

8. Employee Retirement Benefits

(1) Projected benefit obligation

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
<SMBC Non-consolidated>		(Millions of yen)		
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

*As of the beginning of the term

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
(Reference) <Consolidated>		(Millions of yen)		
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

*As of the beginning of the term

(2) Cost for employee retirement benefits

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
<SMBC Non-consolidated>		(Millions of yen)		
Cost for employee retirement benefits	(A)	(141)	(14,670)	14,529
Service cost		7,856	(277)	8,133
Interest cost on projected benefit obligation		10,530	173	10,357
Expected returns on plan assets		(14,832)	(2,792)	(12,040)
Amortization of unrecognized prior service cost		(5,542)	(923)	(4,619)
Amortization of unrecognized actuarial net gain (loss)		1,361	(10,734)	12,095
Others		483	(120)	603
Gains on return of securities from retirement benefits trust	(B)	(36,330)	(36,330)	-
Total	(A+B)	(36,471)	(51,000)	14,529

		Six months ended		Six months ended Sep. 30, 2005
		Sep. 30, 2006	Change	
(Reference) <Consolidated>		(Millions of yen)		
Pension expenses	(A)	3,199	(15,390)	18,589
Gains on return of securities from retirement benefits trust	(B)	(36,330)	(36,330)	-
Total	(A+B)	(33,130)	(51,719)	18,589