

5. Unrealized Gains (Losses) on Securities

(1) Evaluation method of securities

Trading purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Held-to-maturity purpose		Amortized cost method
Other securities	With market value	Fair value method (net valuation gains (losses))* directly charged to Stockholders' equity)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

*Fair value hedge accounting is applied to hedge transactions which off-set the fluctuation of the market value of bonds held for ALM purpose.

*The amount recognized in income statement by application of fair value hedge accounting is excluded from the amount directly charged to Stockholders' equity.

(Reference) Securities in money held in trust

Investment purpose		Fair value method (net valuation gains (losses) recognized in income statement)
Other money held in trust	With market value	Fair value method (net valuation gains (losses) directly charged to Stockholders' equity)
	Without market value	Cost method or amortized cost method

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

		Sep. 30, 2004				Mar. 31, 2004		
		Net unrealized gains (losses)				Net unrealized gains (losses)		
		(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
	Held-to-maturity purpose	(5,174)	2,472	2,360	(7,534)	(7,646)	2,618	(10,265)
	Stocks of subsidiaries and affiliates	36,574	(5,122)	37,269	(694)	41,696	41,696	-
	Other securities	457,372	(98,774)	628,287	(170,915)	556,146	757,072	(200,925)
	Stocks	558,882	(92,219)	607,708	(48,826)	651,101	711,514	(60,413)
	Bonds	(62,191)	39,699	13,255	(75,446)	(101,890)	16,211	(118,101)
	Others	(39,318)	(46,253)	7,323	(46,642)	6,935	29,346	(22,410)
	Other money held in trust	154	33	271	(116)	121	222	(100)
	Total	488,927	(101,391)	668,188	(179,261)	590,318	801,610	(211,291)
	Stocks	595,456	(97,342)	644,977	(49,521)	692,798	753,211	(60,413)
	Bonds	(68,040)	42,376	14,938	(82,978)	(110,416)	17,950	(128,366)
	Others	(38,488)	(46,425)	8,272	(46,761)	7,937	30,448	(22,510)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and commercial papers in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks (excluding stocks of subsidiaries and affiliates) are calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. 'Other securities' and 'Other money held in trust' are valued and recorded on the balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the balance sheet amounts.
- 'Unrealized gains (losses) for other securities' as of Sep. 30, 2004 include JPY 22,199 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.
- 'Unrealized gains (losses) for other securities' as of Mar. 31, 2004 include JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.

<Consolidated>

(Millions of yen)

		Sep. 30, 2004				Mar. 31, 2004		
		Net unrealized gains (losses)				Net unrealized gains (losses)		
		(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
	Held-to-maturity purpose	(5,289)	2,136	2,365	(7,655)	(7,425)	2,840	(10,266)
	Other securities	484,076	(91,536)	664,737	(180,661)	575,612	787,517	(211,904)
	Stocks	581,686	(88,098)	637,425	(55,738)	669,784	736,878	(67,094)
	Bonds	(58,118)	45,138	18,409	(76,527)	(103,256)	18,590	(121,847)
	Others	(39,492)	(48,576)	8,902	(48,395)	9,084	32,047	(22,963)
	Other money held in trust	154	33	271	(116)	121	222	(100)
	Total	478,941	(89,367)	667,374	(188,433)	568,308	790,580	(222,271)
	Stocks	581,686	(88,098)	637,425	(55,738)	669,784	736,878	(67,094)
	Bonds	(63,966)	47,817	20,093	(84,060)	(111,783)	20,330	(132,113)
	Others	(38,778)	(49,085)	9,855	(48,634)	10,307	33,371	(23,063)

- (Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks' and commercial papers as well as claims on loan trust in 'Commercial paper and other debt purchased'.
2. Unrealized gains (losses) of stocks are mainly calculated with the average market price during the final month of the interim period. Rest of the securities are valued at market prices as of the balance sheet date.
3. 'Other securities' and 'Other money held in trust' are valued and recorded on the consolidated balance sheet at market prices. The figures in the table above indicate the difference between the acquisition cost (or amortized costs) and the consolidated balance sheet amounts.
- 'Unrealized gains (losses) for other securities' as of Sep. 30, 2004 include JPY 22,199 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.
- 'Unrealized gains (losses) for other securities' as of Mar. 31, 2004 include JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which is excluded from the amount for 'Stockholders' equity'.