

7. Employee Retirement Benefits

(1) Projected benefit obligation

<SMBC Non-consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2004
		Sep. 30, 2005	Change	
Projected benefit obligation*	(A)	828,560	754	827,806
	<Discount rate>	<2.5%>	< - >	<2.5%>
Fair value of plan assets*	(B)	885,410	200,661	684,749
Reserve for employee retirement benefits*	(C)	-	(11,748)	11,748
Prepaid pension cost*	(D)	157,463	145,069	12,394
Unrecognized net transition obligation from change of accounting standard*	(E)	-	(16,001)	16,001
Unrecognized prior service cost (deductible from the obligation)*	(F)	(68,239)	9,240	(77,479)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E-F)	168,853	(36,327)	205,180

*As of the beginning of the term

(Reference) <Consolidated>

(Millions of yen)

		Six months ended		Six months ended Sep. 30, 2004
		Sep. 30, 2005	Change	
Projected benefit obligation*	(A)	891,311	(1,110)	892,421
Fair value of plan assets*	(B)	908,453	199,100	709,353
Reserve for employee retirement benefits*	(C)	34,792	(6,050)	40,842
Prepaid pension cost*	(D)	157,924	144,875	13,049
Unrecognized net transition obligation from change of accounting standard*	(E)	-	(17,876)	17,876
Unrecognized prior service cost (deductible from the obligation)*	(F)	(69,163)	8,859	(78,022)
Unrecognized actuarial net gain (loss)*	(A-B-C+D-E-F)	175,153	(40,267)	215,420

*As of the beginning of the term

(2) Cost for employee retirement benefits

<SMBC Non-consolidated>

(Millions of yen)

	Six months ended		Six months ended Sep. 30, 2004
	Sep. 30, 2005	Change	
Cost for employee retirement benefits	14,529	(10,727)	25,256
Service cost	8,133	(664)	8,797
Interest cost on projected benefit obligation	10,357	10	10,347
Expected returns on plan assets	(12,040)	(1,716)	(10,324)
Amortization of net obligation from change of accounting standard (amortized using the straight-line method over 5 years)	-	(8,000)	8,000
Amortization of unrecognized prior service cost	(4,619)	-	(4,619)
Amortization of unrecognized actuarial net gain (loss)	12,095	(551)	12,646
Others	603	196	407

(Reference) <Consolidated>

(Millions of yen)

	Six months ended		Six months ended Sep. 30, 2004
	Sep. 30, 2005	Change	
Pension expenses	18,589	(12,336)	30,925