

7. Employee Retirement Benefits

(1) Projected benefit obligation

<SMBC Non-consolidated>

(Millions of yen)

		Mar. 31, 2006		Mar. 31, 2005
			Change	
Projected benefit obligation	(A)	842,444	13,884	828,560
	<Discount rate>	<2.5%>	< - >	<2.5%>
Fair value of plan assets	(B)	1,207,292	321,882	885,410
Reserve for employee retirement benefits	(C)	-	-	-
Prepaid pension cost	(D)	176,976	19,513	157,463
Unrecognized prior service cost (deductible from the obligation)	(E)	(58,999)	9,240	(68,239)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E)	(128,871)	(297,724)	168,853

(Reference) <Consolidated>

(Millions of yen)

		Mar. 31, 2006		Mar. 31, 2005
			Change	
Projected benefit obligation	(A)	909,802	18,491	891,311
Fair value of plan assets	(B)	1,236,535	328,082	908,453
Reserve for employee retirement benefits	(C)	36,786	1,994	34,792
Prepaid pension cost	(D)	176,976	19,052	157,924
Unrecognized prior service cost (deductible from the obligation)	(E)	(59,727)	9,436	(69,163)
Unrecognized actuarial net gain (loss)	(A-B-C+D-E)	(126,816)	(301,969)	175,153

(2) Cost for employee retirement benefits

<SMBC Non-consolidated>

(Millions of yen)

		FY2005		FY2004
			Change	
Cost for employee retirement benefits		28,952	(24,726)	53,678
Service cost		16,277	(1,344)	17,621
Interest cost on projected benefit obligation		20,714	19	20,695
Expected returns on plan assets		(24,080)	(3,432)	(20,648)
Amortization of net obligation from change of accounting standard (amortized using the straight-line method over 5 years)		-	(16,001)	16,001
Amortization of unrecognized prior service cost		(9,239)	-	(9,239)
Amortization of unrecognized actuarial net gain (loss)		24,190	(1,103)	25,293
Others		1,091	(2,864)	3,955

(Reference) <Consolidated>

(Millions of yen)

		FY2005		FY2004
			Change	
Pension expenses		35,419	(31,369)	66,788