

IV. Consolidated Interim Financial Statements

Significant Accounting Policies for Consolidated Interim Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries 169 companies

Principal companies

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

From this interim term:

- three companies including The Kansai Sawayaka Bank, Limited were newly consolidated due to acquirement of shares, and five companies including SMBC Leasing Investment L.L.C. were newly consolidated due to establishment
- five companies including Sakura Friend Securities Co., Ltd., Mitsui Finance Service Co., Ltd. and Sakura Finance Service Co., Ltd. were excluded from consolidation due to merger, and Sakura Global Capital Asia Limited was excluded from consolidation due to liquidation
- three companies including SMBCL CEPHEUS CO., LTD. became silent partnership for lease transactions, and became non-consolidated subsidiaries that are not accounted for by the equity method.

(2) Non-consolidated subsidiaries

Principal company

SBCS Co., Ltd.

105 subsidiaries including S.B.L. Mercury Co., Ltd. are silent partnership for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, pursuant to Article 5 Paragraph 1 Item 2 of Interim Consolidated Financial Statements Regulation, they were excluded from consolidation.

Other non-consolidated subsidiaries' total assets, ordinary income, net income and retained earnings have no significant impact on the consolidated interim financial statements.

2. Application of the equity method

(1) Non-consolidated subsidiaries accounted for by the equity method 4 companies

Principal company

SBCS Co., Ltd.

(2) Affiliates accounted for by the equity method 44 companies

Principal companies

Daiwa Securities SMBC Co. Ltd.
 Daiwa SB Investments Ltd.
 Sumitomo Mitsui Asset Management Company, Limited
 QUOQ Inc.

From this interim term:

- two companies including Hokkaido Mother Land Capital, Ltd. were newly applied due to establishment
- Daiwa Europe (Deutschland) GmbH was excluded due to liquidation.

(3) Non-consolidated subsidiaries and affiliates that are not accounted for by the equity method

105 subsidiaries including S.B.L. Mercury Co., Ltd. are silent partnership for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, pursuant to Article 7 Paragraph 1 Item 2 of Interim Consolidated Financial Statements Regulation, they are not treated as affiliated companies accounted for by the equity method.

Net income and retained earnings of other non-consolidated subsidiaries and affiliates that are not accounted for by the equity method have no significant impact on the consolidated interim financial statements.

3. The interim balance sheet dates of consolidated subsidiaries

(1) The interim account closing dates of the consolidated subsidiaries are as follows:

March 31	5	Companies
April 30	1	Company
June 30	65	Companies
July 31	2	Companies
September 30	96	Companies

(2) As for companies whose balance sheet dates are March 31 and April 30, the accounts are provisionally closed for the purpose of consolidation as of September 30 and July 31, respectively. The other companies are consolidated on the basis of their respective balance sheet dates.

Appropriate adjustments were made for significant transactions during the periods from their respective balance sheet dates to the consolidated interim closing date.

4. Accounting policies

Please refer to the “Notes to Consolidated Interim Balance Sheet” and “Notes to Consolidated Interim Statement of Income.”

5. Scope of “Cash and cash equivalents” on Consolidated Interim Statements of Cash Flows

Please refer to the “Notes to Consolidated Interim Statement of Cash Flows.”