

8. Employee Retirement Benefits

(1) Projected benefit obligation

<SMBC Non-consolidated>

(Millions of yen)

| | | Six months ended | | Six months ended |
|---|-------------|------------------|----------|------------------|
| | | Sep. 30, 2007 | Change | Sep. 30, 2006 |
| Projected benefit obligation* | (A) | 841,484 | (960) | 842,444 |
| <Discount rate> | | <2.5%> | < - > | <2.5%> |
| Fair value of plan assets* | (B) | 1,150,023 | (57,269) | 1,207,292 |
| Reserve for employee retirement benefits* | (C) | - | - | - |
| Prepaid pension cost* | (D) | 175,844 | (1,132) | 176,976 |
| Unrecognized prior service cost (deductible from the obligation)* | (E) | (47,915) | 11,084 | (58,999) |
| Unrecognized actuarial net gain (loss)* | (A-B-C+D-E) | (84,779) | 44,092 | (128,871) |

*As of the beginning of the term

(Reference) <Consolidated>

(Millions of yen)

| | | Six months ended | | Six months ended |
|---|-------------|------------------|----------|------------------|
| | | Sep. 30, 2007 | Change | Sep. 30, 2006 |
| Projected benefit obligation* | (A) | 910,139 | 337 | 909,802 |
| Fair value of plan assets* | (B) | 1,186,060 | (50,475) | 1,236,535 |
| Reserve for employee retirement benefits* | (C) | 34,424 | (2,362) | 36,786 |
| Prepaid pension cost* | (D) | 178,182 | 1,206 | 176,976 |
| Unrecognized prior service cost (deductible from the obligation)* | (E) | (48,257) | 11,470 | (59,727) |
| Unrecognized actuarial net gain (loss)* | (A-B-C+D-E) | (83,905) | 42,911 | (126,816) |

*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, 2007 | Change | Sep. 30, 2006 |
| Cost for employee retirement benefits | (A) | (714) | (573) | (141) |
| Service cost | | 7,686 | (170) | 7,856 |
| Interest cost on projected benefit obligation | | 10,518 | (12) | 10,530 |
| Expected returns on plan assets | | (15,754) | (922) | (14,832) |
| Amortization of unrecognized prior service cost | | (5,542) | - | (5,542) |
| Amortization of unrecognized actuarial net gain (loss) | | 1,944 | 583 | 1,361 |
| Others | | 432 | (51) | 483 |
| Gains on return of securities from retirement benefits trust | (B) | - | 36,330 | (36,330) |
| Total | (A+B) | (714) | 35,757 | (36,471) |

(Reference) <Consolidated>

(Millions of yen)

| | | Six months ended | | Six months ended |
|--|-------|------------------|--------|------------------|
| | | Sep. 30, 2007 | Change | Sep. 30, 2006 |
| Pension expenses | (A) | 3,088 | (111) | 3,199 |
| Gains on return of securities from retirement benefits trust | (B) | - | 36,330 | (36,330) |
| Total | (A+B) | 3,088 | 36,218 | (33,130) |