instruments in accordance with the non-arbitrary and strict criteria for external transactions stipulated in JICPA Industry Audit Committee Report No. 24 and No. 25. Therefore, SMBC accounts for the gains or losses that arise from interest rate swaps and currency swaps in its earnings or defers them, rather than eliminating them.

Certain other consolidated subsidiaries apply the deferred hedge accounting or the special treatment for interest rate swaps. A consolidated domestic subsidiary (a leasing company) partly applies the accounting method that is permitted by “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry” (JICPA Industry Audit Committee Report No. 19).

(16) Consumption taxes

National and local consumption taxes of SMFG and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.

(17) Valuation of consolidated subsidiaries' assets and liabilities

Assets and liabilities of consolidated subsidiaries including the portion attributable to the minority stockholders are valued for consolidation at fair value when SMFG acquires control.

(18) Goodwill

Goodwill on SMBC Friend Securities Co., Ltd. and Sumitomo Mitsui Finance and Leasing Company, Limited is amortized using the straight-line method over 20 years. Goodwill on other companies is charged or credited to income directly when incurred or benefited.

(19) Statements of cash flows

For the purposes of presenting the consolidated statements of cash flows, cash and cash equivalents represent cash and due from banks.

(20) Application of new accounting standards

(a) Practical Solution on Unification of Accounting Policies

Applied to Foreign Subsidiaries for Consolidated Financial Statements

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Accounting Standard Board of Japan (“ASBJ”) Practical Issues Task Force No. 18, issued on May 17, 2006) became effective from the fiscal year beginning on and after April 1, 2008. Accordingly, SMFG has applied it from this fiscal year. This accounting method has decreased retained earnings at April 1, 2008 by ¥3,132 million (\$32 million), but has no material impact on the profit or loss for the fiscal year ended March 31, 2009.

(b) Accounting Standard for Lease Transactions

Non-transfer ownership finance leases had been accounted for using the same method as for operating leases.

However, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, issued on March 30, 2007) and “Implementation Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008. Accordingly, SMFG has applied them from the fiscal year ended March 31, 2009.

The treatment of non-transfer ownership finance lease transactions which commenced before April 1, 2008 was as follows:

(i) Lessee side

Future minimum lease payments, excluding the interest portion, at March 31, 2008 are considered as acquisition cost and recorded as lease assets in either “Tangible fixed assets” or “Intangible fixed assets,” assuming they had been acquired at the beginning of the fiscal year.

(ii) Lessor side

Appropriate book value, net of accumulated depreciation, of lease assets at March 31, 2008 was recorded as the beginning balance of “Lease receivables and investment assets.”

Accordingly, this accounting change has the following impact on the consolidated financial statements as of and for the fiscal year ended March 31, 2009 as compared with the previous accounting method:

	Millions of yen	Millions of U.S. dollars
Lease receivables and investment assets	¥1,968,347	\$20,038
Tangible fixed assets		
Lease assets	7,206	73
Intangible fixed assets		
Lease assets	480	5
Loans and bills discounted	(138,788)	(1,413)
Lease assets	(1,205,021)	(12,267)
Other assets	(662,005)	(6,739)
Other liabilities	(32,205)	(328)
Interest income		
Interest on lease transactions	¥ 77,772	\$ 792
Interest on loans and discounts	(7,659)	(78)
Interest expenses		
Other interest expenses	(639)	(7)
Other operating income		
Lease-related income	(503,389)	(5,125)
Installment-related income	(242,763)	(2,471)
Other	(810)	(8)
Other operating expenses		
Lease-related expenses	(472,005)	(4,805)
Installment-related expenses	(206,456)	(2,102)
General and administrative expenses	(178)	(2)

As a result, income before income taxes and minority interests for the fiscal year ended March 31, 2009 increased by ¥2,423 million (\$25 million).

(c) From the fiscal year ended March 31, 2008, SMFG has applied Article 30-2 of the “Accounting Practices for Tax Effect Accounting on Consolidated Financial Statements” (JICPA Accounting Practice Committee Report No. 6, issued on March 29, 2007) to sales of investments such as shares of subsidiaries within the group companies. As a result, net income for the fiscal year ended March 31, 2008 decreased by ¥18,939 million compared with the former method.

- (d) Provisions on the scope of securities stipulated by regulations such as the “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10) and the “Accounting Practices for Financial Instruments” (JICPA Accounting Practice Committee Report No. 14) were partially revised on June 15 and July 4, 2007, respectively, and became effective from the fiscal year ending on and after the implementation day of the Financial Instruments and Exchange Act. SMFG, accordingly, has applied the revised accounting standards and practices from the fiscal year ended March 31, 2008.

(21) Changes in presentation

- (a) Lease assets related to operating leases on lessor side (March 31, 2009: ¥180,273 million (\$1,835 million); March 31, 2008: ¥99,183 million) had been included in “Lease assets.” From the fiscal year ended March 31, 2009, they are included in the following items because they have been immaterial:

	Millions of yen	Millions of U.S. dollars
March 31	2009	2009
Tangible fixed assets		
Buildings.....	¥52,681	\$536
Land	68,131	694
Other tangible fixed assets	59,460	605
Intangible fixed assets		
Software.....	0	0

- (b) “Losses (gains) on sale of subsidiaries’ shares and gains on change in equity of subsidiary” which had been reported in “Net cash provided by operating activities” in the fiscal year ended March 31, 2008, were ¥(5,622) million (\$57 million) in the fiscal year ended March 31, 2009. They are included in “Other” from the fiscal year ended March 31, 2009 because they have been immaterial.

(22) Change in method of valuation of certain securities

Floating-rate Japanese government bonds which SMFG held as “Other securities — AFS securities” had been carried on the consolidated balance sheet at market values. From the fiscal year ended March 31, 2009, such bonds have been carried at their reasonably estimated amounts in accordance with the “Practical Solution on Measurement of Fair Value of Financial Assets” (ASBJ Practical Issues Task Force No. 25, issued on October 28, 2008). As a result of this accounting change, compared with the former accounting method at March 31, 2009, “Securities,” “Net unrealized gains on other securities” and “Minority interests” increased by ¥117,757 million (\$1,199 million), ¥67,741 million (\$690 million) and ¥2,508 million (\$26 million), respectively, and “Deferred tax assets” decreased by ¥47,508 million (\$484 million).

SMFG has rationally calculated the fair values of floating-rate Japanese government bonds by discounting future cash flows estimated from their yields and other factors, using discount rates determined based on their yields. Yield and volatility are the main parameters for calculating the fair value.

(23) Transactions with related parties

SMFG has applied “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11, issued on October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, issued on October 17, 2006) from the fiscal year ended March 31, 2009. There are no material transactions with related parties to be reported in the fiscal years ended March 31, 2009 and 2008.

3. Trading Assets

Trading assets at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Millions of U.S. dollars
March 31	2009	2008	2009
Trading securities	¥ 293,956	¥ 230,442	\$ 2,992
Derivatives of trading securities	470	3,043	5
Derivatives of securities related to trading transactions	13,428	10,440	137
Trading-related financial derivatives	4,052,928	2,995,314	41,260
Other trading assets	564,178	884,370	5,743
	¥4,924,961	¥4,123,611	\$50,137

4. Securities

Securities at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Japanese government bonds* ¹	¥14,734,419	¥ 9,339,978	\$149,999
Japanese local government bonds	338,688	439,228	3,448
Japanese corporate bonds* ²	3,899,189	3,880,773	39,695
Japanese stocks* ^{1, 3, 4}	2,755,683	3,749,762	28,053
Other* ^{1, 3, 4}	6,970,184	6,107,758	70,958
	¥28,698,164	¥23,517,501	\$292,153

*¹ Unsecured loaned securities for which borrowers have the right to sell or pledge in the amount of ¥33,312 million (\$339 million) and ¥81,071 million are included in Japanese government bonds, Japanese stocks and other at March 31, 2009 and 2008, respectively.

SMBC has the right to sell or pledge, some of the unsecured borrowed securities, securities under resale agreements and securities borrowed with cash collateral. Of these securities, ¥1,717,335 million (\$17,483 million) are pledged, and ¥188,715 million (\$1,921 million) are held in hand at March 31, 2009. The respective amounts at March 31, 2008 were ¥1,758,728 million and ¥504,363 million.

*² Japanese corporate bonds include privately placed bonds (stipulated by Article 2-3 of the Financial Instruments and Exchange Act) which are guaranteed by banking subsidiaries in the amount of ¥2,304,890 million (\$23,464 million) and ¥2,179,347 million at March 31, 2009 and 2008, respectively.

*³ Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥469,965 million (\$4,784 million) and ¥494,129 million at March 31, 2009 and 2008, respectively.

*⁴ Japanese stocks and other include investments in jointly controlled entities of ¥14,756 million (\$150 million) and ¥13,263 million at March 31, 2009 and 2008, respectively.

5. Loans and Bills Discounted

(1) Loans and bills discounted at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Bills discounted	¥ 257,759	¥ 360,859	\$ 2,624
Loans on notes	2,852,998	3,241,541	29,044
Loans on deeds	53,489,947	50,169,292	544,538
Overdrafts	8,534,613	8,373,180	86,884
	¥65,135,319	¥62,144,874	\$663,090

(2) Loans and bills discounted included the following "Risk-monitored loans" stipulated in the Banking Act:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Risk-monitored loans:			
Bankrupt loans* ¹	¥ 292,088	¥ 73,472	\$ 2,974
Non-accrual loans* ²	1,019,352	607,226	10,377
Past due loans (3 months or more)* ³	36,162	26,625	368
Restructured loans* ⁴	238,713	385,336	2,430
	¥1,586,317	¥1,092,661	\$16,149

*¹ "Bankrupt loans" are loans, after write-off, to legally bankrupt borrowers as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No. 97 of the Japanese Corporate Tax Law (issued in 1965) and on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons.

*² "Non-accrual loans" are loans on which accrued interest income is not recognized, excluding "Bankrupt loans" and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

*³ "Past due loans (3 months or more)" are loans on which the principal or interest is past due for 3 months or more, excluding "Bankrupt loans" and "Non-accrual loans."

*⁴ "Restructured loans" are loans on which terms and conditions have been amended in favor of the borrowers (e.g., reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers' recovery from financial difficulties, excluding "Bankrupt loans," "Non-accrual loans" and "Past due loans (3 months or more)."

(3) Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. SMFG's banking subsidiaries have rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The total face value at March 31, 2009 and 2008 was ¥686,407 million (\$6,988 million) and ¥807,712 million, respectively.

(4) Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amounts of unused commitments at March 31, 2009 and 2008 were ¥39,983,526 million (\$407,040 million) and ¥40,694,898 million, respectively, and the amounts of unused commitments whose original contract terms are within 1 year or unconditionally cancelable at any time at March 31, 2009 and 2008 were ¥34,012,566 million (\$346,254 million) and ¥34,502,051 million, respectively.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which SMBC and other consolidated subsidiaries can reject an application from customers or reduce the contract amounts in the event that economic conditions change, SMBC and other consolidated subsidiaries need to secure claims, or other events occur. In addition, SMBC and other consolidated subsidiaries may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers' financial positions, revising contracts when need arises and securing claims after the contracts are made.

6. Other Assets

Other assets at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Prepaid expenses.....	¥ 35,305	¥ 39,901	\$ 360
Accrued income.....	265,015	296,130	2,698
Deferred assets.....	868,188	1,423,253	8,838
Financial derivatives*	1,406,092	1,492,890	14,314
Other	1,682,648	1,699,412	17,130
	¥4,257,251	¥4,951,587	\$43,340

* Referred to in Note 30

7. Tangible Fixed Assets

Tangible fixed assets at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Buildings.....	¥ 296,219	¥235,729	\$ 3,016
Land*	531,726	463,225	5,413
Lease assets	7,206	—	73
Construction in progress.....	3,527	3,755	36
Other tangible fixed assets	170,121	117,700	1,732
Total	¥1,008,801	¥820,411	\$10,270
Accumulated depreciation	¥ 616,324	¥557,958	\$ 6,274

* Includes land revaluation excess referred to in Note 16.

8. Intangible Fixed Assets

Intangible fixed assets at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Software.....	¥163,522	¥141,419	\$1,665
Goodwill	186,793	178,645	1,901
Lease assets	480	—	5
Other intangible fixed assets.....	11,087	12,460	113
	¥361,884	¥332,525	\$3,684

9. Lease Assets

Lease assets at March 31, 2008 consisted of the following:

March 31	Millions of yen 2008
Equipment and others	¥3,781,960
Accumulated depreciation	(2,356,863)
	¥1,425,097

10. Assets Pledged as Collateral

Assets pledged as collateral at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Assets pledged as collateral:			
Cash and due from banks and Deposits with banks	¥ 339,948	¥ 158,679	\$ 3,461
Call loans and bills bought	259,186	—	2,639
Monetary claims bought	2,020	—	21
Trading assets	610,146	673,261	6,211
Securities	8,049,756	8,334,432	81,948
Loans and bills discounted	3,062,015	952,137	31,172
Lease receivables and investment assets	41,993	—	427
Tangible fixed assets	11,153	—	114
Other assets (installment account receivable etc.)	2,165	3,008	22
Liabilities corresponding to assets pledged as collateral:			
Deposits	27,060	25,381	275
Call money and bills sold	1,266,265	1,135,000	12,891
Payables under repurchase agreements	778,993	1,714,479	7,930
Payables under securities lending transactions	6,332,775	5,379,076	64,469
Trading liabilities	594,121	150,283	6,048
Borrowed money	1,970,209	1,447,744	20,057
Other liabilities	4,587	14,499	47
Acceptances and guarantees	134,530	140,917	1,370

In addition to the assets presented above, the following assets were pledged as collateral for cash settlements, variation margins of futures market transactions and certain other purposes at March 31, 2009 and 2008:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Cash and due from banks and Deposits with banks	¥ 19,380	¥ 7,745	\$ 197
Trading assets	52,843	601,560	538
Securities	11,172,095	3,344,984	113,734
Monetary claims bought	—	427	—
Loans and bills discounted	284,157	888,532	2,893

At March 31, 2009, other assets included surety deposits of ¥85,892 million (\$874 million) and variation margins of futures market transactions of ¥6,252 million (\$64 million). At March 31, 2008, other assets included surety deposits of ¥85,979 million and variation margins of futures market transactions of ¥11,546 million.

11. Deposits

Deposits at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Current deposits	¥ 6,588,074	¥ 6,070,443	\$ 67,068
Ordinary deposits	34,078,361	33,876,958	346,924
Savings deposits	815,336	867,515	8,300
Deposits at notice	5,162,137	4,668,292	52,552
Time deposits	25,039,089	23,133,834	254,903
Negotiable certificates of deposit	7,461,284	3,078,149	75,957
Other deposits	3,886,497	4,073,580	39,565
	¥83,030,782	¥75,768,773	\$845,269

12. Trading Liabilities

Trading liabilities at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Trading securities sold for short sales	¥ 7,473	¥ 20,046	\$ 76
Derivatives of trading securities	407	3,881	4
Derivatives of securities related to trading transactions	13,997	10,196	143
Trading-related financial derivatives	3,575,780	2,637,192	36,402
	¥3,597,658	¥2,671,316	\$36,625

13. Borrowed Money

Borrowed money at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars	Average interest rate* ¹	Due
	2009	2008	2009	2009	
Borrowed money* ²	¥4,644,699	¥4,279,034	\$47,284	0.98%	Jan. 2009 — Perpetual

*¹ Average interest rate represents the weighted average interest rate based on the balances and rates at respective year-end of SMBC and other consolidated subsidiaries.

*² Includes subordinated debt of ¥436,000 million (\$4,439 million) and ¥523,500 million at March 31, 2009 and 2008, respectively.

The repayment schedule over the next 5 years on borrowed money at March 31, 2009 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2009	2009
Within 1 year	¥3,281,412	\$33,405
After 1 year through 2 years	345,727	3,520
After 2 years through 3 years	262,172	2,669
After 3 years through 4 years	201,250	2,049
After 4 years through 5 years	138,268	1,408

14. Bonds

Bonds at March 31, 2009 and 2008 consisted of the following:

March 31

Issuer	Millions of yen*1		Millions of U.S. dollars	Interest rate*2 (%)	Due
Description	2009	2008	2009	2009	
SMBC:					
Short-term bonds, payable in Yen.....	¥ 114,242 [114,242]	¥ —	\$ 1,163	0.19–0.59	Apr. 2009–Jun. 2009
Straight bonds, payable in Yen	1,249,142 [398,291]	1,484,978 [389,700]	12,717	0.10–2.014	Apr. 2009–May 2025
Straight bonds, payable in Euroyen.....	25,400	26,900	259	0.00–2.08433	Mar. 2012–Feb. 2037
Subordinated bonds, payable in Yen	885,875	599,873	9,018	1.48063–2.80	Jun. 2010–Feb. 2019
Subordinated bonds, payable in Euroyen.....	690,800	813,500	7,032	0.88375–2.97	Nov. 2014–Perpetual
Subordinated bonds, payable in U.S. dollars	207,782 (\$2,115,273 thousand)	297,415 (\$2,968,509 thousand)	2,115	5.625–8.00	Nov. 2011–Perpetual
Subordinated bonds, payable in British pound sterling...	—	2,402 (£12,000 thousand)	—	—	—
Subordinated bonds, payable in Euro	90,312 (695,570 thousand)	109,889 (694,888 thousand)	919	4.375	Perpetual
Subordinated bonds, payable in Euro	162,234 (1,249,496 thousand)	197,436 (1,248,489 thousand)	1,652	4.375	Oct. 2014
Other consolidated subsidiaries:					
Straight bonds, payable in Yen	126,342 [65,621]	173,044 [80,000]	1,286	0.00–3.19375	Apr. 2009–Jul. 2017
Straight bonds, payable in U.S. dollars	910 (\$10,000 thousand)	1,141 (\$10,000 thousand)	10	7.00	May 2009
Straight bonds, payable in British pound sterling	—	1,811 (£8,000 thousand)	—	—	—
Subordinated bonds, payable in Yen	146,451 [23,815]	160,725 [5,000]	1,491	1.45–4.95	Aug. 2009–Perpetual
Subordinated bonds, payable in U.S. dollars	98,230 (\$1,000,000 thousand)	100,190 (\$1,000,000 thousand)	1,000	8.50	Jun. 2009
Short-term bonds, payable in Yen.....	905,100 [905,100]	769,100 [769,100]	9,214	0.27998–1.88742	Apr. 2009–Aug. 2009
	¥4,702,826	¥4,738,408	\$47,876		

*1 Figures in () are the balances in the original currency of the foreign currency denominated bonds, and figures in [] are the amounts to be redeemed within 1 year.

*2 Interest rates indicate nominal interest rates which are applied at the consolidated balance sheet dates. Therefore, they may differ from actual interest rates.

The redemption schedule over the next 5 years on bonds at March 31, 2009 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2009	2009
Within 1 year	¥1,606,211	\$16,352
After 1 year through 2 years.....	314,653	3,203
After 2 years through 3 years	271,915	2,768
After 3 years through 4 years	336,406	3,425
After 4 years through 5 years	277,472	2,825

15. Other Liabilities

Other liabilities at March 31, 2009 and 2008 consisted of the following:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Accrued expenses	¥ 268,050	¥ 235,326	\$ 2,729
Unearned income	177,998	192,974	1,812
Income taxes payable	45,105	56,772	459
Financial derivatives*1	1,317,303	1,404,616	13,411
Lease liabilities*2	23,594	—	240
Other	1,970,993	2,026,738	20,065
	¥3,803,046	¥3,916,427	\$38,716

*1 Referred to in Note 30

*2 Average interest rate on lease liabilities for the year ended March 31, 2009 was 3.75%. Non-transfer ownership finance lease with the lease term commenced before April 1, 2008 is excluded from calculations of average interest rate.

The repayment schedule over the next 5 years on lease liabilities at March 31, 2009 was as follows:

March 31	Millions of yen	Millions of U.S. dollars
	2009	2009
Within 1 year	¥6,592	\$67
After 1 year through 2 years	4,605	47
After 2 years through 3 years	2,743	28
After 3 years through 4 years	1,873	19
After 4 years through 5 years	1,172	12

16. Land Revaluation Excess

SMBC and another consolidated subsidiary revaluated their own land for business activities in accordance with the “Law Concerning Land Revaluation” (the “Law”) effective March 31, 1998 and the law concerning amendment of the Law effective March 31, 2001. The income taxes corresponding to the net unrealized gains are reported in “Liabilities” as “Deferred tax liabilities for land revaluation,” and the net unrealized gains, net of deferred taxes, are reported as “Land revaluation excess” in “Net assets.”

A certain affiliate revaluated its own land for business activities in accordance with the Law. The net unrealized gains, net of deferred taxes, are reported as “Land revaluation excess” in “Net assets.”

Date of the revaluation

SMBC:

March 31, 1998 and March 31, 2002

Another consolidated subsidiary and an affiliate:

March 31, 1999 and March 31, 2002

Method of revaluation (stipulated in Article 3-3 of the Law)

SMBC:

Fair values were determined by applying appropriate adjustments for land shape and timing of appraisal to the values stipulated in Article 2-3, 2-4 or 2-5 of the Enforcement Ordinance of the Law Concerning Land Revaluation (the Enforcement Ordinance No. 119) effective March 31, 1998.

Another consolidated subsidiary and an affiliate:

Fair values were determined based on the values stipulated in Article 2-3 and 2-5 of the Enforcement Ordinance No. 119.

17. Capital Stock

Capital stock consists of common stock and preferred stock. Common stock and preferred stock at March 31, 2009 and 2008 were as follows:

March 31	Number of shares			
	2009*		2008	
	Authorized	Issued	Authorized	Issued
Common stock.....	1,500,000,000	789,080,477	15,000,000	7,733,653.77
Preferred stock (Type 4).....	50,100	33,400	50,100	50,100
Preferred stock (Type 5).....	167,000	—	167,000	—
Preferred stock (Type 6).....	70,001	70,001	70,001	70,001
Preferred stock (Type 7).....	167,000	—	167,000	—
Preferred stock (Type 8).....	115,000	—	115,000	—
Preferred stock (Type 9).....	115,000	—	115,000	—
Total.....	1,500,684,101	789,183,878	15,684,101	7,853,754.77

* SMFG implemented a 100-for-1 stock split of shares of common stock effective on January 4, 2009.

All of the preferred stock is noncumulative and nonparticipating for dividend payments, and shareholders of the preferred stock are not entitled to vote at a general meeting of shareholders except when the proposal to pay the prescribed dividends to shareholders is not submitted to the general meeting of shareholders or is rejected at the general meeting of shareholders.

In the event that SMFG pays dividends, SMFG shall pay to holders of shares of its preferred stock, in preference to the holders of its common stock, cash dividends in the amounts as described below. If preferred interim dividends stipulated in the Articles of Incorporation of SMFG were paid during the relevant fiscal year, the amount of such preferred interim dividends shall be subtracted from such amount of annual preferred dividends. Preferred stock (Type 4) bears an annual noncumulative dividend of ¥135,000 per share and, in the event SMFG pays an interim dividend, holders are entitled to receive ¥67,500 in preference to common shareholders. Preferred stock (Type 6) bears an annual noncumulative dividend of ¥88,500 per share and, in the event SMFG pays an interim dividend, holders are entitled to receive ¥44,250 in preference to common shareholders. Holders of preferred stock are not entitled to any further dividends in excess of the amount as described above.

In the event of SMFG's voluntary or involuntary liquidation, holders of its preferred stock will be entitled, equally in rank as among themselves and in preference over shares of its common stock, to

receive out of SMFG's residual assets upon liquidation a distribution of ¥3,000,000 per share in the case of Type 4 and Type 6 preferred stock. Holders of preferred stock are not entitled to any further dividends or other participation or distribution of SMFG's residual assets upon SMFG's liquidation.

SMFG may, subject to the requirements provided in the Company Act, purchase any shares of the preferred stock then outstanding at any time and retire such preferred stock out of distributable amounts of SMFG. SMFG may also, subject to the requirements provided in the Company Act, redeem all or some of preferred stock (Type 6) out of distributable amounts of SMFG at any time on and after March 31, 2011 at a price of ¥3,000,000 per share.

Preferred stock (Type 4) is convertible to common stock at any time through February 7, 2028. Such preferred stock is convertible at a conversion price, which is ¥3,188 as of March 31, 2009, subject to anti-dilution adjustment, and to downward reset if the market price of SMFG's common stock at the time of conversion is less than the then-applicable conversion price. The reset is subject to a floor price, which is ¥1,051 as of March 31, 2009 and is subject to anti-dilution adjustment. Preferred stock (Type 4) outstanding on the last day of the applicable conversion period will be mandatorily converted into shares of its common stock on the immediately following day.

Preferred stock (Type 6) is non-convertible.

18. Fees and Commissions

Fees and commissions for the fiscal years ended March 31, 2009 and 2008 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Fees and commissions:			
Deposits and loans	¥ 77,840	¥ 73,822	\$ 792
Remittances and transfers	131,455	133,645	1,338
Securities-related business	33,872	35,118	345
Agency	14,673	16,028	149
Safe deposits	6,914	7,144	70
Guarantees	50,852	47,117	518
Credit card business	141,117	128,575	1,437
Investment trusts	37,370	72,376	381
Other	178,654	190,455	1,819
	¥672,752	¥704,283	\$6,849
Fees and commissions payments:			
Remittances and transfers	¥ 30,211	¥ 31,612	\$ 308
Other	85,362	60,677	869
	¥115,574	¥ 92,289	\$1,177

19. Trading Income

Trading income for the fiscal years ended March 31, 2009 and 2008 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Gains on trading securities	¥ 23,876	¥ 21,406	\$ 243
Gains on securities related to trading transactions	1,221	2,934	12
Gains on trading-related financial derivatives	179,255	438,365	1,825
Other	7,386	6,865	75
	¥211,738	¥469,571	\$2,155

20. Other Operating Income

Other operating income for the fiscal years ended March 31, 2009 and 2008 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Gains on sale of bonds	¥149,037	¥ 108,350	\$1,517
Gains on redemption of bonds	57	88	1
Lease-related income	252,966	893,448	2,575
Gains on financial derivatives	7,142	1,099	73
Other	120,396	209,648	1,225
	¥529,599	¥1,212,635	\$5,391

21. Other Operating Expenses

Other operating expenses for the fiscal years ended March 31, 2009 and 2008 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Losses on sale of bonds	¥ 68,882	¥ 29,380	\$ 701
Losses on redemption of bonds	45,852	35,860	467
Losses on devaluation of bonds	7,049	67,045	72
Bond issuance costs	606	756	6
Lease-related expenses	194,349	794,468	1,978
Losses on foreign exchange transactions	14,984	254,927	153
Other	141,487	209,651	1,440
	¥473,212	¥1,392,089	\$4,817

22. Other Income

Other income for the fiscal years ended March 31, 2009 and 2008 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Gains on sale of stocks and other securities	¥15,242	¥ 61,509	\$155
Gains on money held in trust	98	250	1
Gains on disposal of fixed assets	1,297	10,988	13
Recoveries of written-off claims	1,708	1,355	17
Gains on change in equity due to mergers of subsidiaries	—	103,133	—
Other	34,627	26,108	353
	¥52,973	¥203,346	\$539

23. Other Expenses

Other expenses for the fiscal years ended March 31, 2009 and 2008 consisted of the following:

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Write-off of loans	¥302,353	¥141,750	\$3,078
Losses on sale of stocks and other securities	7,802	5,737	79
Losses on devaluation of stocks and other securities	191,117	62,835	1,946
Losses on money held in trust	232	23	2
Losses on sale of delinquent loans	62,549	35,300	637
Equity in losses of affiliates	94,876	41,760	966
Losses on disposal of fixed assets	12,144	12,538	124
Losses on impairment of fixed assets*	7,363	5,161	75
Other	44,692	35,355	455
	¥723,131	¥340,463	\$7,362

*Losses on impairment of fixed assets consisted of the following:

Year ended March 31	Area	Purpose of use		Millions of yen		Millions of U.S. dollars
		2009	Type	2009	2008	2009
Tokyo metropolitan area	Branch (1 branch)		Land and buildings, etc.	¥ 57	¥ 41	\$ 1
	Corporate assets (1 item)			4,700	—	48
	Idle assets (24 items)			664	1,196	7
	Other (6 items)			444	69	4
Kinki area	Branches (5 branches)		Land and buildings, etc.	389	298	4
	Idle assets (10 items)			607	3,086	6
	Other (4 items)			318	—	3
Other	Branches (—)		Land and buildings, etc.	—	17	—
	Idle assets (9 items)			179	451	2

At SMBC, a branch, which continuously manages and determines its income and expenses, is the smallest unit of asset group for recognition and measurement of impairment loss of fixed assets. Assets such as corporate headquarters facilities, training facilities, data and system centers, and health and recreational facilities which do not produce cash flows that can be attributed to individual assets are treated as corporate assets. As for idle assets, impairment loss is measured individually. At other consolidated subsidiaries, a branch or other group is the smallest asset grouping unit as well.

In the fiscal year under review, SMBC and other subsidiaries reduced the carrying amounts of long-lived assets of which investments are not expected to be fully recovered to their recoverable amounts, and recognized the losses as "losses on impairment of fixed assets," which is included in "Other expenses." SMBC reduced the carrying amounts of corporate assets and idle assets, and other consolidated subsidiaries reduced the carrying amounts of long-lived assets of their branches and idle assets. The recoverable amount is calculated using net realizable value which is basically determined by subtracting the expected disposal cost from the appraisal value based on the Real Estate Appraisal Standard.

24. Deferred Tax Assets and Liabilities

(1) Significant components of deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Net operating loss carryforwards	¥ 718,553	¥ 863,604	\$ 7,315
Write-off of securities	354,168	332,355	3,606
Reserve for possible loan losses	307,586	212,043	3,131
Write-off of loans	141,102	104,729	1,437
Net unrealized gains (losses) on other securities	72,185	—	735
Reserve for employee retirement benefits	64,968	66,012	661
Net deferred losses on hedges	14,125	51,455	144
Depreciation	9,058	8,730	92
Other	132,911	127,474	1,353
Subtotal	1,814,660	1,766,405	18,474
Valuation allowance	(851,725)	(491,685)	(8,671)
Total deferred tax assets	962,935	1,274,720	9,803
Deferred tax liabilities:			
Net unrealized gains (losses) on other securities	(26,133)	(191,661)	(266)
Leveraged lease	(29,167)	(62,256)	(297)
Gains on securities contributed to employee retirement benefits trust ...	(42,263)	(42,263)	(430)
Securities returned from employee retirement benefits trust	(14,711)	(20,282)	(150)
Undistributed earnings of overseas subsidiaries	(2,206)	(12,506)	(23)
Other	(18,082)	(12,268)	(184)
Total deferred tax liabilities	(132,564)	(341,238)	(1,350)
Net deferred tax assets	¥ 830,370	¥ 933,481	\$ 8,453

(2) SMFG and its domestic consolidated subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, would result in an effective statutory tax rate of approximately 40.69% for the years ended March 31, 2009 and 2008. A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of operations to the statutory tax rate for the years ended March 31, 2009 and 2008 was as follows:

	2009	2008
Statutory tax rate	40.69%	40.69%
Valuation allowance	1,033.93	2.10
Equity in losses of affiliates	130.88	1.83
Gains on changes in equity	—	(4.52)
Unrealized gains	—	3.04
Undistributed earnings of overseas subsidiaries	(34.92)	—
Dividends exempted for income tax purposes	(6.24)	—
Other	(29.80)	(1.54)
Effective income tax rate	1,134.54%	41.60%

25. Changes in Net Assets

(1) Type and number of shares issued and treasury shares are as follows:

	Number of shares			
Year ended March 31, 2009	March 31, 2008	Increase	Decrease	March 31, 2009
Shares issued				
Common stock.....	7,733,653.77	781,346,823.23 ^{*1}	—	789,080,477
Preferred stock (1st series Type 4).....	4,175	—	—	4,175
Preferred stock (2nd series Type 4).....	4,175	—	—	4,175
Preferred stock (3rd series Type 4).....	4,175	—	—	4,175
Preferred stock (4th series Type 4).....	4,175	—	—	4,175
Preferred stock (5th series Type 4).....	4,175	—	4,175 ^{*2}	—
Preferred stock (6th series Type 4).....	4,175	—	4,175 ^{*2}	—
Preferred stock (7th series Type 4).....	4,175	—	4,175 ^{*2}	—
Preferred stock (8th series Type 4).....	4,175	—	4,175 ^{*2}	—
Preferred stock (9th series Type 4).....	4,175	—	—	4,175
Preferred stock (10th series Type 4).....	4,175	—	—	4,175
Preferred stock (11th series Type 4).....	4,175	—	—	4,175
Preferred stock (12th series Type 4).....	4,175	—	—	4,175
Preferred stock (1st series Type 6).....	70,001	—	—	70,001
Total.....	7,853,754.77	781,346,823.23	16,700	789,183,878
Treasury shares				
Common stock.....	168,997.41	16,887,475.04 ^{*3}	28,006.45 ^{*3}	17,028,466
Preferred stock (5th series Type 4).....	—	4,175 ^{*2}	4,175 ^{*2}	—
Preferred stock (6th series Type 4).....	—	4,175 ^{*2}	4,175 ^{*2}	—
Preferred stock (7th series Type 4).....	—	4,175 ^{*2}	4,175 ^{*2}	—
Preferred stock (8th series Type 4).....	—	4,175 ^{*2}	4,175 ^{*2}	—
Total.....	168,997.41	16,904,175.04	44,706.45	17,028,466

^{*1} Increase in number of common shares issued:

- 157,151 shares due to exercising of rights to request acquisition of common shares with respect to preferred stock (5th through 8th series Type 4) on April 30, 2008
- 781,189,672.23 shares due to the stock split implemented on January 4, 2009

^{*2} Increase in number of treasury preferred shares (Type 4):

- 4,175 shares due to acquisition of own shares on April 30, 2008 as a result of exercising of rights to request acquisition of common shares

Decrease in number of shares issued and treasury shares of preferred stock (5th through 8th series Type 4):

- 4,175 shares due to retirement of treasury shares on May 16, 2008

^{*3} Increase in number of treasury common shares:

- 68,904.66 shares due to purchase of fractional shares and shares less than one unit
- 539 shares due to acquisition of shares owned by shareholders who opposed the exchange of subsidiary company shares for SMFG shares
- 16,818,031.38 shares due to the stock split implemented on January 4, 2009

Decrease in number of treasury common shares:

- 28,006.45 shares due to sale of fractional shares and shares less than one unit

	Number of shares			
Year ended March 31, 2008	March 31, 2007	Increase	Decrease	March 31, 2008
Shares issued				
Common stock	7,733,653.77	—	—	7,733,653.77
Preferred stock (1st series Type 4)	4,175	—	—	4,175
Preferred stock (2nd series Type 4)	4,175	—	—	4,175
Preferred stock (3rd series Type 4)	4,175	—	—	4,175
Preferred stock (4th series Type 4)	4,175	—	—	4,175
Preferred stock (5th series Type 4)	4,175	—	—	4,175
Preferred stock (6th series Type 4)	4,175	—	—	4,175
Preferred stock (7th series Type 4)	4,175	—	—	4,175
Preferred stock (8th series Type 4)	4,175	—	—	4,175
Preferred stock (9th series Type 4)	4,175	—	—	4,175
Preferred stock (10th series Type 4)	4,175	—	—	4,175
Preferred stock (11th series Type 4)	4,175	—	—	4,175
Preferred stock (12th series Type 4)	4,175	—	—	4,175
Preferred stock (1st series Type 6)	70,001	—	—	70,001
Total	7,853,754.77	—	—	7,853,754.77
Treasury shares				
Common stock	168,630.95	895.01* ¹	528.55* ²	168,997.41
Total	168,630.95	895.01	528.55	168,997.41

*1 Increase in number of treasury common shares:

- 895.01 shares due to purchase of fractional shares

*2 Decrease in number of treasury common shares:

- 234.55 shares due to sale of fractional shares and delivery of shares in connection with exercising of stock options
- 294 shares due to sale of shares of SMFG's common stock owned by subsidiaries

(2) Information on stock acquisition rights is as follows:

Year ended March 31, 2009	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen		Millions of U.S. dollars
			March 31, 2008	Increase	Decrease	March 31, 2009	March 31, 2009	
SMFG	Stock options	—	—	—	—	—	¥ —	\$ —
Consolidated subsidiaries	—	—	—	—	—	—	66	1
Total							¥ 66	\$ 1

Year ended March 31, 2008	Detail of stock acquisition rights	Type of shares	Number of shares			Millions of yen	
			March 31, 2007	Increase	Decrease	March 31, 2008	March 31, 2008
SMFG	Stock options	—	—	—	—	—	¥ —
Consolidated subsidiaries	—	—	—	—	—	—	43
Total							¥ 43

(3) Information on dividends is as follows:

(a) Dividends paid in the fiscal year ended March 31, 2008

Type of shares	Millions of yen, except per share amount			
	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥53,660	¥ 7,000	March 31, 2007	June 28, 2007
Preferred stock (1st series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (2nd series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (3rd series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (4th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (5th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (6th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (7th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (8th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (9th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (10th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (11th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (12th series Type 4)	563	135,000	March 31, 2007	June 28, 2007
Preferred stock (1st series Type 6)	6,195	88,500	March 31, 2007	June 28, 2007

Date of resolution: Ordinary general meeting of shareholders held on June 28, 2007

Millions of yen, except per share amount

Type of shares	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥38,326	¥ 5,000	September 30, 2007	December 7, 2007
Preferred stock (1st series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (2nd series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (3rd series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (4th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (5th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (6th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (7th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (8th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (9th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (10th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (11th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (12th series Type 4)	281	67,500	September 30, 2007	December 7, 2007
Preferred stock (1st series Type 6)	3,097	44,250	September 30, 2007	December 7, 2007

Date of resolution: Meeting of the Board of Directors held on November 19, 2007

(b) Dividends paid in the fiscal year ended March 31, 2009

Millions of yen, except per share amount

Type of shares	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥53,655	¥ 7,000	March 31, 2008	June 27, 2008
Preferred stock (1st series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (2nd series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (3rd series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (4th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (5th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (6th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (7th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (8th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (9th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (10th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (11th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (12th series Type 4)	281	67,500	March 31, 2008	June 27, 2008
Preferred stock (1st series Type 6)	3,097	44,250	March 31, 2008	June 27, 2008

Date of resolution: Ordinary general meeting of shareholders held on June 27, 2008

Millions of yen, except per share amount

Type of shares	Aggregate amount of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥54,753	¥ 7,000	September 30, 2008	December 5, 2008
Preferred stock (1st series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (2nd series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (3rd series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (4th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (9th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (10th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (11th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (12th series Type 4)	281	67,500	September 30, 2008	December 5, 2008
Preferred stock (1st series Type 6)	3,097	44,250	September 30, 2008	December 5, 2008

Date of resolution: Meeting of the Board of Directors held on November 14, 2008

(c) Dividends to be paid in the fiscal year ending March 31, 2010

Type of shares	Millions of yen, except per share amount				
	Aggregate amount of dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Common stock	¥15,707	Retained earnings	¥ 20	March 31, 2009	June 26, 2009
Preferred stock (1st series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (2nd series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (3rd series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (4th series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (9th series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (10th series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (11th series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (12th series Type 4)	281	Retained earnings	67,500	March 31, 2009	June 26, 2009
Preferred stock (1st series Type 6)	3,097	Retained earnings	44,250	March 31, 2009	June 26, 2009

Date of resolution: Ordinary general meeting of shareholders held on June 26, 2009

26. Cash Flows

Fiscal year ended March 31, 2008

- (1) QUOQ Inc. and 2 other companies became consolidated subsidiaries of SMFG due to increases in the voting rights in the fiscal year ended March 31, 2008. Their major assets and liabilities are as follows:

	Millions of yen
Assets	¥1,504,288
Other assets	548,428
Customers' liabilities for acceptances and guarantees	891,593
Liabilities	¥1,471,831
Borrowed money	436,628
Acceptances and guarantees	891,593

- (2) The major assets and liabilities which were acquired due to a merger between SMBC Leasing Company, Limited and Sumisho Lease Co., Ltd. are as follows:

	Millions of yen
Assets	¥1,392,490
Lease assets	632,224
Loans and bills discounted	329,069
Liabilities	¥1,249,703
Borrowed money	571,741
Short-term bonds	393,000

- (3) SMBC Auto Leasing Company, Limited and 1 other company were excluded from the scope of consolidation due to a merger with Sumisho Auto Leasing Corporation in the fiscal year ended March 31, 2008. Their major assets and liabilities are as follows:

	Millions of yen
Assets	¥305,751
Lease assets	221,725
Liabilities	¥289,379
Borrowed money	144,561
Short-term bonds	106,000

27. Employee Retirement Benefits

(1) Outline of employee retirement benefits

Consolidated subsidiaries in Japan have contributory funded defined benefit pension plans such as employee pension plans, qualified pension plans and lump-sum severance indemnity plans. A consolidated subsidiary in Japan adopts defined-contribution pension plan. Certain domestic consolidated subsidiaries have a general type of employee pension plans. They may grant additional benefits in cases where certain requirements are met when employees retire.

Some overseas consolidated subsidiaries adopt defined benefit pension plans and defined-contribution pension plans. SMBC and some consolidated subsidiaries in Japan contributed some of their marketable equity securities to employee retirement benefits trusts.

(2) Projected benefit obligation

		Millions of yen		Millions of U.S. dollars
		2009	2008	2009
March 31				
Projected benefit obligation	(A)	¥(918,081)	¥(919,082)	\$(9,346)
Plan assets	(B)	742,917	975,920	7,563
Unfunded projected benefit obligation	(C)=(A)+(B)	(175,164)	56,838	(1,783)
Unrecognized net actuarial gain or loss	(D)	382,151	153,949	3,890
Unrecognized prior service cost	(E)	(26,420)	(37,118)	(269)
Net amount recorded on the consolidated balance sheet	(F)=(C)+(D)+(E)	180,566	173,669	1,838
Prepaid pension cost	(G)	216,209	212,370	2,201
Reserve for employee retirement benefits	(F)-(G)	¥ (35,643)	¥ (38,701)	\$ (363)

Note: Some consolidated subsidiaries adopt the simple method in calculating the projected benefit obligation.

(3) Pension expenses

		Millions of yen		Millions of U.S. dollars
		2009	2008	2009
Year ended March 31				
Service cost		¥20,574	¥19,947	\$209
Interest cost on projected benefit obligation		22,445	22,414	229
Expected return on plan assets		(31,192)	(32,407)	(317)
Amortization of unrecognized net actuarial gain or loss		33,301	4,546	339
Amortization of unrecognized prior service cost		(11,159)	(11,182)	(114)
Other (nonrecurring additional retirement allowance paid and other)		3,934	2,544	40
Total		¥37,902	¥ 5,863	\$386

Notes: 1. Pension expenses of consolidated subsidiaries which adopt the simple method are included in "Service cost."

2. Premium paid to defined-contribution pension is included in "Other."

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the fiscal years ended March 31, 2009 and 2008 were as follows:

Year ended March 31	2009	2008
Discount rate	1.4% to 2.5%	1.4% to 2.5%
Expected rate of return on plan assets	0% to 4.1%	0% to 4.5%

Estimated amounts of retirement benefits are allocated to each period by the straight-line method.

Unrecognized prior service cost is amortized using the straight-line method within the employees' average remaining service period from the fiscal year of its incurrence, over mainly 9 years for the fiscal years ended March 31, 2009 and 2008.

Unrecognized net actuarial gain or loss is amortized using the straight-line method within the employees' average remaining service period, commencing from the next fiscal year of incurrence, over mainly 9 years for the fiscal years ended March 31, 2009 and 2008.

28. Lease Transactions

Fiscal year ended March 31, 2009

(1) Financing leases

(a) Lessee side

(i) Lease assets

Tangible fixed assets mainly consisted of branches and equipment. Intangible fixed assets are software.

(ii) Depreciation method of lease assets

Depreciation method of lease assets is reported in Note 2. (5) Depreciation.

(b) Lessor side

(i) Breakdown of lease investment assets

March 31, 2009	Millions of yen	Millions of U.S. dollars
Lease receivables	¥1,444,731	\$14,708
Residual value	111,273	1,133
Unearned interest income	(247,788)	(2,523)
Total	¥1,308,216	\$13,318

(ii) The scheduled collections of lease receivables and investment assets are as follows:

Lease payments receivable related to lease receivables

March 31, 2009	Millions of yen	Millions of U.S. dollars
Within 1 year	¥244,758	\$2,492
More than 1 year to 2 years	179,297	1,825
More than 2 years to 3 years	129,660	1,320
More than 3 years to 4 years	79,425	809
More than 4 years to 5 years	49,624	505
More than 5 years	56,683	577
Total	¥739,450	\$7,528

Lease payments receivable related to investment assets

March 31, 2009	Millions of yen	Millions of U.S. dollars
Within 1 year	¥ 445,841	\$ 4,539
More than 1 year to 2 years	324,231	3,301
More than 2 years to 3 years	232,671	2,369
More than 3 years to 4 years	155,177	1,580
More than 4 years to 5 years	91,276	929
More than 5 years	195,533	1,990
Total	¥1,444,731	\$14,708

(iii) Non-transfer ownership finance leases, which commenced in fiscal years beginning before April 1, 2008, are valued at their appropriate book value, net of accumulated depreciation, as of March 31, 2008, and recorded as the beginning balance of "Lease receivables and investment assets." Moreover, interest on such non-transfer ownership finance leases during the remaining term of the leases is allocated over the lease term using the straight-line method. As a result of this accounting treatment, income before income taxes for the fiscal year ended March 31, 2009 was ¥58,833 million (\$599 million) less than it would have been if such transactions had been treated in a similar way to sales of the underlying assets.

(2) Operating leases

(a) Lessee side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2009 were as follows:

March 31, 2009	Millions of yen	Millions of U.S. dollars
Due within 1 year	¥13,122	\$133
Due after 1 year	52,925	539
Total	¥66,047	\$672

(b) Lessor side

Future minimum lease payments on operating leases which were not cancelable at March 31, 2009 were as follows:

March 31, 2009	Millions of yen	Millions of U.S. dollars
Due within 1 year	¥18,435	\$188
Due after 1 year	79,007	804
Total	¥97,442	\$992

Future lease payments receivable on operating leases which were not cancelable amounting to ¥1,438 million (\$15 million) on the lessor side were pledged as collateral for borrowings.

Fiscal year ended March 31, 2008

(1) Financing leases

A summary of assumed amounts of acquisition cost, accumulated depreciation and net book value for financing leases without transfer of ownership at March 31, 2008 was as follows:

(a) Lessee side

	Millions of yen		
	2008		
March 31	Acquisition cost	Accumulated depreciation	Net book value
Equipment	¥14,741	¥6,544	¥8,196
Other.....	483	313	170
Total	¥15,224	¥6,858	¥8,366

Future minimum lease payments excluding interests at March 31, 2008 were as follows:

March 31	Millions of yen
	2008
Due within 1 year	¥4,007
Due after 1 year	4,791
	¥8,798

Total lease expenses for the year ended March 31, 2008 were ¥3,914 million. Assumed depreciation for the year ended March 31, 2008 amounted to ¥3,702 million. Assumed depreciation is calculated using the straight-line method over the lease term of the respective assets without residual values. The difference between the minimum lease payments and the acquisition costs of the lease assets represents interest expenses. The allocation of such interest expenses over the lease term is calculated using the effective interest method. Interest expenses for the year ended March 31, 2008 amounted to ¥177 million.

(b) Lessor side

	Millions of yen		
	2008		
March 31	Acquisition cost	Accumulated depreciation	Net book value
Equipment	¥3,111,499	¥2,021,324	¥1,090,174
Other.....	557,804	322,065	235,739
Total	¥3,669,303	¥2,343,389	¥1,325,914

Future lease payments receivable excluding interests at March 31, 2008 were as follows:

March 31	Millions of yen
	2008
Due within 1 year	¥ 446,616
Due after 1 year	928,716
	¥1,375,333

At March 31, 2008, future lease payments receivable shown above included subleases of ¥6,693 million (due within 1 year: ¥3,331 million) on the lessor side. The amount on the lessee side was almost the same and was included in the future minimum lease payments shown in (a).

Total lease income for the year ended March 31, 2008 was ¥478,069 million. Depreciation for the year ended March 31, 2008 amounted to ¥392,325 million. Interest income represents the difference between the sum of the lease payments receivable and estimated residual values, and the acquisition costs of the lease assets. The allocation of such interest income over the lease term is calculated using the effective interest method. Interest income for the year ended March 31, 2008 amounted to ¥68,576 million.

(2) Operating leases

(a) Lessee side

Future minimum lease payments at March 31, 2008 were as follows:

March 31	Millions of yen
	2008
Due within 1 year	¥14,287
Due after 1 year	63,723
	¥78,010

(b) Lessor side

Future lease payments receivable at March 31, 2008 were as follows:

	Millions of yen
March 31	2008
Due within 1 year	¥12,848
Due after 1 year	42,130
	¥54,978

Future lease payments receivable at March 31, 2008 amounting to ¥36,396 million on the lessor side referred to in (1) and (2) above were pledged as collateral for borrowings.

29. Fair Value of Marketable Securities and Money Held in Trust

(1) Securities

The amounts shown in the following tables include trading securities and short-term bonds classified as “Trading assets,” negotiable certificates of deposit bought classified as “Deposits with banks,” and beneficiary claims on loan trusts classified as “Monetary claims bought,” in addition to “Securities” stated in the consolidated balance sheets.

(a) Securities classified as trading purposes

	Millions of yen		Millions of U.S. dollars
March 31	2009	2008	2009
Consolidated balance sheet amount	¥858,134	¥1,114,812	\$8,736
Valuation gains included in the earnings for the fiscal year	502	313	5

(b) Bonds classified as held-to-maturity with fair value

	Millions of yen				
	2009				
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥1,574,004	¥1,596,291	¥22,286	¥22,582	¥ 295
Japanese local government bonds	96,312	97,265	953	962	9
Japanese corporate bonds	392,209	396,215	4,006	4,611	605
Other	9,181	8,676	(504)	—	504
Total	¥2,071,708	¥2,098,449	¥26,741	¥28,155	¥1,414
	Millions of yen				
	2008				
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	¥ 614,281	¥ 625,028	¥10,747	¥12,035	¥1,287
Japanese local government bonds	97,311	98,903	1,591	1,591	—
Japanese corporate bonds	390,070	394,679	4,608	4,752	143
Other	9,178	8,985	(192)	—	192
Total	¥1,110,841	¥1,127,597	¥16,755	¥18,379	¥1,623
	Millions of U.S. dollars				
	2009				
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	\$16,024	\$16,251	\$227	\$230	\$ 3
Japanese local government bonds	980	990	10	10	0
Japanese corporate bonds	3,993	4,034	41	47	6
Other	93	88	(5)	—	5
Total	\$21,090	\$21,363	\$273	\$287	\$14

Note: Fair value is calculated using market prices at the fiscal year-end.

(c) Other securities with fair value

Millions of yen					
2009					
March 31	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks.....	¥ 1,978,015	¥ 1,985,078	¥ 7,062	¥287,380	¥280,317
Bonds.....	14,010,902	14,008,076	(2,826)	21,534	24,360
Japanese government bonds.....	13,158,932	13,160,414	1,482	20,029	18,547
Japanese local government bonds.....	242,419	242,376	(43)	499	542
Japanese corporate bonds.....	609,550	605,286	(4,264)	1,005	5,270
Other	6,048,145	6,010,732	(37,412)	47,920	85,332
Total	¥22,037,063	¥22,003,887	¥(33,176)	¥356,834	¥390,011

Millions of yen					
2008					
March 31	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks.....	¥ 1,954,723	¥ 2,890,952	¥936,228	¥ 999,414	¥ 63,186
Bonds.....	9,864,246	9,731,353	(132,892)	18,645	151,537
Japanese government bonds.....	8,858,202	8,725,687	(132,515)	16,924	149,439
Japanese local government bonds.....	342,677	341,916	(760)	308	1,069
Japanese corporate bonds.....	663,366	663,750	383	1,412	1,028
Other	5,295,371	5,237,455	(57,915)	24,469	82,385
Total	¥17,114,341	¥17,859,762	¥745,420	¥1,042,530	¥297,109

Millions of U.S. dollars					
2009					
March 31	Acquisition cost	Consolidated balance sheet amount	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks.....	\$ 20,137	\$ 20,209	\$ 72	\$2,926	\$2,854
Bonds.....	142,634	142,605	(29)	219	248
Japanese government bonds.....	133,961	133,976	15	204	189
Japanese local government bonds.....	2,468	2,467	(1)	5	6
Japanese corporate bonds.....	6,205	6,162	(43)	10	53
Other	61,571	61,190	(381)	488	869
Total	\$224,342	\$224,004	\$(338)	\$3,633	\$3,971

Notes: 1. Consolidated balance sheet amount is calculated as follows:

Stocks (including foreign stocks): Average market prices during 1 month before the fiscal year-end

Bonds and other: Market prices at the fiscal year-end or fair value based on DCF method on certain Japanese government bonds at March 31, 2009

2. Other securities with fair value are considered as impaired if the fair value declines materially below the acquisition cost and such decline is not considered as recoverable. In such a case, the fair value is recognized as the consolidated balance sheet amount and the amount of write-down is accounted for as valuation loss for the fiscal year. Valuation losses for the fiscal years ended March 31, 2009 and 2008 were ¥156,721 million (\$1,595 million) and ¥96,455 million, respectively. The rule for determining "material decline" is as follows and is based on the classification of the issuing company under self-assessment of assets.

Bankrupt/Effectively bankrupt/Potentially bankrupt issuers: Fair value is lower than acquisition cost.

Issuers requiring caution: Fair value is 30% or more lower than acquisition cost.

Normal issuers: Fair value is 50% or more lower than acquisition cost.

Bankrupt issuers: Issuers that are legally bankrupt or formally declared bankrupt.

Effectively bankrupt issuers: Issuers that are not legally bankrupt but regarded as substantially bankrupt.

Potentially bankrupt issuers: Issuers that are not bankrupt now, but are perceived to have a high risk of falling into bankruptcy.

Issuers requiring caution: Issuers that are identified for close monitoring.

Normal issuers: Issuers other than the above 4 categories of issuers.

(d) Held-to-maturity bonds sold during the years ended March 31, 2009 and 2008

There are no corresponding transactions.

(e) Other securities sold during the years ended March 31, 2009 and 2008

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Sales amount	¥34,610,449	¥35,013,724	\$352,341
Gains on sales.....	158,285	169,352	1,611
Losses on sales	75,997	33,521	774

(f) Securities with no available market value

	Millions of yen		Millions of U.S. dollars
	Consolidated balance sheet amount		Consolidated balance sheet amount
March 31	2009	2008	2009
Bonds classified as held-to-maturity			
Beneficiary claims on accounts receivable, etc.	¥ 9,996	¥ 11,672	\$ 102
Unlisted foreign securities.....	—	7	—
Other securities			
Unlisted stocks (excluding OTC stocks)	332,450	377,123	3,384
Unlisted bonds.....	2,901,693	2,826,953	29,540
Unlisted foreign securities.....	800,543	724,557	8,150
Other.....	564,348	567,374	5,745

(g) Change of classification of securities

There are no corresponding transactions.

(h) Redemption schedule of other securities with maturities and held-to-maturity bonds

	Millions of yen			
	2009			
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	¥3,416,761	¥11,895,495	¥1,987,483	¥1,659,495
Japanese government bonds	2,802,254	9,376,045	1,133,529	1,422,588
Japanese local government bonds	32,001	232,744	73,889	52
Japanese corporate bonds	582,504	2,286,704	780,064	236,853
Other.....	1,077,576	4,272,647	788,691	609,101
Total.....	¥4,494,337	¥16,168,143	¥2,776,174	¥2,268,597

	Millions of yen			
	2008			
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	¥2,572,065	¥ 7,672,897	¥1,675,020	¥1,739,846
Japanese government bonds	1,919,514	5,205,946	521,200	1,693,316
Japanese local government bonds	142,310	142,937	153,582	398
Japanese corporate bonds	510,240	2,324,013	1,000,238	46,131
Other.....	825,298	3,847,580	580,263	562,258
Total.....	¥3,397,364	¥11,520,477	¥2,255,284	¥2,302,105

	Millions of U.S. dollars			
	2009			
March 31	Within 1 year	After 1 year through 5 years	After 5 years through 10 years	After 10 years
Bonds	\$34,783	\$121,098	\$20,233	\$16,894
Japanese government bonds	28,527	95,450	11,540	14,482
Japanese local government bonds	326	2,369	752	1
Japanese corporate bonds	5,930	23,279	7,941	2,411
Other.....	10,970	43,497	8,029	6,201
Total.....	\$45,753	\$164,595	\$28,262	\$23,095

(2) Money held in trust

(a) Money held in trust classified as trading purposes

	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
March 31			
Consolidated balance sheet amount	¥1,416	¥1,488	\$14
Valuation gains (losses) included in the earnings for the fiscal year	(3)	3	(0)

(b) Money held in trust classified as held-to-maturity

There are no corresponding transactions.

(c) Other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Acquisition cost	¥7,830	¥5,870	\$80
Consolidated balance sheet amount	7,568	5,841	77
Net unrealized gains (losses)	(262)	(29)	(3)
Unrealized gains	—	—	—
Unrealized losses	262	29	3

Note: Consolidated balance sheet amount is calculated using market prices at the fiscal year-end.

(3) Net unrealized gains (losses) on other securities and other money held in trust

March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Net unrealized gains (losses)	¥(34,044)	¥745,330	\$(347)
Other securities	(33,781)	745,359	(344)
Other money held in trust	(262)	(29)	(3)
(-) Deferred tax liabilities	14,428	192,478	146
Net unrealized gains (losses) on other securities (before following adjustment)	(48,472)	552,851	(493)
(-) Minority interests	(5,400)	1,632	(55)
(+) SMFG's interest in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method	28,422	(570)	289
Net unrealized gains (losses) on other securities	¥(14,649)	¥550,648	\$(149)

Note: Net unrealized gains (losses) included foreign currency translation adjustments on non-marketable securities denominated in foreign currency.

30. Derivative Transactions

(1) Interest rate derivatives

	Millions of yen			
	2009			
	Contract amount			
March 31	Total	Over 1 year	Fair value	Valuation gains (losses)
Transactions listed on exchange				
Interest rate futures:				
Sold.....	¥ 17,636,094	¥ 1,254,229	¥ (41,578)	¥ (41,578)
Bought.....	19,571,966	1,557,621	51,493	51,493
Over-the-counter transactions				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	15,742,690	97,966	114	114
Interest rate swaps:	395,948,961	283,809,494	207,729	207,729
Receivable fixed rate/payable floating rate	186,295,438	135,517,151	4,508,393	4,508,393
Receivable floating rate/payable fixed rate	186,981,391	132,487,292	(4,300,450)	(4,300,450)
Receivable floating rate/payable floating rate	22,579,384	15,712,303	4,399	4,399
Interest rate swaptions:				
Sold.....	2,690,323	1,789,900	(65,983)	(65,983)
Bought.....	2,802,501	2,143,328	65,627	65,627
Caps:				
Sold.....	27,834,072	12,451,630	(5,342)	(5,342)
Bought.....	13,867,378	6,122,525	3,263	3,263
Floors:				
Sold	3,351,169	1,816,123	(21,272)	(21,272)
Bought.....	5,116,400	2,810,008	8,036	8,036
Other:				
Sold.....	1,177,521	575,022	(32,707)	(32,707)
Bought.....	3,454,028	2,000,040	100,656	100,656
Total	/	/	¥ 270,036	¥ 270,036

March 31	Millions of yen			
	2008			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Interest rate futures:				
Sold.....	¥ 28,529,253	¥ 1,219,498	¥ (79,013)	¥ (79,013)
Bought.....	31,429,238	2,102,835	84,575	84,575
Interest rate options:				
Sold.....	411,164	—	(49)	(49)
Bought.....	411,164	—	51	51
Over-the-counter transactions				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	5,487,572	189,577	31	31
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	431,702,347	306,921,182	171,368	171,368
Receivable floating rate/payable fixed rate.....	204,294,602	148,030,995	1,948,325	1,948,325
Receivable floating rate/payable fixed rate.....	204,725,780	143,672,565	(1,770,092)	(1,770,092)
Receivable floating rate/payable floating rate.....	22,565,295	15,101,309	(1,749)	(1,749)
Interest rate swaptions:				
Sold.....	3,948,380	2,108,111	(62,141)	(62,141)
Bought.....	3,332,135	2,261,063	66,519	66,519
Caps:				
Sold.....	31,659,913	20,654,248	(13,437)	(13,437)
Bought.....	15,801,704	9,592,055	7,195	7,195
Floors:				
Sold.....	3,612,695	1,156,798	(10,171)	(10,171)
Bought.....	5,876,742	2,307,702	2,566	2,566
Other:				
Sold.....	2,366,908	1,161,375	(23,224)	(23,224)
Bought.....	4,965,301	3,143,768	59,900	59,900
Total.....	/	/	¥ 204,169	¥ 204,169

March 31	Millions of U.S. dollars			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Interest rate futures:				
Sold.....	\$ 179,539	\$ 12,768	\$ (423)	\$ (423)
Bought.....	199,246	15,857	524	524
Over-the-counter transactions				
Forward rate agreements:				
Sold.....	—	—	—	—
Bought.....	160,264	997	1	1
Interest rate swaps:				
Receivable fixed rate/payable floating rate.....	4,030,835	2,889,234	2,115	2,115
Receivable floating rate/payable fixed rate.....	1,896,523	1,379,590	45,896	45,896
Receivable floating rate/payable fixed rate.....	1,903,506	1,348,746	(43,779)	(43,779)
Receivable floating rate/payable floating rate.....	229,862	159,954	45	45
Interest rate swaptions:				
Sold.....	27,388	18,222	(672)	(672)
Bought.....	28,530	21,819	668	668
Caps:				
Sold.....	283,356	126,760	(54)	(54)
Bought.....	141,173	62,328	33	33
Floors:				
Sold.....	34,116	18,488	(217)	(217)
Bought.....	52,086	28,606	82	82
Other:				
Sold.....	11,987	5,854	(333)	(333)
Bought.....	35,163	20,361	1,025	1,025
Total.....	/	/	\$ 2,749	\$ 2,749

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Financial Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(2) Currency derivatives

Millions of yen				
2009				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Currency swaps	¥22,343,204	¥14,918,715	¥(138,309)	¥(107,046)
Currency swaptions:				
Sold	863,862	863,862	(13,907)	(13,907)
Bought	964,627	955,373	30,040	30,040
Forward foreign exchange	44,250,845	4,431,723	108,517	108,517
Currency options:				
Sold	4,448,659	2,475,706	(269,220)	(269,220)
Bought	4,356,557	2,411,169	303,847	303,847
Total	/	/	¥ 20,967	¥ 52,231
Millions of yen				
2008				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Currency swaps	¥22,379,597	¥13,103,269	¥ (43,029)	¥160,284
Currency swaptions:				
Sold	829,741	824,731	(10,592)	(10,592)
Bought	930,422	908,013	27,161	27,161
Forward foreign exchange	56,377,725	5,755,015	140,241	140,241
Currency options:				
Sold	6,126,597	2,706,432	(289,853)	(289,853)
Bought	5,963,302	2,662,166	315,610	315,610
Total	/	/	¥139,537	¥342,851
Millions of U.S. dollars				
2009				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Currency swaps	\$227,458	\$151,875	\$(1,408)	\$(1,090)
Currency swaptions:				
Sold	8,794	8,794	(141)	(141)
Bought	9,820	9,726	306	306
Forward foreign exchange	450,482	45,116	1,105	1,105
Currency options:				
Sold	45,288	25,203	(2,741)	(2,741)
Bought	44,351	24,546	3,093	3,093
Total	/	/	\$ 214	\$ 532

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations. The amounts above do not include the following:

- (a) Derivative transactions to which the deferred hedge accounting method is applied;
- (b) Those that are allotted to financial assets/liabilities denominated in foreign currency and whose fair values are already reflected to the consolidated balance sheets; and
- (c) Those that are allotted to financial assets/liabilities denominated in foreign currency, and the financial assets/liabilities are eliminated in the process of consolidation.

2. Fair value is calculated using discounted present value and option pricing models.

(3) Equity derivatives

	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Transactions listed on exchange				
Equity price index futures:				
Sold.....	¥ 14,239	¥ —	¥ (632)	¥ (632)
Bought.....	14,533	—	636	636
Equity price index options:				
Sold.....	2,218	—	(17)	(17)
Bought.....	144	—	3	3
Over-the-counter transactions				
Equity options:				
Sold.....	219,238	145,209	(63,785)	(63,785)
Bought.....	219,238	145,209	63,785	63,785
Total.....	/	/	¥ (9)	¥ (9)

	Millions of yen			
	2008			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Transactions listed on exchange				
Equity price index futures:				
Sold.....	¥ 86,574	¥ —	¥ 64	¥ 64
Bought.....	41,498	—	151	151
Over-the-counter transactions				
Equity options:				
Sold.....	260,068	260,068	(32,730)	(32,730)
Bought.....	260,068	260,068	32,730	32,730
Total.....	/	/	¥ 216	¥ 216

	Millions of U.S. dollars			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
March 31	Total	Over 1 year		
Transactions listed on exchange				
Equity price index futures:				
Sold.....	\$ 145	\$ —	\$ (6)	\$ (6)
Bought.....	148	—	6	6
Equity price index options:				
Sold.....	23	—	(0)	(0)
Bought.....	1	—	0	0
Over-the-counter transactions				
Equity options:				
Sold.....	2,232	1,478	(649)	(649)
Bought.....	2,232	1,478	649	649
Total.....	/	/	\$ (0)	\$ (0)

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.
Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.
2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.
Fair value of OTC transactions is calculated using option pricing models.

(4) Bond derivatives

		Millions of yen			
		2009			
		Contract amount		Fair value	Valuation gains (losses)
March 31		Total	Over 1 year		
Transactions listed on exchange					
Bond futures:					
Sold.....		¥976,285	¥ —	¥(9,158)	¥(9,158)
Bought.....		964,958	—	8,638	8,638
Bond futures options:					
Sold.....		15,000	—	1	1
Bought.....		—	—	—	—
Over-the-counter transactions					
Forward bond agreements:					
Sold.....		—	—	—	—
Bought.....		44,076	44,059	561	561
Bond options:					
Sold.....		450,000	—	—	—
Bought.....		450,000	—	1	1
Total.....		/	/	¥ 44	¥ 44

		Millions of yen			
		2008			
		Contract amount		Fair value	Valuation gains (losses)
March 31		Total	Over 1 year		
Transactions listed on exchange					
Bond futures:					
Sold.....		¥1,659,033	¥ —	¥ 173	¥ 173
Bought.....		1,635,163	—	(762)	(762)
Bond futures options:					
Sold.....		—	—	—	—
Bought.....		14,500	—	65	65
Over-the-counter transactions					
Forward bond agreements:					
Sold.....		—	—	—	—
Bought.....		59,577	57,239	1,246	1,246
Bond options:					
Sold.....		240,000	—	(425)	(425)
Bought.....		240,000	—	975	975
Total.....		/	/	¥1,272	¥1,272

		Millions of U.S. dollars			
		2009			
		Contract amount		Fair value	Valuation gains (losses)
March 31		Total	Over 1 year		
Transactions listed on exchange					
Bond futures:					
Sold.....		\$9,939	\$ —	\$(93)	\$(93)
Bought.....		9,823	—	88	88
Bond futures options:					
Sold.....		153	—	0	0
Bought.....		—	—	—	—
Over-the-counter transactions					
Forward bond agreements:					
Sold.....		—	—	—	—
Bought.....		449	449	5	5
Bond options:					
Sold.....		4,581	—	—	—
Bought.....		4,581	—	0	0
Total.....		/	/	\$ 0	\$ 0

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value of transactions listed on exchange is calculated using the closing prices on the Tokyo Stock Exchange and others.

Fair value of OTC transactions is calculated using discounted present value and option pricing models.

(5) Commodity derivatives

March 31	Millions of yen			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Commodity futures:				
Sold.....	¥ —	¥ —	¥ —	¥ —
Bought.....	156	—	25	25
Over-the-counter transactions				
Commodity swaps:				
Receivable fixed price/payable floating price	295,434	246,531	37,408	37,408
Receivable floating price/payable fixed price	243,608	194,760	27,707	27,707
Commodity options:				
Sold.....	14,335	11,786	(779)	(779)
Bought.....	39,276	33,637	2,015	2,015
Total.....	/	/	¥66,376	¥66,376

March 31	Millions of yen			
	2008			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Commodity futures:				
Sold.....	¥ —	¥ —	¥ —	¥ —
Bought.....	208	—	2	2
Over-the-counter transactions				
Commodity swaps:				
Receivable fixed price/payable floating price	296,505	267,523	(137,666)	(137,666)
Receivable floating price/payable fixed price	220,340	193,772	213,001	213,001
Commodity options:				
Sold.....	18,211	7,165	(2,011)	(2,011)
Bought.....	38,455	26,786	6,595	6,595
Total.....	/	/	¥ 79,921	¥ 79,921

March 31	Millions of U.S. dollars			
	2009			
	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Transactions listed on exchange				
Commodity futures:				
Sold.....	\$ —	\$ —	\$ —	\$ —
Bought.....	2	—	0	0
Over-the-counter transactions				
Commodity swaps:				
Receivable fixed price/payable floating price	3,008	2,510	381	381
Receivable floating price/payable fixed price	2,480	1,983	282	282
Commodity options:				
Sold.....	146	120	(8)	(8)
Bought.....	400	342	21	21
Total.....	/	/	\$676	\$676

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.
Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.
2. Fair value of transactions listed on exchange is calculated using the closing prices on the New York Mercantile Exchange and others.
Fair value of OTC transactions is calculated based on factors such as price of the relevant commodity and contract term.
3. Commodity derivatives are transactions on fuel and metal.

(6) Credit derivative transactions

Credit derivative transactions				
Millions of yen				
2009				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Credit default options:				
Sold.....	¥1,179,621	¥1,167,801	¥(209,630)	¥(209,630)
Bought.....	1,325,430	1,308,288	229,275	229,275
Total.....	/	/	¥ 19,644	¥ 19,644
Millions of yen				
2008				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Credit default options:				
Sold.....	¥1,421,367	¥1,302,732	¥(39,531)	¥(39,531)
Bought.....	1,912,377	1,710,521	77,378	77,378
Other:				
Sold.....	10	—	(2)	(2)
Bought.....	10	—	2	2
Total.....	/	/	¥ 37,846	¥ 37,846
Millions of U.S. dollars				
2009				
March 31	Contract amount		Fair value	Valuation gains (losses)
	Total	Over 1 year		
Over-the-counter transactions				
Credit default options:				
Sold.....	\$12,009	\$11,888	\$(2,134)	\$(2,134)
Bought.....	13,493	13,319	2,334	2,334
Total.....	/	/	\$ 200	\$ 200

Notes: 1. The above transactions are valued at fair value and the valuation gains (losses) are accounted for in the consolidated statements of operations.

Derivative transactions to which the deferred hedge accounting method is applied are not included in the amounts above.

2. Fair value is calculated using discounted present value and option pricing models.

3. "Sold" represents transactions in which the credit risk is accepted; "Bought" represents transactions in which the credit risk is transferred.

31. Stock Options

Share-based compensation expenses of ¥22 million (\$0 million) and ¥29 million are accounted for as general and administrative expenses in the fiscal years ended March 31, 2009 and 2008, respectively.

Outline of stock options and changes is as follows:

(1) SMFG

(a) Outline of stock options

Date of resolution	June 27, 2002
Title and number of grantees	Directors and employees of SMFG and SMBC: 677
Number of stock options*	Common shares: 162,000
Grant date	August 30, 2002
Condition for vesting	N.A.
Requisite service period	N.A.
Exercise period	June 28, 2004 to June 27, 2012

* "Number of stock options" is reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

(b) Stock options granted and changes

Date of resolution	June 27, 2002
Before vested	
Previous fiscal year-end	—
Granted	—
Forfeited	—
Vested	—
Outstanding	—
After vested	
Previous fiscal year-end*	108,100
Vested	—
Exercised	—
Forfeited	—
Exercisable	108,100

* Number of stock as of the previous fiscal year-end is reported in consideration of the 100-for-1 stock split implemented on January 4, 2009.

Price information (Yen)

Date of resolution	June 27, 2002
Exercise price	¥6,698
Average exercise price	—
Fair value at the grant date	—

(2) A consolidated subsidiary, Kansai Urban Banking Corporation

(a) Outline of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005
Title and number of grantees	Directors and employees 45	Directors and employees 44	Directors and employees 65	Directors and employees 174	Directors and employees 183
Number of stock options	Common shares 238,000	Common shares 234,000	Common shares 306,000	Common shares 399,000	Common shares 464,000
Grant date	July 31, 2001	July 31, 2002	July 31, 2003	July 30, 2004	July 29, 2005
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 29, 2003 to June 28, 2011	June 28, 2004 to June 27, 2012	June 28, 2005 to June 27, 2013	June 30, 2006 to June 29, 2014	June 30, 2007 to June 29, 2015

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008
Title and number of grantees	Directors 9	Officers not doubling as directors 14 Employees 46	Directors 10	Officers not doubling as directors 14 Employees 48	Directors 9 Officers not doubling as directors 16 Employees 45
Number of stock options	Common shares 162,000	Common shares 115,000	Common shares 174,000	Common shares 112,000	Common shares 289,000
Grant date	July 31, 2006	July 31, 2006	July 31, 2007	July 31, 2007	July 31, 2008
Condition for vesting	N.A.	N.A.	N.A.	N.A.	N.A.
Requisite service period	N.A.	N.A.	N.A.	N.A.	N.A.
Exercise period	June 30, 2008 to June 29, 2016	June 30, 2008 to June 29, 2016	June 29, 2009 to June 28, 2017	June 29, 2009 to June 28, 2017	June 28, 2010 to June 27, 2018

(b) Stock options granted and changes

Number of stock options

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005
Before vested					
Previous fiscal year-end	—	—	—	—	—
Granted	—	—	—	—	—
Forfeited	—	—	—	—	—
Vested	—	—	—	—	—
Outstanding	—	—	—	—	—
After vested					
Previous fiscal year-end	122,000	158,000	230,000	330,000	451,000
Vested	—	—	—	—	—
Exercised	4,000	—	2,000	1,000	—
Forfeited	6,000	—	—	—	—
Exercisable	112,000	158,000	228,000	329,000	451,000

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008
Before vested					
Previous fiscal year-end	162,000	115,000	174,000	112,000	—
Granted	—	—	—	—	289,000
Forfeited	—	—	—	—	—
Vested	162,000	115,000	—	—	—
Outstanding	—	—	174,000	112,000	289,000
After vested					
Previous fiscal year-end	—	—	—	—	—
Vested	162,000	115,000	—	—	—
Exercised	—	—	—	—	—
Forfeited	—	—	—	—	—
Exercisable	162,000	115,000	—	—	—

Price information (Yen)

Date of resolution	June 28, 2001	June 27, 2002	June 27, 2003	June 29, 2004	June 29, 2005
Exercise price	¥155	¥131	¥179	¥202	¥313
Average exercise price	317	—	313	313	—
Fair value at the grant date	—	—	—	—	—

Date of resolution	June 29, 2006	June 29, 2006	June 28, 2007	June 28, 2007	June 27, 2008
Exercise price	¥490	¥490	¥461	¥461	¥302
Average exercise price	—	—	—	—	—
Fair value at the grant date	138	138	96	96	37

(c) Valuation technique used for valuating fair value of stock options

Stock options granted in the fiscal year ended March 31, 2009 were valued using the Black-Scholes option pricing model and the principal parameters were as follows:

Date of resolution	June 27, 2008
Expected volatility * ¹	39.99%
Average expected life * ²	5 years
Expected dividends * ³	¥5 per share
Risk-free interest rate * ⁴	1.13%

*¹ Calculated based on the actual stock prices during the 5 years from June 2003 to June 2008

*² The average expected life could not be estimated rationally due to an insufficient amount of data. Therefore, it was estimated assuming that the options were exercised at the midpoint of the exercise period.

*³ The actual dividends on common stock for the fiscal year ended March 31, 2008

*⁴ Japanese government bond yield corresponding to the average expected life

(d) Method of estimating number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

32. Segment Information

(1) Business segment information

Year ended March 31	Millions of yen					
	2009					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers	¥ 2,773,183	¥ 332,465	¥ 447,194	¥ 3,552,843	¥ —	¥ 3,552,843
(2) Intersegment	65,756	5,511	306,084	377,352	(377,352)	—
Total	2,838,940	337,976	753,279	3,930,196	(377,352)	3,552,843
Ordinary expenses	2,800,453	306,585	681,077	3,788,116	(280,583)	3,507,532
Ordinary profit	¥ 38,486	¥ 31,391	¥ 72,201	¥ 142,080	¥ (96,769)	¥ 45,311
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets	¥114,704,051	¥2,918,254	¥8,222,027	¥125,844,333	¥(6,207,109)	¥119,637,224
Depreciation	70,803	25,491	26,722	123,017	7	123,025
Losses on impairment of fixed assets	6,541	—	821	7,363	—	7,363
Capital expenditure	124,546	102,240	23,326	250,113	7	250,121
Year ended March 31	Millions of yen					
	2008					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers	¥ 3,185,057	¥ 945,193	¥ 493,293	¥ 4,623,545	¥ —	¥ 4,623,545
(2) Intersegment	58,113	20,644	249,030	327,788	(327,788)	—
Total	3,243,171	965,837	742,324	4,951,333	(327,788)	4,623,545
Ordinary expenses	2,501,702	921,338	669,064	4,092,105	(299,720)	3,792,384
Ordinary profit	¥ 741,469	¥ 44,499	¥ 73,259	¥ 859,228	¥ (28,067)	¥ 831,160
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets	¥107,336,930	¥3,020,106	¥6,707,715	¥117,064,752	¥(5,108,833)	¥111,955,918
Depreciation	61,223	399,910	25,972	487,106	16	487,122
Losses on impairment of fixed assets	4,740	109	310	5,161	—	5,161
Capital expenditure	99,277	458,002	36,007	593,286	3	593,290

Year ended March 31	Millions of U.S. dollars					
	2009					
	Banking business	Leasing business	Other business	Total	Elimination	Consolidated
I. Ordinary income						
(1) External customers.....	\$ 28,231	\$ 3,385	\$ 4,553	\$ 36,169	\$ —	\$ 36,169
(2) Intersegment	670	56	3,115	3,841	(3,841)	—
Total	28,901	3,441	7,668	40,010	(3,841)	36,169
Ordinary expenses	28,509	3,122	6,933	38,564	(2,856)	35,708
Ordinary profit	\$ 392	\$ 319	\$ 735	\$ 1,446	\$ (985)	\$ 461
II. Assets, depreciation, losses on impairment of fixed assets and capital expenditure						
Assets.....	\$1,167,709	\$29,708	\$83,702	\$1,281,119	\$(63,189)	\$1,217,930
Depreciation	721	259	272	1,252	0	1,252
Losses on impairment of fixed assets...	67	—	8	75	—	75
Capital expenditure.....	1,268	1,041	237	2,546	0	2,546

- Notes: 1. The business segmentation is classified based on SMFG's internal management purpose. Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.
2. "Other business" includes securities, credit card, investment banking, loans, venture capital, system development and information processing.
3. Assets in Elimination include unallocated corporate assets of ¥4,117,977 million (\$41,922 million) and ¥4,101,536 million at March 31, 2009 and 2008, respectively, which mainly consist of investments in subsidiaries and affiliates.
4. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and others. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and others.
5. As mentioned in Note 2. (20) (b), non-transfer ownership finance leases were formerly accounted for using the same method as for operating leases. "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued on March 30, 2007) and "Implementation Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008, and SMFG has applied them from the fiscal year ended March 31, 2009. As a result of the accounting change, Ordinary income of "Leasing business" for the year ended March 31, 2009 decreased by ¥691,719 million (\$7,042 million) as compared with the former method. Ordinary expenses of "Banking business" and "Other business" increased by ¥22 million (\$0 million) and ¥1 million (\$0 million), respectively, and Ordinary expenses of "Leasing business" decreased by ¥694,173 million (\$7,067 million). In terms of Ordinary profit, "Banking business" decreased by ¥22 million (\$0 million) and "Other business" decreased by ¥1 million (\$0 million), while "Leasing business" increased by ¥2,453 million (\$25 million). Assets of "Banking business" and "Other business" increased by ¥7,447 million (\$76 million) and ¥27,348 million (\$278 million), respectively, while Assets of "Leasing business" decreased by ¥36,473 million (\$371 million).
6. As mentioned in Note 2. (11), formerly, deposits which were derecognized as liabilities were expensed when they were actually reimbursed. However, from the fiscal year ended March 31, 2008, such reserve is provided in the estimated amount based on the historical reimbursement experience in accordance with the "Treatment for Auditing of Reserve under Special Taxation Measures Law, Reserve under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors" (JICPA Audit and Assurance Practice Committee Report No. 42) of April 13, 2007. As a result, Ordinary profit of "Banking business" for the year ended March 31, 2008 decreased by ¥10,417 million as compared with the former method.

(2) Geographic segment information

Year ended March 31	Millions of yen						
	2009						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers	¥ 2,886,164	¥ 230,755	¥ 245,279	¥ 190,644	¥ 3,552,843	¥ —	¥ 3,552,843
(2) Intersegment	125,334	95,462	6,959	22,639	250,396	(250,396)	—
Total	3,011,499	326,218	252,238	213,284	3,803,239	(250,396)	3,552,843
Ordinary expenses.....	3,026,816	282,617	255,544	172,847	3,737,825	(230,293)	3,507,532
Ordinary profit (loss)	¥ (15,317)	¥ 43,600	¥ (3,305)	¥ 40,436	¥ 65,414	¥ (20,102)	¥ 45,311
II. Assets	¥102,162,307	¥10,054,434	¥5,537,019	¥5,157,482	¥122,911,244	¥(3,274,020)	¥119,637,224

Year ended March 31	Millions of yen						
	2008						
	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers	¥ 3,911,887	¥ 280,556	¥ 249,321	¥ 181,780	¥ 4,623,545	¥ —	¥ 4,623,545
(2) Intersegment	121,804	59,437	11,000	39,046	231,289	(231,289)	—
Total	4,033,692	339,994	260,321	220,826	4,854,834	(231,289)	4,623,545
Ordinary expenses.....	3,359,217	240,378	249,869	156,831	4,006,298	(213,913)	3,792,384
Ordinary profit	¥ 674,474	¥ 99,615	¥ 10,451	¥ 63,994	¥ 848,536	¥ (17,375)	¥ 831,160
II. Assets	¥96,694,481	¥7,590,359	¥4,875,150	¥5,501,957	¥114,661,949	¥(2,706,030)	¥111,955,918

Millions of U.S. dollars							
2009							
Year ended March 31	Japan	The Americas	Europe and Middle East	Asia and Oceania	Total	Elimination	Consolidated
I. Ordinary income							
(1) External customers	\$ 29,382	\$ 2,349	\$ 2,497	\$ 1,941	\$ 36,169	\$ —	\$ 36,169
(2) Intersegment	1,276	972	71	230	2,549	(2,549)	—
Total	30,658	3,321	2,568	2,171	38,718	(2,549)	36,169
Ordinary expenses	30,814	2,877	2,602	1,759	38,052	(2,344)	35,708
Ordinary profit (loss)	\$ (156)	\$ 444	\$ (34)	\$ 412	\$ 666	\$ (205)	\$ 461
II. Assets	\$1,040,032	\$102,356	\$56,368	\$52,504	\$1,251,260	\$(33,330)	\$1,217,930

Notes: 1. The geographic segmentation is classified based on the degrees of the following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions. Ordinary income and ordinary profit are presented as counterparts of sales and operating profit of companies in other industries.

2. The Americas includes the United States, Brazil, Canada and others; Europe and Middle East includes the United Kingdom, Germany, France and others; Asia and Oceania includes China, Singapore, Australia and others except Japan.

3. Assets in Elimination include unallocated corporate assets of ¥4,117,977 million (\$41,922 million) and ¥4,101,536 million at March 31, 2009 and 2008, respectively, which mainly consist of investments in subsidiaries and affiliates.

4. Ordinary income represents total income excluding gains on disposal of fixed assets, recoveries of written-off claims and others. Ordinary expenses represent total expenses excluding losses on disposal of fixed assets, losses on impairment of fixed assets and others.

5. As mentioned in Note 2. (20) (b), non-transfer ownership finance leases were formerly accounted for using the same method as for operating leases. "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, issued on March 30, 2007) and "Implementation Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, issued on March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008, and SMFG has applied them from the fiscal year ended March 31, 2009. As a result of the accounting change, Ordinary income of "Japan" and Ordinary expenses of "Japan" for the year ended March 31, 2009 decreased by ¥676,849 million (\$6,890 million) and ¥679,279 million (\$6,915 million) as compared with the former method; Ordinary profit of "Japan" increased by ¥2,430 million (\$25 million). Assets of "Japan" decreased by ¥29,782 million (\$303 million).

6. As mentioned in Note 2. (11), formerly, deposits which were derecognized as liabilities were expensed when they were actually reimbursed. However, from the fiscal year ended March 31, 2008, such reserve is provided in the estimated amount based on the historical reimbursement experience in accordance with the "Treatment for Auditing of Reserve under Special Taxation Measures Law, Reserve under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors" (JICPA Audit and Assurance Practice Committee Report No. 42) of April 13, 2007. As a result, Ordinary profit of "Japan" for the year ended March 31, 2008 decreased by ¥10,417 million as compared with the former method.

(3) Ordinary income from overseas operations

Year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Consolidated ordinary income from overseas operations (A)	¥ 666,679	¥ 711,657	\$ 6,787
Consolidated ordinary income (B)	3,552,843	4,623,545	36,169
(A) / (B)	18.8%	15.4%	18.8%

Notes: 1. Consolidated ordinary income from overseas operations is presented as a counterpart of overseas sales of companies in other industries.

2. The table above shows ordinary income from transactions of overseas branches of SMBC and transactions of overseas consolidated subsidiaries, excluding internal income. These extensive transactions are not categorized by transaction party, and the geographic segment information is not presented because such information is not available.

33. Business Combinations

Fiscal year ended March 31, 2009

There is no material information to be reported.

Fiscal year ended March 31, 2008

<A merger of leasing companies and a merger of auto leasing companies>

SMFG, SMBC Leasing Company, Limited ("SMBC Leasing") and SMBC Auto Leasing Company, Limited ("SMBC Auto Leasing") reached a final agreement with Sumitomo Corporation, Sumisho Lease Co., Ltd. ("Sumisho Lease") and Sumisho Auto Leasing Corporation ("Sumisho Auto Lease") on July 30, 2007 concerning strategic joint businesses in leasing and auto leasing business and mergers of two businesses (a merger between SMBC Leasing and

Sumisho Lease, and a merger between SMBC Auto Leasing and Sumisho Auto Lease). They also concluded "Basic Agreement Concerning the Joint Business" and "Merger Agreement" with respect to the two businesses. In accordance with the merger agreements, SMBC Leasing and Sumisho Lease merged on October 1, 2007, and SMBC Auto Leasing and Sumisho Auto Lease also merged on the same day.

<Purchase method>

A merger of leasing companies

1. Outline of the business combination of leasing companies

(1) Name and business of the acquired company

Sumisho Lease (Leasing business)

(2) Reason for the business combination

SMBC Leasing and Sumisho Lease have merged with the aim of achieving the highest leasing volume in Japan by leveraging the blue-chip customer bases of both the SMFG Group and the Sumitomo Corporation Group, and to create a high quality leasing company that can respond accurately and timely to market needs which are becoming increasingly sophisticated, by combining and blending the finance know-how of SMBC Leasing as a subsidiary of a bank and the product and distribution know-how of Sumisho Lease as a subsidiary of a trading company, thereby promoting diversification and differentiation of products and providing more value-added products going beyond traditional approaches.

(3) Date of the business combination

October 1, 2007

(4) Legal form of business combination

The merger was a merger procedure by absorption with Sumisho Lease as the surviving company and SMBC Leasing was dissolved. (Name of the merged company: Sumitomo Mitsui Finance and Leasing Company, Limited)

(5) Name of a controlling entity after the business combination

Sumitomo Mitsui Financial Group, Inc.

(6) Percentage share of voting rights SMFG has acquired

55%

2. Period of the acquired company's financial results included in the consolidated financial statements

From October 1, 2007 to March 31, 2008

3. Acquisition cost of the acquired company

	Millions of yen
45% of the fair value of SMBC Leasing's common stock	¥140,648
45% of the fair value of SMBC Leasing's preferred stock	24,750
Acquisition cost	¥165,398

4. Merger ratio, calculation method, number of shares delivered and valuation

(1) Merger ratio

Common stock

Sumisho Lease 1 : SMBC Leasing 1.4859*

Preferred stock

Sumisho Lease 1 : SMBC Leasing 5.7050*

* The amounts are rounded down to the nearest ten-thousandth.

(2) Basis for calculation of the merger ratio

In order to ensure the fairness and reasonableness of the merger ratio (hereinafter referred to as the "merger ratio"), SMBC Leasing and Sumisho Lease conducted negotiation and discussion based on the analysis of the merger ratio provided by each financial advisor, Daiwa Securities SMBC Co. Ltd., appointed by SMBC Leasing, and Nomura Securities Co., Ltd., appointed by Sumisho Lease, respectively.

(3) Number of shares delivered and value

52,422,762 shares of common stock of Sumisho Lease were allocated for 31,375,000 shares (30,000,000 shares of common stock and 1,375,000 shares of preferred stock) of SMBC Leasing (44,578,289 shares of Sumisho Lease's common stock for SMBC Leasing's common stock and 7,844,473 shares of Sumisho Lease's common stock for SMBC Leasing's preferred stock). Total estimated value amounted to ¥367,552 million.

5. Goodwill, reason for recognizing goodwill, amortization method and amortization period

(1) Amount of goodwill

¥88,090 million

(2) Reason for recognizing goodwill

SMFG accounted for the difference between the acquisition cost and the increased amount of interests in Sumisho Lease as goodwill.

(3) Method and term to amortize goodwill

Straight-line method over 20 years

6. Amounts of assets and liabilities acquired on the day of the business combination

(1) Assets

	Millions of yen
Total assets	¥1,392,490
Lease assets	632,224
Loans and bills discounted	329,069

(2) Liabilities

	Millions of yen
Total liabilities	¥1,249,703
Borrowed money	571,741
Short-term bonds	393,000

7. Approximate amounts of impact on the consolidated statement of income for the fiscal year ended March 31, 2008, assuming that the business combinations had completed on the commencement date of the fiscal year.

(1) The difference between the pro-forma ordinary income and other income information, assuming that the business combinations had completed on the commencement date of the fiscal year and the actual ordinary income and other income information which is recorded in the consolidated statement of income is as follows:

	Millions of yen
Ordinary income	¥277,442
Ordinary profit	35,319
Net income	30,938

(2) Calculation method of the pro-forma amounts and material assumptions

The pro-forma amounts are calculated retroactively to the commencement date of the fiscal year based on the amounts stated in Sumisho Lease's statement of income for the period from April 1, 2007 to September 30, 2007. However, such amounts do not indicate the results of operations in cases where the business combinations were actually completed on the commencement date of the fiscal year.

The pro-forma information mentioned above has not been audited by KPMG AZSA & Co.

<Business combination of consolidated subsidiary>

A merger of auto leasing companies

1. Outline of the business combination of auto leasing companies

(1) Name and business of the companies

Acquiring company: Sumisho Auto Lease (Auto leasing business)

Acquired company: SMBC Auto Leasing (Auto leasing business)

(2) Reason for the business combination

Sumisho Auto Lease and SMBC Auto Leasing have merged to survive and thrive in the auto leasing industry that is becoming increasingly competitive and to establish a structure to capture the number one market share by capitalizing on the high-quality customer bases of both the Sumitomo Corporation Group and the SMFG Group and combining the high-value-added services of Sumisho Auto Lease based on its value chain and business network of SMBC Auto Leasing. Another aim of the merger is to achieve better customer satisfaction by combining and blending the product and distribution know-how of Sumisho Auto Lease as a subsidiary of a trading company, and the finance know-how of SMBC Auto Leasing as a subsidiary of a bank, thereby pursuing various services.

(3) Date of the business combination

October 1, 2007

(4) Legal form of business combination

The merger was a merger procedure by absorption with Sumisho Auto Leasing as the surviving company, and SMBC

Auto Leasing was dissolved. (Name of the merged company: Sumitomo Mitsui Auto Service Company, Limited)

2. Outline of accounting method

SMFG will apply the accounting procedures stipulated by Article 20 of the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7).

3. Name of the business segment, in which the subsidiary was included, in the segment information

Leasing business

4. Consolidated statement of income for the fiscal year included the following earnings of SMBC Auto Leasing: (approximate amounts)

	Millions of yen
Ordinary income	¥69,752
Ordinary profit	2,237
Net income	1,254

5. Status after the business combination

SMBC Auto Leasing and its subsidiaries are excluded from the scope of consolidation, and Sumitomo Mitsui Auto Service Company, Limited and its subsidiaries have become affiliated companies accounted for by the equity method.

34. Per Share Data

March 31

Net assets per share.....

	Yen	U.S. dollars
	2009	2008
Net assets per share.....	¥2,790.27	¥424,546.01

Year ended March 31

Net income (loss) per share

Net income per share (diluted).....

	Yen	U.S. dollars
	2009	2008
Net income (loss) per share	¥(497.39)	¥59,298.24
Net income per share (diluted).....	—	56,657.41

Notes: 1. Net income (loss) per share and net income per share (diluted) are calculated based on the following. Net income per share (diluted) for the fiscal year ended March 31, 2009 is not reported due to a net loss.

	Millions of yen, except number of shares		Millions of U.S. dollars
Year ended March 31	2009	2008	2009
Net income (loss) per share:			
Net income (loss)	¥(373,456)	¥461,536	\$(3,802)
Amount not attributable to common stockholders	10,704	12,958	109
Dividends on preferred stock	10,704	12,958	109
Net income (loss) attributable to common stock	(384,160)	448,577	(3,911)
Average number of common stock during the year (in thousands).....	772,348	7,564	/
Net income per share (diluted):			
Adjustment for net income	—	6,751	—
Dividends on preferred stock	—	6,763	—
Stock acquisition rights issued by subsidiaries and affiliates	—	(11)	—
Increase in number of common stock (in thousands).....	—	471	/
Preferred stock	—	471	/
Stock acquisition rights	—	0	/

Outline of dilutive securities which were not included in the calculation of "Net income per share (diluted)" for the fiscal year ended March 31, 2009 because they do not have dilutive effect:

Preferred stock (type 4)
33 thousand shares outstanding
Stock acquisition rights: 1 type
(Number of stock acquisition rights: 1,081 units)

2. Net assets per share is calculated based on the following:

March 31	Millions of yen, except number of shares		Millions of U.S. dollars
	2009	2008	2009
Net assets	¥4,611,764	¥5,224,076	\$46,949
Amounts excluded from Net assets	2,457,530	2,012,532	25,018
Preferred stock	310,203	360,303	3,158
Dividends on preferred stock	5,352	6,479	54
Stock acquisition rights	66	43	1
Minority interests	2,141,908	1,645,705	21,805
Net assets attributable to common stock at the fiscal year-end	2,154,233	3,211,544	21,931
Number of common stock at the fiscal year-end used for the calculation of Net assets per share (in thousands)	772,052	7,564	/

3. SMFG implemented a 100-for-1 stock split of common stock effective on January 4, 2009. If the stock split had been implemented in the previous fiscal year, per share information would be as follows:

As of and year ended March 31	Yen
	2008
Net assets per share	¥4,245.46
Net income per share	592.98
Net income per share (diluted)	566.57

35. Subsequent Events

1. Business combinations of subsidiaries: Merger of credit card companies

(1) Outline of the merger

(a) Company profiles

Surviving company: OMC Card, Inc. (Credit card business)

Merged company: Central Finance Co., Ltd. (Shopping credit business and general credit business)

Merged company: QUOQ Inc. (Shopping credit business and general credit business)

(b) Reasons for the merger

The credit card market is growing steadily, propelled by the expansion into new areas of settlement, such as for small purchases, the growing popularity of reward point programs, and other developments. Further substantial growth of the industry is anticipated with the greater use of credit cards to pay for public services charges and in other fields. At the same time, the business environment surrounding the industry is changing dramatically — development of new technologies and new services, such as electronic money; investment in systems that can respond to customers' needs for more in-depth, sophisticated and diverse services; enactment of laws on money lending business; etc. — and the industry is at a major turning point. In the shopping credit business, the Installment Sales Act is being revised amid the trend to strengthen consumer protection. Under these circumstances, the companies need to restructure their operations in order to establish new business models.

On April 1, 2009, Central Finance Co., Ltd., OMC Card, Inc. ("OMC Card") and QUOQ Inc. ("QUOQ") merged to create one of the largest consumer finance companies in Japan with a high level of specialization and flexibility in its core businesses of credit cards and shopping credit by combining the customer bases, marketing capabilities, know-how and other resources of the 3 companies.

(c) Date of merger

April 1, 2009

(d) Legal form of the business combinations

The merger was a merger procedure by absorption with OMC Card as the surviving company. (New name of the company: Cedyna Financial Corporation)

(2) Outline of accounting method

SMFG applies the accounting procedures stipulated by Articles 39, 42 and 48 of the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7).

(3) Name of the business segment, in which the subsidiary was included, in the segment information

Other business

(4) Approximate amounts of the subsidiary's earnings included in the consolidated statement of operations for the fiscal year ended March 31, 2009:

Ordinary income:	¥44,596 million (\$454 million)
Ordinary loss:	¥8,454 million (\$86 million)
Net loss:	¥3,206 million (\$33 million)

(5) Status after the business combination

QUOQ and its subsidiaries are excluded from the scope of consolidation, and Cedyna Financial Corporation has become an affiliated company accounted for by the equity method.

2. SMFG resolved at the meeting of the Board of Directors held on April 28, 2009 to authorize the redemption in full of the preferred securities issued by its overseas special purpose subsidiary. Outline of the preferred securities to be redeemed is as follows.

(1) Issuer

SB Equity Securities (Cayman), Limited

(2) Type of securities issued

Non-cumulative perpetual preferred securities

(3) Redemption amount

¥340,000 million (\$3,461 million)

(4) Scheduled redemption date

June 30, 2009

(5) Reason for redemption

Optional redemption

3. Acquisition of Nikko Cordial Securities Inc. and other businesses

(1) Objectives

SMBC reached an agreement on May 1, 2009 with Nikko Citi Holdings Inc. ("Nikko Citi HD"), a wholly owned subsidiary of Citigroup Inc. ("Citigroup"), and other related entities wherein SMBC would acquire 1) all shares in New Nikko Securities (tentative name; the shares referred to hereinafter as

“New Nikko Securities Stock”) which will succeed to all operations of Nikko Cordial Securities Inc. (“Nikko Cordial”), which engages mainly in the retail securities business (excluding selected assets and liabilities; the “Retail Business”), and some businesses including the domestic debt and equity underwriting and other businesses of Nikko Citigroup Limited (“Nikko Citi”), which engages mainly in the wholesale securities business (the “Wholesale Business”; the Retail Business and the Wholesale Business collectively referred to hereinafter as the “Target Businesses”), 2) shares or partnership interests in affiliates and Civil Law partnerships relating to the Target Businesses (“Affiliates, etc.”; the shares referred to hereinafter as “Affiliate Stock, etc.”) and 3) other assets (such as trademarks relating to the “Nikko” brand and shares held for strategic reasons; hereafter “Other Assets”; New Nikko Securities Stock, Affiliate Stock, etc., and Other Assets collectively referred to hereinafter as “Target Shares, etc.”), all of which are either directly or indirectly owned by Nikko Citi HD, pursuant to approval of relevant authorities.

SMFG’s growth principle is to offer valuable services based on “Spirit of innovation,” “Speed,” and “Solution & Execution” to expand the customer base as a financial services group centered on a commercial bank. Through this transaction, SMFG plans to create a new leading financial services group and increase potential growth by combining stability and reliability that a commercial bank holds with New Nikko Securities’ high-quality customer services.

(2) Counterparties to the acquisition of New Nikko Securities Stock

Nikko Citi Holdings Inc.
Nikko Cordial Securities Inc.
Nikko Citi Business Services Inc.

(3) Overview of New Nikko Securities

(a) Business line

Securities business

(b) Operating performance and financial position of New Nikko Securities

Operating performance and financial position of New Nikko Securities are not reported because it has not yet been established. Non-consolidated operating performance and financial position of Nikko Cordial Securities Inc., which will be at the core of New Nikko Securities’ operations, are as follows:

Fiscal year ended March 31	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Operating revenues ...	¥ 164,135	¥ 222,810	\$ 1,671
Net operating revenues	158,942	217,878	1,618
Operating profit	19,685	50,945	200
Ordinary profit	22,158	51,182	226
Net income (loss)	(3,626)	23,890	(37)
Net assets	393,392	420,600	4,005
Total assets	1,466,956	1,523,908	14,934

(4) Effective Date

October 1, 2009 (tentative)

(5) Acquisition price, etc.

(a) Acquisition price

(i) Total acquisition value for Target Shares, etc. (excluding shares held for strategic policy reasons (listed stock))

¥545 billion (\$5.5 billion) (note that this figure will be adjusted based on net assets, etc. at New Nikko Securities and Affiliates, etc. at the point in time on the effective date)

(ii) Shares held for strategic reasons (listed stock)

Price equivalent to 95% of the market closing price as of 4 business days prior to the date immediately preceding the effective date (¥28.5 billion (\$0.3 billion) if calculated by using 95% of the closing price as of March 31, 2009)

(b) Shares held and shareholding ratio before and after the transaction

While the number of New Nikko Securities Stock to be acquired is unclear as New Nikko Securities is an entity which has not yet been established, SMBC plans to acquire 100% of New Nikko Securities Stock.

(6) Fund for the acquisition

Entire amount is expected to be funds on hand.

4. SMFG resolved at the meeting of the Board of Directors held on May 28, 2009 to issue and offer new shares with a payment date of June 22, 2009, as set forth below:

(1) Type and number of shares issued:

Total number of shares of common stock of SMFG set forth in

(a) through (c) below:

219,700,000 shares

(a) Number of shares in the Japanese public offering:

102,200,000 shares

(b) Number of shares to be purchased by the international managers (“International Managers,” and collectively with the Japanese underwriters, the “Underwriters”) in the overseas offering (the “International Offering”):

102,200,000 shares

(c) Number of shares subject to an option to purchase additional newly issued shares of common stock granted to the International Managers in connection with the International Offering:

15,300,000 shares

(2) Issue price:

¥3,766 per share (\$38 per share)

(3) Total issue price:

¥827,390 million (\$8,423 million)

(4) Amount of capital stock increase:

¥413,695 million (\$4,211 million)

(5) Use of proceeds:

SMFG planned to use the proceeds to subscribe for newly issued shares of SMBC common stock.

SMFG resolved at the meeting of the Board of Directors held on May 28, 2009 to issue 15,300,000 shares of its common stock by way of third-party allotment to Daiwa Securities SMBC Co. Ltd. in connection with SMFG's secondary offering of shares through Daiwa Securities SMBC's exercise of an over-allotment option, as set forth below:

- (1) Type and number of shares issued:
SMFG Common stock
15,300,000 shares (maximum)
- (2) Issue price:
¥3,766 per share (\$38 per share)
- (3) Total issue price:
¥57,619 million (\$587 million) (maximum)
- (4) Amount of capital stock increase:
¥28,809 million (\$293 million) (maximum)
- (5) Allottee:
Daiwa Securities SMBC Co. Ltd.
- (6) Subscription date:
July 24, 2009
- (7) Payment date:
July 27, 2009
- (8) Use of proceeds:
SMFG planned to use the proceeds to subscribe for newly issued shares of SMBC common stock.
- (9) Other:
Daiwa Securities SMBC planned to accept the number of new shares of SMFG common stock that are issued (15,300,000 shares) via over-allotment excluding the number of shares purchased through stabilization and syndicate cover transactions in order to return borrowed shares. Accordingly, all or a part of the new shares issued via allotment may not be subscribed for, resulting in a decrease in the maximum number of new shares issued via allotment or in the cancellation of the entire issuance due to forfeiture.

36. Parent Company

(1) Nonconsolidated Balance Sheets
Sumitomo Mitsui Financial Group, Inc.

March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2009	2008	2009
Assets			
Current assets	¥ 23,730	¥ 68,956	\$ 242
Cash and due from banks	1,281	53,735	13
Prepaid expenses	22	21	0
Deferred tax assets	39	359	1
Accrued income	19	56	0
Accrued income tax refunds	21,844	14,267	223
Other current assets	522	515	5
Fixed assets	4,033,583	3,952,260	41,062
Tangible fixed assets	2	4	0
Buildings	0	0	0
Equipment	2	4	0
Intangible fixed assets	11	9	0
Software	11	9	0
Investments and other assets	4,033,568	3,952,246	41,062
Investments in subsidiaries and affiliates	4,028,093	3,950,642	41,007
Deferred tax assets	5,475	1,603	55
Total assets	¥4,057,313	¥4,021,217	\$41,304
Liabilities and net assets			
Liabilities			
Current liabilities	¥1,079,566	¥1,052,242	\$10,990
Short-term borrowings	1,078,030	1,049,030	10,975
Accounts payable	298	223	3
Accrued expenses	120	173	1
Income taxes payable	372	1,539	4
Business office taxes payable	5	4	0
Reserve for employees bonuses	102	81	1
Reserve for executive bonuses	—	74	—
Other current liabilities	637	1,114	6
Fixed liabilities	199	225	2
Reserve for executive retirement benefits	199	225	2
Total liabilities	1,079,766	1,052,468	10,992
Net assets			
Stockholders' equity			
Capital stock	1,420,877	1,420,877	14,465
Capital surplus	916,163	930,386	9,327
Capital reserve	642,355	642,355	6,539
Other capital surplus	273,808	288,031	2,788
Retained earnings	683,907	700,679	6,962
Other retained earnings			
Voluntary reserve	30,420	30,420	310
Retained earnings brought forward	653,487	670,259	6,652
Treasury stock	(43,400)	(83,194)	(442)
Total stockholders' equity	2,977,547	2,968,749	30,312
Total net assets	2,977,547	2,968,749	30,312
Total liabilities and net assets	¥4,057,313	¥4,021,217	\$41,304

(2) Nonconsolidated Statements of Income
Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2009	2008	2009
Operating income	¥134,772	¥111,637	\$1,372
Dividends on investments in subsidiaries and affiliates	117,051	89,693	1,192
Fees and commissions received from subsidiaries	17,721	21,944	180
Operating expenses	8,790	6,246	89
General and administrative expenses	8,790	6,246	89
Operating profit	125,982	105,391	1,283
Nonoperating income	151	466	1
Interest income on deposits	110	298	1
Fees and commissions	14	14	0
Other nonoperating income	27	153	0
Nonoperating expenses	23,824	16,794	242
Interest on borrowings	11,910	11,012	121
Fees and commissions payments	11,912	1,263	121
Losses on devaluation of stocks of affiliate	—	4,518	—
Other nonoperating expenses	0	—	0
Ordinary profit	102,309	89,063	1,042
Income before income taxes	102,309	89,063	1,042
Income taxes:			
Current	2,393	5,470	25
Deferred	(3,552)	618	(36)
Net income	¥103,468	¥ 82,975	\$1,053

	Yen		U.S. dollars (Note 1)
	2009	2008*	2009
Per share data:			
Net income	¥118.43	¥91.34	\$1.21
Net income — diluted	—	91.34	—

* Reflects the 100-for-1 stock split effective on January 4, 2009.

(3) Nonconsolidated Statements of Changes in Net Assets
Sumitomo Mitsui Financial Group, Inc.

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2009	2008	2009
Stockholders' equity			
Capital stock			
Balance at the end of the previous fiscal year	¥1,420,877	¥1,420,877	\$14,465
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥1,420,877	¥1,420,877	\$14,465
Capital surplus			
Capital reserve			
Balance at the end of the previous fiscal year	642,355	642,355	6,539
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 642,355	¥ 642,355	\$ 6,539
Other capital surplus			
Balance at the end of the previous fiscal year	288,031	288,113	2,933
Changes in the fiscal year:			
Disposal of treasury stock	(14,222)	(82)	(145)
Net changes in the fiscal year	(14,222)	(82)	(145)
Balance at the end of the fiscal year	¥ 273,808	¥ 288,031	\$ 2,788
Total capital surplus			
Balance at the end of the previous fiscal year	930,386	930,469	9,472
Changes in the fiscal year:			
Disposal of treasury stock	(14,222)	(82)	(145)
Net changes in the fiscal year	(14,222)	(82)	(145)
Balance at the end of the fiscal year	¥ 916,163	¥ 930,386	\$ 9,327

(Continued)

Year ended March 31	Millions of yen		Millions of U.S. dollars (Note 1)
	2009	2008	2009
Retained earnings			
Other retained earnings			
Voluntary reserve			
Balance at the end of the previous fiscal year	¥ 30,420	¥ 30,420	\$ 310
Changes in the fiscal year:			
Net changes in the fiscal year	—	—	—
Balance at the end of the fiscal year	¥ 30,420	¥ 30,420	\$ 310
Retained earnings brought forward			
Balance at the end of the previous fiscal year	670,259	698,709	6,823
Changes in the fiscal year:			
Cash dividends	(120,240)	(111,425)	(1,224)
Net income	103,468	82,975	1,053
Net changes in the fiscal year	(16,772)	(28,450)	(171)
Balance at the end of the fiscal year	¥ 653,487	¥ 670,259	\$ 6,652
Total retained earnings			
Balance at the end of the previous fiscal year	700,679	729,129	7,133
Changes in the fiscal year:			
Cash dividends	(120,240)	(111,425)	(1,224)
Net income	103,468	82,975	1,053
Net changes in the fiscal year	(16,772)	(28,450)	(171)
Balance at the end of the fiscal year	¥ 683,907	¥ 700,679	\$ 6,962
Treasury stock			
Balance at the end of the previous fiscal year	(83,194)	(82,578)	(847)
Changes in the fiscal year:			
Purchase of treasury stock	(943)	(901)	(9)
Disposal of treasury stock	40,736	285	414
Net changes in the fiscal year	39,793	(616)	405
Balance at the end of the fiscal year	¥ (43,400)	¥ (83,194)	\$ (442)
Total stockholders' equity			
Balance at the end of the previous fiscal year	2,968,749	2,997,898	30,223
Changes in the fiscal year:			
Cash dividends	(120,240)	(111,425)	(1,224)
Net income	103,468	82,975	1,053
Purchase of treasury stock	(943)	(901)	(9)
Disposal of treasury stock	26,513	202	269
Net changes in the fiscal year	8,798	(29,149)	89
Balance at the end of the fiscal year	¥2,977,547	¥2,968,749	\$30,312
Total net assets			
Balance at the end of the previous fiscal year	2,968,749	2,997,898	30,223
Changes in the fiscal year:			
Cash dividends	(120,240)	(111,425)	(1,224)
Net income	103,468	82,975	1,053
Purchase of treasury stock	(943)	(901)	(9)
Disposal of treasury stock	26,513	202	269
Net changes in the fiscal year	8,798	(29,149)	89
Balance at the end of the fiscal year	¥2,977,547	¥2,968,749	\$30,312