

Notes to Consolidated Interim Statement of Income

1. Amounts less than one million yen have been omitted.
2. Net income per share is 9,119.40 yen.
3. Net income per share (diluted) is 5,245.69 yen.
4. Profits and losses on trading-purpose transactions are recognized on a trade date basis, and recorded as "Trading profits" and "Trading losses." Both accounts include interest received or paid during the interim term. The valuation differences of securities and money claims between the previous fiscal year-end and this interim term-end are recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the valuation differences between the previous fiscal year-end and this interim term-end are recorded in the above-mentioned accounts.
5. Standards for recognizing rental income on lease transactions and income/expenses on installment sales are as follows:
 - (1) Recognition of lease-related income on lease transactions
Primarily, lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.
 - (2) Recognition of income and expenses on installment sales
Primarily, installment-sales-related income and installment-sales-related expenses are recognized on a due-date basis over the full term of the installment sales.
6. "Other income" includes gains on sales of stocks and other securities of 65,914 million yen and gains on securities contributed to employee retirement benefit trusts of 75,275 million yen.
7. "Other expenses" includes transfer to reserve for possible loan losses of 165,267 million yen, write-off of loans of 391,236 million yen and losses on delinquent loans sold of 56,321 million yen.
8. "Extraordinary gains" consists of gains on disposal of premises and equipment of 2,185 million yen and collection of written-off claims of 485 million yen.
9. "Extraordinary losses" include amortized cost of unrecognized net transition obligation from initial application of the new accounting standard for employee retirement benefits of 8,938 million yen and losses on disposal of premises and equipment of 10,901 million yen.
10. With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, a part of the tax basis of enterprise taxes comprises "amount of added value" and "amount of capital" from the fiscal year commenced April 1, 2004. As a result, SMFG and its consolidated domestic subsidiaries calculate enterprise taxes based on "amount of added value" and "amount of capital" and they are included in "General and administrative expenses" from this interim term pursuant to "Practical Treatment for Presentation of External Based-Corporate Enterprise Taxes in the Statement of Income" (Accounting Standards Board, Practical Solution Report No.12).