

**BALANCE SHEETS (UNAUDITED)****JAPAN BANK FOR INTERNATIONAL COOPERATION****Overseas Economic Cooperation Account**

	In millions of yen September 30, 2007	In millions of yen September 30, 2006	In millions of yen March 31, 2007	In millions of U.S.dollars September 30, 2007
<b>Assets</b>				
Cash and due from banks (Note 3)	¥ 96,123	¥ 32,926	¥ 68,258	\$ 833
Securities (Notes 4 and 14)	104,175	114,040	109,275	902
Loans (Note 5)	10,869,360	10,834,846	10,940,343	94,164
Miscellaneous assets	60,690	70,037	62,913	526
Tangible fixed assets (Note 6)	6,485	6,581	6,603	56
Intangible fixed assets	1,424	1,479	1,334	12
Allowance for possible loan losses	(94,475)	(118,604)	(102,897)	(818)
<b>Total assets</b>	<b>¥ 11,043,784</b>	<b>¥ 10,941,308</b>	<b>¥ 11,085,830</b>	<b>\$ 95,675</b>
<b>Liabilities and net assets</b>				
<b>Liabilities</b>				
Bonds and notes	¥ -	¥ 9,999	¥ -	\$ -
Borrowings	3,551,898	3,808,340	3,714,803	30,771
Miscellaneous liabilities	18,095	16,074	14,105	157
Reserve for bonus payments	381	368	390	3
Reserve for employee retirement benefits	6,166	6,200	6,148	53
<b>Total liabilities</b>	<b>3,576,542</b>	<b>3,840,983</b>	<b>3,735,446</b>	<b>30,984</b>
<b>Net assets</b>				
<b>Capital:</b>				
Capital attributable to the Overseas Economic Cooperation Account	7,231,508	7,085,044	7,231,508	62,648
<b>Retained earnings:</b>				
Other retained earnings				
Reserve attributable to the Overseas Economic Cooperation Account (Note 12)	305,464	166,062	166,062	2,647
Accumulated deficit	(69,731)	(150,781)	(47,187)	(604)
	235,733	15,280	118,875	2,043
<b>Total stockholders' equity</b>	<b>7,467,241</b>	<b>7,100,325</b>	<b>7,350,383</b>	<b>64,691</b>
Net deferred gains (losses) on hedges	-	-	-	-
<b>Total valuation differences and translation adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net assets</b>	<b>7,467,241</b>	<b>7,100,325</b>	<b>7,350,383</b>	<b>64,691</b>
<b>Total liabilities and net assets</b>	<b>¥ 11,043,784</b>	<b>¥ 10,941,308</b>	<b>¥ 11,085,830</b>	<b>\$ 95,675</b>

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

**STATEMENTS OF OPERATIONS (UNAUDITED)****JAPAN BANK FOR INTERNATIONAL COOPERATION****Overseas Economic Cooperation Account**

	In millions of yen	In millions of yen	In millions of yen	In millions of U.S.dollars
	First half of FY 2007	First half of FY 2006	FY 2006	First half of FY 2007
<b>Income</b>				
Interest income	¥ 122,242	¥ 123,492	¥ 246,837	\$ 1,059
Interest on loans	116,817	121,441	240,025	1,012
Interest and dividend income on securities	5,282	2,048	6,781	46
Interest on due from banks	142	2	29	1
Fees and Commissions	246	190	560	2
Other operating income	21	-	23	0
Other ordinary income (Note 8)	14,345	39	157	124
Grant from general account (Note 9)	10,000	15,000	30,000	87
Other extraordinary income (Note 10)	8,425	7,373	23,085	73
<b>Total income</b>	<b>155,281</b>	<b>146,095</b>	<b>300,665</b>	<b>1,345</b>
<b>Expenses</b>				
Interest expenses	32,742	40,153	81,141	284
Fees and Commissions	763	840	3,874	7
Other operating expenses	-	17	10	-
General and administrative expenses	4,604	4,341	9,773	40
Other ordinary expenses (Note 11)	282	0	1,497	2
Other extraordinary losses	31	8	37	0
<b>Total expenses</b>	<b>38,423</b>	<b>45,360</b>	<b>96,336</b>	<b>333</b>
<b>Net income</b>	<b>¥ 116,857</b>	<b>¥ 100,734</b>	<b>¥ 204,329</b>	<b>\$ 1,012</b>

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

**STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)**  
**JAPAN BANK FOR INTERNATIONAL COOPERATION**  
**Overseas Economic Cooperation Account**

First half of FY 2007

(In millions of yen)

	Stockholders' equity					Valuation differences and translation adjustments		Total net assets
	Capital	Retained earnings			Total stockholders' equity	Net deferred losses on hedges	Total valuation differences and translation adjustments	
	Capital attributable to the Overseas Economic Cooperation Account	Other retained earnings		Total retained earnings				
Reserve attributable to the Overseas Economic Cooperation Account		Accumulated deficit						
Balance at March 31, 2007	7,231,508	166,062	(47,187)	118,875	7,350,383	-	-	7,350,383
Changes during the interim accounting period								
Proceeds from issuance of capital stocks attributable to the Overseas Economic Cooperation Account	-	-	-	-	-	-	-	-
Transfer to reserve attributable to the Overseas Economic Cooperation Account from accumulated deficit	-	139,401	(139,401)	-	-	-	-	-
Net income	-	-	116,857	116,857	116,857	-	-	116,857
Net changes in the items other than stockholder's equity	-	-	-	-	-	-	-	-
Net changes during the interim accounting period	-	139,401	(22,544)	116,857	116,857	-	-	116,857
Balance at September 30, 2007	7,231,508	305,464	(69,731)	235,733	7,467,241	-	-	7,467,241

**STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)**  
**JAPAN BANK FOR INTERNATIONAL COOPERATION**  
**Overseas Economic Cooperation Account**

First half of FY 2007

(In millions of U.S. dollars)

	Stockholders' equity					Valuation differences and translation adjustments		Total net assets
	Capital	Retained earnings			Total stockholders' equity	Net deferred losses on hedges	Total valuation differences and translation adjustments	
	Capital attributable to the Overseas Economic Cooperation Account	Other retained earnings		Total retained earnings				
Reserve attributable to the Overseas Economic Cooperation Account		Accumulated deficit						
Balance at March 31, 2007	62,648	1,439	(409)	1,030	63,678	-	-	63,678
Changes during the interim accounting period								
Proceeds from issuance of capital stocks attributable to the Overseas Economic Cooperation Account	-	-	-	-	-	-	-	-
Transfer to reserve attributable to the Overseas Economic Cooperation Account from accumulated deficit	-	1,208	(1,208)	-	-	-	-	-
Net income	-	-	1,012	1,012	1,012	-	-	1,012
Net changes in the items other than stockholder's equity	-	-	-	-	-	-	-	-
Net changes during the interim accounting period	-	1,208	(195)	1,012	1,012	-	-	1,012
Balance at September 30, 2007	62,648	2,647	(604)	2,043	64,691	-	-	64,691

**STATEMENTS OF CASH FLOWS (UNAUDITED)****JAPAN BANK FOR INTERNATIONAL COOPERATION****Overseas Economic Cooperation Account**

	In millions of yen		In millions of yen		In millions of yen		In millions of U.S.dollars	
	First half of FY 2007		First half of FY 2006		FY 2006		First half of FY 2007	
<b>Cash flows from operating activities</b>								
Net income	¥	116,857	¥	100,734	¥	204,329	\$	1,012
Depreciation and amortization		348		315		651		3
Decrease in allowance for possible loan losses		(8,421)		(6,552)		(22,259)		(73)
Increase (decrease) in reserve for bonus payments		(8)		(19)		2		(0)
Increase (decrease) in reserve for employee retirement benefits		18		(59)		(111)		0
Interest income		(122,242)		(123,492)		(246,837)		(1,059)
Interest expenses		32,742		40,153		81,141		284
Net (gain) loss on securities		(13,989)		13		1,436		(121)
Foreign exchange (gain) loss		(23)		7		(33)		(0)
Net loss on sales of tangible fixed assets		27		7		33		0
Net decrease in loans		70,983		108,795		3,298		615
Net decrease in bonds and notes		-		-		(10,000)		-
Net decrease in borrowings		(162,904)		(211,879)		(305,417)		(1,411)
Net decrease (increase) in due from banks (excluding cash equivalents)		(47,150)		(21,462)		186		(408)
Interest received		124,626		123,300		253,676		1,080
Interest paid		(28,799)		(40,416)		(83,452)		(250)
Others, net		(102)		(903)		(730)		(1)
<b>Net cash used in operating activities</b>		<b>(38,037)</b>		<b>(31,457)</b>		<b>(124,086)</b>		<b>(329)</b>
<b>Cash flows from investing activities</b>								
Purchases of securities		(21)		(125)		(135)		(0)
Sales of securities		19,121		5,066		8,443		166
Purchases of tangible fixed assets		(68)		(71)		(273)		(1)
Purchases of intangible fixed assets		(286)		(85)		(116)		(3)
Proceeds from sales of tangible fixed assets		5		1		6		0
<b>Net cash provided by investing activities</b>		<b>18,752</b>		<b>4,785</b>		<b>7,925</b>		<b>162</b>
<b>Cash flows from financing activities</b>								
Proceeds from issuance of capital from Government		-		19,400		165,864		-
<b>Net cash provided by financing activities</b>		<b>-</b>		<b>19,400</b>		<b>165,864</b>		<b>-</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(0)</b>		<b>0</b>		<b>0</b>		<b>(0)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(19,285)</b>		<b>(7,271)</b>		<b>49,703</b>		<b>(167)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>67,569</b>		<b>17,865</b>		<b>17,865</b>		<b>585</b>
<b>Cash and cash equivalents at the end of the period</b>	¥	<b>48,283</b>	¥	<b>10,594</b>	¥	<b>67,569</b>	\$	<b>418</b>

See accompanying "Notes to Financial Statements" which are an integral part of these statements.

## **NOTES TO FINANCIAL STATEMENTS (UNAUDITED)**

### **JAPAN BANK FOR INTERNATIONAL COOPERATION**

#### **Overseas Economic Cooperation Account**

## **1. Basis of presentation**

The accompanying financial statements have been prepared from the accounts maintained by Japan Bank for International Cooperation ("JBIC" or the "Bank") in accordance with the provisions set forth in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The Bank's accounts are separated into the International Financial Account and the Overseas Economic Cooperation Account as required under Article 41 of the Japan Bank for International Cooperation Law ("JBIC Law") whereby the accounting shall be separated according to the categories of international financial operations and overseas economic cooperation operations and be recorded by establishing a separate account for each operation. In separating the accounts, transactions directly related to either of the operations are attributed to the account for these operations and overhead expenses and others are allocated to both of the accounts in accordance with certain pre-defined allocation rate.

Consolidated financial statements are not prepared since JBIC has no subsidiaries.

The amounts indicated in millions of yen are rounded down by omitting figures less than one million. Totals may therefore not add up exactly because of such omission.

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥115.43=\$1.00, the exchange rate as of September 30, 2007, has been used in translation. The presentation of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

## **2. Significant accounting policies**

### **(a) Cash and cash equivalents**

"Cash and cash equivalents" as stated in the statements of cash flows consists of cash on hand and due from Bank of Japan included in "Cash and due from banks" in the balance sheets.

### **(b) Securities**

All securities are classified as "Available-for-sale securities" which have no market value and are carried at cost based on the moving average method.

### **(c) Foreign currency translation and revaluation method**

JBIC maintains its accounting record in Japanese yen. Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the market exchange rate prevailing at the interim fiscal period end.

### **(d) Depreciation basis for fixed assets**

#### **(i) Tangible fixed assets**

Tangible fixed assets are depreciated under the declining balance method over their useful economic lives except for buildings (excluding installed facilities) acquired on or after April 1, 1998, which are depreciated under the straight-line method, and the applicable share of estimated annual depreciation costs for the interim fiscal period is recorded based on the following range of useful lives.

The principal estimated useful economic lives are as follows:

Buildings: 38 years to 50 years

Equipment: 2 years to 20 years

In accordance with the amendment of the corporate tax laws in this fiscal year, the tangible fixed assets acquired on or after April 1, 2007 are depreciated based on the depreciation method under the amended corporate tax laws. Formerly, the assets were depreciated to the uniform residual values determined by the tax laws. Under the amended tax laws, the uniform residual values were removed. As for the tangible fixed assets acquired before April 1, 2007, from this interim period, their residual values are depreciated over five years using the straight line method after the regular depreciation to the uniform residual values completes. This accounting change had no material impact on the interim financial statements of this interim fiscal period.

#### **(ii) Intangible fixed assets**

Amortization of Intangible fixed assets is computed by the straight-line method. Software used by JBIC is amortized over its useful life (5 years).

### **(e) Allowance for possible loan losses**

The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance after the write-offs described in Note 5 (i) and the deductions of the amount expected to be collected through the disposal of collateral

and the execution of guarantees.

The allowance for claims on debtors who are not legally bankrupt but are likely to become bankrupt ("Potentially bankrupt borrowers") is provided based on an assessment of the overall solvency of the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees.

The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers and Potentially bankrupt borrowers is provided primarily based on the default rate, which is calculated based on the actual defaults during a certain period in the past.

The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situations of these countries.

All claims are assessed initially by the operational departments and secondly by risk evaluation departments based on internal rules for self-assessment of asset quality. The internal audit department, which is independent from the operational departments, reviews these self-assessments, and the allowance is provided based on the results of the assessment.

**(f) Reserve for bonus payments**

"Reserve for bonus payments" is calculated and provided for based on estimated amounts of future payments attributable to the services that have been rendered by employees to the date of the interim balance sheet. Reserve for bonus payments to executive directors is included in the account.

**(g) Reserve for employee retirement benefits**

"Reserve for employee retirement benefits" represents the future payment for pension and retirement benefits to employees and executive directors, and is accrued based on the projected benefit obligations and the estimated pension plan assets at the interim fiscal period end.

The actuarial gain or loss is recognized in the year in which it arises.

**(h) Lease transactions**

Finance leases that do not involve the transfer of ownership to the lessee at the end of the lease term are accounted for as an operating lease.

**(i) Consumption taxes**

Consumption taxes, including local consumption tax, are excluded from the transaction amounts.

**(j) Significant changes in accounting policies**

The definitions of securities in "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10) and in "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Laws and Regulations Committee Report No. 14) were partially revised on June 15, 2007 and on July 4, 2007 respectively, which is applicable from the fiscal year and the interim fiscal period ending on or after the enforcement date of the Financial Instruments and Exchange Law. JBIC has adopted the revised standards and guidelines commencing with this interim fiscal period.

### 3. Cash and cash equivalents

The reconciliation between the balance of cash and cash equivalents at the end of each (interim) fiscal year and the amount of cash and due from banks reported in the (interim) balance sheets as of September 30, 2007 and 2006, and March 31, 2007 were as follows:

	September 30, 2007 (In millions of yen)	September 30, 2006 (In millions of yen)	March 31, 2007 (In millions of yen)	September 30, 2007 (In millions of U.S.dollars)
Cash and due from banks	¥ 96,123	¥ 32,926	¥ 68,258	\$ 833
Due from banks (*)	(47,840)	(22,332)	(689)	(414)
Cash and cash equivalents	¥ 48,283	¥ 10,594	¥ 67,569	\$ 418

(\*) Excluding Due from Bank of Japan

#### 4. Securities

Securities as of September 30, 2007 and 2006, and March 31, 2007 were as follows:

	September 30, 2007 (In millions of yen)	September 30, 2006 (In millions of yen)	March 31, 2007 (In millions of yen)	September 30, 2007 (In millions of U.S.dollars)
Equity	¥ 102,987	¥ 112,792	¥ 107,996	\$ 892
Other securities	1,188	1,248	1,279	11
	¥ 104,175	¥ 114,040	¥ 109,275	\$ 903

#### 5. Loans

All of Loans are loans on deeds. The amounts reported in the (interim) balance sheets as of September 30, 2007 and 2006, and March 31, 2007 were as follows:

	September 30, 2007 (In millions of yen)	September 30, 2006 (In millions of yen)	March 31, 2007 (In millions of yen)	September 30, 2007 (In millions of U.S.dollars)
Bankrupt loans	¥ -	¥ -	\$ -	-
Non-accrual loans	76,876	76,460	76,876	666
Past due loans (3 months or more)	-	-	-	-
Restructured loans	182,900	183,665	185,191	1,585
	¥ 259,777	¥ 260,126	¥ 262,068	\$ 2,251

- (a) "Bankrupt loans" refer to loans, after write-offs, on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons, and to borrowers who fall into the following categories:
- who have begun bankruptcy, settlement, reorganization, winding-up or special liquidation proceedings under the Bankruptcy Law, the Corporate Reorganization Law, the Civil Rehabilitation Law, the Corporate Law or other similar laws of Japan
  - who have had their transactions with the promissory note clearinghouse suspended, or
  - who have begun similar proceedings under any foreign law
- (b) "Non-accrual loans" are loans on which accrued interest income is not recognized, excluding loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.
- (c) "Past due loans (3 months or more)" are loans whose principal or interest payment is past due for three months or more, and which do not fall under the category of "Bankrupt loans" and "Non-accrual loans."
- (d) "Restructured loans" are loans whose repayment terms and conditions have been amended in favor of the borrowers (e.g. reduction of or exemption from the stated interest rate, the deferral of interest payments, the extension of principal repayments or renunciation of claims) in order to support the borrowers' recovery from financial difficulties, and which do not fall under the category of "Bankrupt loans," "Non-accrual loans" and "Past due loans (3 months or more)."
- (e) The amounts of loans indicated in the table above are gross amounts prior to deduction of allowance for possible loan losses.
- (f) In the event that a debtor country encounters temporary payment difficulties and requests debt rescheduling with respect to external public debt (whose creditors are Sovereigns, Trade Insurance Institutions and Export Credit Institutions, etc.) due to an unfavorable balance of international payment, meetings of creditor countries (the "Paris Club") would be held to discuss debt relief measures (rescheduling). When creditor countries agree on debt relief measures, debt-rescheduling agreements between the creditors and a debtor are agreed. Under such temporary liquidity assistance, the debtor carries out the Economic Restructuring Program that was agreed with the International Monetary Fund ("IMF") and continues to make repayments of the debt. The principal amount of loans for which JBIC has agreed to provide debt relief pursuant to the Paris Club agreements is as follows:

	September 30, 2007 (In millions of yen)	September 30, 2006 (In millions of yen)	March 31, 2007 (In millions of yen)	September 30, 2007 (In millions of U.S.dollars)
Overseas Economic Cooperation Account	¥ 1,240,837	¥ 1,252,609	¥ 1,246,893	\$ 10,750

In terms of repayment probability of the loans rescheduled in the Paris Club, their nature as public debt, unlike loans provided by private financial institutions, provides an asset securing mechanism under such an international framework. Nonetheless, in order to facilitate comparison with private financial institutions, JBIC classifies those loans to borrowers classified under the assessment as "Watchlisted" (but not "Past due loans (3 months or more)") that were rescheduled under the Paris Club as "Restructured loans." The amount of such loans, included in "Restructured loans" in the above table, is ¥182,900 million (\$1,585 million) of which ¥103,458 million (\$896 million) represents original principal attributable to the Overseas Economic Cooperation Account as of September 30, 2007, ¥183,665 million of which ¥96,611 million represents original principal as of September 30, 2006 and ¥185,191 million of which ¥101,267 million represents original principal as of March 31, 2007.

- (g) Upon special request, major creditor countries, including Japan, agreed at the Paris Club to offer a grace period ("Moratorium") for countries affected by the Sumatra Earthquake and India Tsunami in December 2004, in order to support their reconstruction and recovery. During this Moratorium period creditor countries will not expect any debt payment on the due date up to December 31, 2005, and will reschedule the repayment period of deferred debts for 5 years including a 1 year grace period.

As of the end of September 2007, of the affected countries, Indonesia and Sri Lanka had requested the Paris Club for the Moratorium. The amounts rescheduled repayment period for affected countries as of the end of September 2007, were ¥120,807 million (\$1,047 million) in the Overseas Economic Cooperation Account.

Loans related to this Moratorium are not included in the loans described in (a) to (d) above, since lending terms has been modified based on an international agreement under this Moratorium to offer a grace period in order to support reconstruction and recovery of affected countries, and is therefore irrelevant to their debt-repayment ability.

- (h) As JBIC's debtors mainly require long-term loans, JBIC generally enters into commitment line contracts with these debtors. JBIC provides commitment lines under which it lends necessary funds up to a predetermined amount, which is within the borrowers' financing needs for the projects and up to the agreed maximum to lend, upon borrowers' request, provided that the request meets terms and conditions for disbursement prescribed in the Loan Agreement. The total balance of unused commitment lines as of September 30, 2007 and 2006, and March 31, 2007 were ¥3,413,226 million (\$29,570 million), ¥3,512,591 and ¥3,656,740 million, respectively.
- (i) With respect to claims with collateral or guarantees on debtors who are legally or substantially bankrupt ("Bankrupt borrowers and Substantially bankrupt borrowers"), the residual booked amount of the claims after deduction of the amount which is deemed collectible through the disposal of collateral or the execution of guarantees is written-off against the respective claims. There were no corresponding amounts as of September 30, 2007 and 2006, and March 31, 2007.

## 6. Depreciation

Depreciation expense in First half of FY 2007 and 2006, and FY 2007 and Accumulated Depreciation as of September 30, 2007 and 2006, and March 31, 2007 were as follows:

	First Half of FY2007 (In millions of yen)	First Half of FY2006 (In millions of yen)	FY2007 (In millions of yen)	First Half of FY2007 (In millions of U.S. dollars)
Depreciation Expense	¥ 348	¥ 315	¥ 651	\$ 3

	September 30, 2007 (In millions of yen)	September 30, 2006 (In millions of yen)	March 31, 2007 (In millions of yen)	September 30, 2007 (In millions of U.S. dollars)
Accumulated Depreciation on Tangible Fixed Assets	¥ 4,652	¥ 5,063	¥ 4,655	\$ 40

## 7. Assets pledged as collateral

There were no assets pledged as collateral as of September 30, 2007 and 2006, and March 31, 2007.

## 8. Other ordinary income

"Other ordinary income" include Gain on sales of stock, ¥14,307 million (\$124 million) for the interim fiscal year ended September 30, 2007.

## 9. Grant from general account

In accordance with the "Changes of the Debt Relief Method" announced by the Japanese government on December 10, 2002, JBIC reported the extraordinary loss ("ODA-loan related losses") for the year ended March 31, 2003. Under the policy to maintain the financial soundness of JBIC, the government provided JBIC with a grant totaling ¥10 billion (\$87 million) corresponding to "ODA-loan related losses" out of its general account for the interim fiscal year ended September 30, 2007, ¥15 billion for the interim fiscal year ended September 30, 2006 and ¥30 billion for the fiscal year ended March 31, 2007, respectively.

## 10. Other extraordinary income

"Other extraordinary income" include "Reversal of allowance for possible loan losses", ¥8,421 million (\$73 million) for the interim year ended September 30, 2007.

## 11. Other ordinary expenses

"Other ordinary expenses" include Losses on devaluation of stocks, ¥282 million (\$2 million) for the interim fiscal year ended September 30, 2007.

## 12. Reserve

Pursuant to Article 44 of JBIC Law, "Reserve attributable to the Overseas Economic Cooperation Account" is provided from net earnings from the Overseas Economic Cooperation Account.

## 13. Lease transactions

Lease transactions in the (interim) fiscal years ended September 30, 2007 and 2006, and March 31, 2007 were as follows. There were no impairment losses for the leased assets:

(a) **Finance lease transactions, excluding leases that ownership of the property are deemed to be substantially transferred to the lessee:**

· Acquisition cost, accumulated depreciation and net balance of leased property as of September 30, 2007 and 2006, and March 31, 2007 were as follows:

	September 30, 2007 ( In millions of yen )	September 30, 2006 ( In millions of yen )	March 31, 2007 ( In millions of yen )	September 30, 2007 ( In millions of U.S. dollars )
	¥	¥	¥	\$
Acquisition cost				
Equipment	341	233	250	3
Others	302	192	208	3
Total	¥ 644	¥ 426	¥ 458	\$ 6
Accumulated depreciation				
Equipment	223	148	180	2
Others	165	115	135	1
Total	¥ 389	¥ 263	¥ 316	\$ 3
Net balance				
Equipment	118	85	69	1
Others	136	76	72	1
Total	¥ 255	¥ 162	¥ 142	\$ 2

- Future lease payment obligations as of September 30, 2007 and 2006, and March 31, 2007 are summarized below:

	September 30, 2007 ( In millions of yen )	September 30, 2006 ( In millions of yen )	March 31, 2007 ( In millions of yen )	September 30, 2007 ( In millions of U.S. dollars )
	¥	¥	¥	\$
Due within 1 year	106	103	90	1
Due after 1 year	151	63	55	1
<b>Total</b>	<b>¥ 258</b>	<b>¥ 167</b>	<b>¥ 145</b>	<b>\$ 2</b>

- Lease payment, depreciation expense and interest expense for the (interim) fiscal year ended September 30, 2007 and 2006, and March 31, 2007 were as follows:

	September 30, 2007 ( In millions of yen )	September 30, 2006 ( In millions of yen )	March 31, 2007 ( In millions of yen )	September 30, 2007 ( In millions of U.S. dollars )
	¥	¥	¥	\$
Lease payment	75	53	108	1
Depreciation expense	72	50	103	1
Interest expense	2	2	3	0

- Depreciation expense is calculated using the straight-line method over the useful economic life of the respective leased assets with zero residual value.
- The difference between total lease payments and the acquisition cost of leased assets is debited to effective interest expense, and is allocated to each fiscal year using the interest method.

**(a) Operating lease transactions:**

- Future lease payment obligations as of September 30, 2007 and 2006, and March 31, 2007 were summarized below:

	September 30, 2007 ( In millions of yen )	September 30, 2006 ( In millions of yen )	March 31, 2007 ( In millions of yen )	September 30, 2007 ( In millions of U.S. dollars )
	¥	¥	¥	\$
Due within 1 year	0	1	1	0
Due after 1 year	-	0	-	-
<b>Total</b>	<b>¥ 0</b>	<b>¥ 1</b>	<b>¥ 1</b>	<b>\$ 0</b>

## 14. Market value of securities

Notes to market value of securities as of September 30, 2007 are as follows:

**(a) Held-to-maturity debt securities**

Not applicable

**(b) Available-for-sale securities with market value**

Not applicable

**(c) Held-to-maturity debt securities and available-for-sale securities whose market value is not readily determinable were as follows:**

	September 30, 2007 ( In millions of yen )	September 30, 2007 ( In millions of U.S.dollars )
	¥	\$
Held-to-maturity debt securities		
Unlisted foreign securities	-	-
Available-for-sale securities		
Unlisted Japanese equities other than over-the-counter	102,921	892
Unlisted foreign equities	65	1
Other unlisted Japanese securities	-	-
Other unlisted foreign securities	1,188	10
Total	¥ <u>104,175</u>	\$ <u>903</u>

Notes to market value of securities as of September 30, 2006 are as follows:

**(a) Held-to-maturity debt securities**

Not applicable

**(b) Available-for-sale securities with market value**

Not applicable

**(c) Held-to-maturity debt securities and available-for-sale securities whose market value is not readily determinable were as follows:**

	September 30, 2006 ( In millions of yen )
	¥
Held-to-maturity debt securities	
Unlisted foreign securities	-
Available-for-sale securities	
Unlisted Japanese equities other than over-the-counter	110,804
Unlisted foreign equities	1,987
Other unlisted Japanese securities	-
Other unlisted foreign securities	1,248
Total	¥ <u>114,040</u>

Notes to market value of securities as of March 31, 2007 are as follows:

**(a) Held-to-maturity debt securities**

Not applicable

**(b) Available-for-sale securities with market value**

Not applicable

**(c) Held-to-maturity debt securities and available-for-sale securities whose market value is not readily determinable were as follows:**

	March 31, 2007 (In millions of yen)
	¥
Held-to-maturity debt securities	
Unlisted foreign securities	-
Available-for-sale securities	
Unlisted Japanese equities other than over-the-counter	107,181
Unlisted foreign equities	814
Other unlisted Japanese securities	-
Other unlisted foreign securities	1,279
Total	¥ <u>109,275</u>