

Liabilities.” During the year ended March 31, 2004, the Company and certain subsidiaries transferred the substitutional portion of the Employees’ Pension Fund (“EPF”) to the government. The difference between the fair value of the obligation and the related assets of the substitutional portion was ¥19,606 million.

During the year ended March 31, 2005, the Company withdrew a portion of the excess plan assets because the

fair value of the plan assets constantly exceeded the projected benefit obligation. The fair value of the marketable securities and cash that the Company withdrew was ¥10,484 million and ¥3,600 million, respectively, for the year ended March 31, 2005.

The Company and certain subsidiaries use a measurement date of March 31 for the majority of their plans.

The changes in the benefit obligations and fair value of the plan assets and the funded status of the plans were as follows:

	Millions of Yen		Millions of U.S. dollars
	2006	2005	2006
Change in benefit obligations:			
Projected benefit obligations at beginning of year	¥ 271,675	¥ 266,697	\$ 2,313
Service cost	7,170	6,965	61
Interest cost	6,447	5,934	55
Plan participants’ contributions	639	997	5
Actuarial gain	11,360	(4,612)	97
Benefits paid	(10,866)	(10,330)	(93)
Foreign currency translation adjustments	475	57	4
Other	205	5,967	2
Projected benefit obligation at end of year	287,105	271,675	2,444
Change in plan assets:			
Fair value of plan assets at beginning of year	329,254	339,031	2,803
Actual return on plan assets	63,504	(4,773)	541
Employer contributions	14,968	17,025	127
Plan participants’ contributions	639	997	5
Benefits paid	(10,866)	(10,330)	(92)
Foreign currency translation adjustments	290	(20)	3
Other	745	(12,676)	6
Fair value of plan assets at end of year	398,534	329,254	3,393
Funded status at end of year	111,429	57,579	949
Unrecognized actuarial loss	98,614	147,127	839
Unrecognized prior service cost	(40,176)	(45,071)	(342)
Net amount recognized	169,867	159,635	1,446
Adjustments to recognize minimum pension liability:			
Accumulated other comprehensive loss before income tax effect	2,843	3,150	23
Net amount recognized in the consolidated balance sheets	167,024	156,485	1,423
Prepaid pension cost	186,105	178,890	1,585
Accrued retirement and severance benefits recognized in the consolidated balance sheets	(19,081)	(22,405)	(162)
Accumulated benefit obligations at end of year	¥ 286,133	¥ 270,622	\$ 2,436
Weighted-average assumptions used to determine benefit obligations at the end of year:			
Discount rate	2.2%	2.4%	
Rate of compensation increase	1.9-6.0%	1.0-6.0%	
Weighted-average assumptions used to determine net periodic pension cost for the year:			
Discount rate	2.4%	2.4%	
Expected long-term rate of return on plan assets	2.4%	2.3%	
Rate of compensation increase	1.0-6.0%	1.9-6.0%	

The prior service cost of the Company is amortized by the straight-line method over the average remaining service period of employees expected to receive related benefits. The unrecognized net actuarial loss of the Company is amortized by the straight-line method over the average remaining service periods.

The “Other” in the change in benefit obligations for the year ended March 31, 2005 included the amount attributable to a partial settlement in CPF of ¥4,936 million. The

“Other” in the change in plan assets for the year ended March 31, 2005 included a partial settlement in CPF of ¥5,389 million and the amount of the withdrawal from the plan assets, which was ¥14,084 million.

The fair value of equity securities of subsidiaries and associated companies included in plan assets was ¥15,623 million (\$133 million) and ¥13,746 million at March 31, 2006 and 2005, respectively.