

## 7. Employee Retirement Benefits

## (1) Balance of the retirement benefit liability

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		Mar. 31, 2005		Mar. 31, 2004
			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

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		Mar. 31, 2005		Mar. 31, 2004
			Change	
Balance of the retirement benefit liability	(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

## (2) Cost for employee retirement benefits

&lt;SMBC Non-consolidated&gt;

(Millions of yen)

		FY2004		FY2003
			Change	
Cost for employee retirement benefits		53,678	(28,538)	82,216
Service cost		17,621	(3,780)	21,401
Interest cost on projected benefit obligation		20,695	(10,676)	31,371
Expected returns on plan assets		(20,648)	2,023	(22,671)
Amortization of net obligation from change of accounting standard (amortized using the straight-line method over 5 years)		16,001	(3,472)	19,473
Amortization of prior unrecognized service cost		(9,239)	(2,731)	(6,508)
Amortization of unrecognized actuarial net gain (loss)		25,293	(9,685)	34,978
Others		3,955	(215)	4,170
Gains on return of the entrusted portion of employee pension fund			(59,095)	59,095

(Reference) &lt;Consolidated&gt;

(Millions of yen)

		FY2004		FY2003
			Change	
Pension expenses		66,788	(26,654)	93,442