

(Notes to Consolidated Statements of Income)

- (1) “Other income” included gains on sales of stocks and other securities of ¥27,523 million.
- (2) “Other expenses” included write-off of loans of ¥156,571 million, losses on devaluation of stocks and other securities of ¥114,921 million, provision for reserve for losses on interest repayment of ¥14,530 million and equity in losses of affiliates of ¥13,319 million.
- (3) “Extraordinary gains” included gains on step acquisitions of ¥12,655 million.
- (4) “Extraordinary losses” included the influence amount ¥3,552 million as a result of the application of “Accounting Standard for Asset Retirement Obligations.”
- (5) 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		Impairment loss
Tokyo metropolitan area	Corporate assets	5 items	¥ 254
	Idle assets	39 items	1,070
	Others	4 items	461
Kinki area	Branches	4 branches	69
	Idle assets	42 items	3,542
Others	Idle assets	5 items	13

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.