

Notes to Consolidated Statement of Operations

1. “Other income” included gains on sales of stocks and other securities of ¥57,231 million.
2. “Other expenses” included write-off of loans of ¥176,672 million, losses on sales of stocks of ¥34,814 million, losses on devaluation of stocks and other securities of ¥32,495 million, losses on delinquent loans sold of ¥76,439 million and equity in losses of affiliates of ¥21,542 million.
3. The difference between the recoverable amount and the book value of the following assets is recognized as “Losses on impairment of fixed assets” and included in “Extraordinary losses” in the fiscal year.

(Millions of yen)			
Area	Purpose of use	Type	Impairment loss
Tokyo metropolitan area	Branches 1 branch	Land and buildings, etc.	¥ 13
	Corporate assets 6 item		8,295
	Idle assets 31 items		1,511
	Others 4 items		335
Kinki area	Branches 1 branches	Land and buildings, etc.	164
	Corporate assets 2 item		35
	Idle assets 38 items		1,436
	Others 2 items		256
Others	Corporate assets 3 items	Land and buildings, etc.	21
	Idle assets 10 items		281
	Others 2 items		503

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.

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, corporate assets, 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.