

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)* are directly included in Stockholders' equity)
	Without market value	Cost method or amortized cost method
Investments in subsidiaries and affiliates		Cost method

*The amount recognized in income statement by application of fair value hedge accounting is excluded from the amount directly included in 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 included in Stockholders' equity)
	Without market value	Cost method or amortized cost method

(2) Unrealized gains (losses)

<SMBC Non-consolidated>

(Millions of yen)

		Mar. 31, 2005				Mar. 31, 2004		
		Net unrealized gains (losses)				Net unrealized gains (losses)		
		(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose		(1,844)	5,802	2,089	(3,933)	(7,646)	2,618	(10,265)
Stocks of subsidiaries and affiliates		60,343	18,647	60,690	(347)	41,696	41,696	-
Other securities		651,385	95,239	750,143	(98,757)	556,146	757,072	(200,925)
Stocks		667,326	16,225	708,643	(41,317)	651,101	711,514	(60,413)
Bonds		7,700	109,590	27,343	(19,642)	(101,890)	16,211	(118,101)
Others		(23,641)	(30,576)	14,155	(37,797)	6,935	29,346	(22,410)
Other money held in trust		204	83	300	(95)	121	222	(100)
Total		710,088	119,770	813,222	(103,133)	590,318	801,610	(211,291)
Stocks		727,669	34,871	769,333	(41,664)	692,798	753,211	(60,413)
Bonds		5,360	115,776	28,925	(23,565)	(110,416)	17,950	(128,366)
Others		(22,941)	(30,878)	14,963	(37,904)	7,937	30,448	(22,510)

(Notes) 1. The figures above include unrealized gains (losses) on negotiable certificates of deposit in 'Deposits with banks'.

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 fiscal year. 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.

Net unrealized gains on other securities as of Mar. 31, 2005 include gains of JPY 469 million that were recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 82 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 551 million is excluded from the amount to be directly included in stockholders' equity. Unrealized gains on other securities for Mar. 31, 2004 include gains of JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which are excluded from the amount to be directly included in Stockholders' equity.

<Consolidated>

(Millions of yen)

		Mar. 31, 2005				Mar. 31, 2004		
		Net unrealized gains (losses)				Net unrealized gains (losses)		
		(a)	(a) - (b)	Gains	Losses	(b)	Gains	Losses
Held-to-maturity purpose		(1,818)	5,607	2,114	(3,933)	(7,425)	2,840	(10,266)
Other securities		696,339	120,727	801,356	(105,017)	575,612	787,517	(211,904)
Stocks		705,053	35,269	750,480	(45,426)	669,784	736,878	(67,094)
Bonds		14,961	118,217	34,971	(20,010)	(103,256)	18,590	(121,847)
Others		(23,675)	(32,759)	15,903	(39,579)	9,084	32,047	(22,963)
Other money held in trust		204	83	300	(95)	121	222	(100)
Total		694,724	126,416	803,771	(109,046)	568,308	790,580	(222,271)
Stocks		705,053	35,269	750,480	(45,426)	669,784	736,878	(67,094)
Bonds		12,621	124,404	36,554	(23,932)	(111,783)	20,330	(132,113)
Others		(22,950)	(33,257)	16,735	(39,686)	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 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 fiscal year. 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. Net unrealized gains on other securities as of Mar. 31, 2005 include gains of JPY 469 million that were recognized in income statement by applying fair value hedge accounting and valuation gains of JPY 82 million on embedded financial instruments in their entirety that were recorded in income statement because their embedded derivatives are not measured separately. Therefore, JPY 551 million is excluded from the amount to be directly included in stockholders' equity. Unrealized gains on other securities for Mar. 31, 2004 include gains of JPY 23,452 million recognized in income statement by application of fair value hedge accounting, which are excluded from the amount to be directly included in Stockholders' equity.