

INTERIM BALANCE SHEETS**JAPAN BANK FOR INTERNATIONAL COOPERATION****International Financial Account**

	In millions of yen		In millions of yen		In millions of yen		In millions of U.S. dollars	
	September 30, 2004		September 30, 2003		March 31, 2004		September 30, 2004	
Assets								
Cash and due from banks (Note 3)	¥	419,061	¥	570,285	¥	182,404	\$	3,774
Loans (Note 4)		8,750,452		8,962,398		8,727,720		78,797
Miscellaneous assets (Note 5)		457,647		477,037		622,481		4,121
Premises and equipment (Note 6)		19,497		20,256		19,880		176
Deferred charges on bonds and notes		3,896		2,273		2,694		35
Customers' liabilities for acceptances and guarantees		845,107		680,401		724,924		7,610
Allowance for possible loan losses		(150,044)		(126,648)		(133,868)		(1,351)
Total assets	¥	10,345,618	¥	10,586,003	¥	10,146,237	\$	93,162

	In millions of yen		In millions of yen		In millions of yen		In millions of U.S. dollars	
	September 30, 2004		September 30, 2003		March 31, 2004		September 30, 2004	
Liabilities and equity								
Liabilities								
Bonds and notes	¥	1,870,891	¥	1,630,889	¥	1,536,373	\$	16,847
Borrowings		5,761,271		6,384,788		6,027,018		51,880
Miscellaneous liabilities (Note 7)		252,006		273,186		225,843		2,269
Allowance for bonus payments		605		584		569		6
Allowance for employee retirement benefits		10,709		11,199		10,806		97
Acceptances and guarantees (Note 8)		845,107		680,401		724,924		7,610
Total liabilities		8,740,590		8,981,049		8,525,535		78,709

Equity								
Capital attributable to the International Financial Account		985,500		985,500		985,500		8,874
Reserve attributable to the International Financial Account (Note 11)		676,258		638,582		638,582		6,090
Accumulated deficit		(56,730)		(19,128)		(3,380)		(511)
Total equity		1,605,027		1,604,954		1,620,702		14,453
Total liabilities and equity	¥	10,345,618	¥	10,586,003	¥	10,146,237	\$	93,162

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

INTERIM STATEMENTS OF OPERATIONS
JAPAN BANK FOR INTERNATIONAL COOPERATION
International Financial Account

	In millions of yen		In millions of yen		In millions of yen		In millions of U.S. dollars	
	First half of FY 2004		First half of FY 2003		FY 2003		First half of FY 2004	
Income								
Interest income	¥	128,653	¥	137,783	¥	264,451	\$	1,158
Interest on loans		109,056		113,564		214,915		982
Fees and Commissions		2,951		2,901		6,116		27
Other operating income		2,433		-		309		22
Other ordinary income		72		352		404		1
Other extraordinary income		29		506		453		0
Total income		134,140		141,545		271,735		1,208
Expenses								
Interest expenses		86,437		96,270		183,666		779
Fees and Commissions		1,010		683		3,574		9
Other operating expenses		593		5,641		4,924		5
General and administrative expenses		7,223		8,116		15,279		65
Other ordinary expenses (Note 10)		16,873		122		17,826		152
Other extraordinary losses		2		4		10		0
Total expenses		112,139		110,839		225,281		1,010
Net income	¥	22,001	¥	30,705	¥	46,453	\$	198

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

INTERIM STATEMENTS OF CASH FLOWS
JAPAN BANK FOR INTERNATIONAL COOPERATION
International Financial Account

	In millions of yen		In millions of yen		In millions of yen		In millions of U.S. dollars	
	First half of FY 2004		First half of FY 2003		FY 2003		First half of FY 2004	
Cash flows from operating activities								
Net income	¥	22,001	¥	30,705	¥	46,453	\$	198
Depreciation and amortization		467		503		1,025		4
Increase (decrease) in allowance for possible loan losses		16,175		(503)		6,717		146
Increase in allowance for bonus payments		36		116		101		0
Decrease in allowance for employee retirement benefits		(96)		(16)		(409)		(1)
Interest income		(128,653)		(137,783)		(264,451)		(1,158)
Interest expenses		86,437		96,270		183,666		778
Foreign exchange (gain) loss		(181,047)		117,551		299,531		(1,630)
Net (gain) loss on sales of premises and equipment		(1)		0		(410)		(0)
Net decrease in loans		203,477		438,899		469,897		1,832
Net increase in bonds and notes		287,255		120,000		54,212		2,587
Net decrease in borrowings		(265,747)		(222,176)		(579,946)		(2,393)
Net decrease (increase) in due from banks (excluding cash equivalents)		(245,498)		(321,105)		87,947		(2,211)
Interest received		128,478		176,810		314,047		1,157
Interest paid		(79,002)		(94,997)		(199,334)		(711)
Others, net		168,503		(145,743)		(320,063)		1,517
Net cash provided by operating activities		12,786		58,532		98,986		115
Cash flows from investing activities								
Purchases of securities		(18)		-		-		(0)
Expenditures on premises and equipment		(18)		(339)		(522)		(0)
Proceeds from sales of premises and equipment		8		8		525		0
Net cash (used in) provided by investing activities		(27)		(330)		2		(0)
Cash flows from financing activities								
Payment to National Treasury		(23,748)		(26,008)		(38,459)		(214)
Net cash used in financing activities		(23,748)		(26,008)		(38,459)		(214)
Effect of exchange rate changes on cash and cash equivalents		0		(0)		(0)		0
Net (decrease) increase in cash and cash equivalents		(10,990)		32,193		60,529		(99)
Cash and cash equivalents at the beginning of the period		119,325		58,796		58,796		1,075
Cash and cash equivalents at the end of the period	¥	108,335	¥	90,989	¥	119,325	\$	976

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

NOTES TO FINANCIAL STATEMENTS
JAPAN BANK FOR INTERNATIONAL COOPERATION
International Financial Account

1. Basis of presentation

The accompanying financial statements have been prepared from the accounts maintained by Japan Bank for International Cooperation ("JBIC") 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 financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

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 ¥111.05=\$1.00, the exchange rate as of September 30, 2004, 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 in 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 a moving average cost valuation.

(c) Valuation method for derivative financial instruments

All derivative financial instruments are carried at fair value, except for certain derivatives that are designated as hedging instruments as discussed below.

(d) Hedge accounting for interest rate risks

(i) Hedge accounting

JBIC measures derivatives used for interest rate hedging purposes under the deferral method.

(ii) Hedging instruments and hedged items

Hedging instruments: interest rate swaps

Hedged items: loans, bonds and notes

(iii) Hedging policy

JBIC enters into hedging transactions up to the value of the underlying hedged assets and liabilities.

(iv) Assessment of hedge effectiveness

JBIC assesses the effectiveness of designated hedges by measuring and comparing the fluctuations of fair value or cumulative fluctuations of cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the effectiveness testing date.

(e) Hedge accounting for foreign exchange risks

Hedge instruments used to hedge foreign exchange risks associated with various foreign currency denominated monetary assets and liabilities are measured using the deferral method, in accordance with the standard treatments of The Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No. 25.

The effectiveness of the hedging instruments described above, such as currency-swap, exchange swap and similar transactions, hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies is assessed by comparing the foreign currency position of the hedged monetary assets and liabilities with that of the hedging instruments.

(f) Foreign currency translation and revaluation method

JBIC maintains its accounting records 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 year end.

(g) Depreciation basis for fixed assets

(i) Premises and equipment

Premises and equipment are depreciated on the declining balance basis over their useful economic lives except for buildings (excluding installed facilities) acquired on or after April 1, 1998, which are depreciated on a straight-line basis.

The principal estimated useful economic lives are as follows:

Buildings: 38 years to 50 years
Equipment: 2 years to 20 years

(ii) Software

Software used by JBIC is amortized on a straight-line basis over its useful economic life (5 years).

(h) Accounting standard for impairment of fixed assets

On August 9, 2002, the Business Accounting Council in Japan issued the "Accounting Standard for Impairment of Fixed Assets." The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss shall be recognized in the statements of operations by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of net selling price and value in use.

The standard shall be effective for fiscal years beginning April 1, 2005. However, an earlier adoption is permitted for fiscal year beginning April 1, 2004 and for fiscal years ending between March 31, 2004 and March 30, 2005.

JBIC has not yet applied this new standard nor has determined the effect of applying it on the financial statements.

(i) Method of amortization for deferred charges

"Discounts on bonds and notes" are amortized over terms of redemption, and "Bonds and notes issuance Costs" are amortized over 3 years, on the straight-line basis in accordance with the Commercial Code of Japan.

(j) Allowance for possible loan losses

JBIC provides "Allowance for possible loan losses" as follows:

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 4 (h) and the deductions of the amount expected to be collected through the disposal of collateral and 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 or 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.

(k) Allowance for bonus payments

"Allowance 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 balance sheet. Allowance for bonus payments to executive directors are included in the account.

(l) Allowance for employee retirement benefits

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

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

(m) 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 operating lease.

(n) Consumption taxes

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

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, 2004, 2003 and March 31, 2004 are as follows:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
Cash and due from banks	¥ 419,061	¥ 570,285	¥ 182,404	\$ 3,774
Due from banks(*)	(310,725)	(479,296)	(63,078)	(2,798)
Cash and cash equivalents	¥ 108,335	¥ 90,989	¥ 119,325	\$ 976

(*) Excluding Due from Bank of Japan

4. Loans

All loans are loans on deeds. The amounts reported in the (interim) balance sheets as of September 30, 2004, 2003 and March 31, 2004 are as follows:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
Bankrupt loans	¥ 504	¥ 130	¥ 83	\$ 4
Non-accrual loans	267,084	240,189	216,429	2,405
Past due loans (3 months or more)	6,340	10,463	16,032	57
Restructured loans	355,316	418,988	385,225	3,200
	¥ 629,246	¥ 669,771	¥ 617,770	\$ 5,666

(a) "Bankrupt loans," which are classified as non-accrual (i.e. interest receivable is admitted to be no longer accrued), are loans 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 Commercial Code or other similar laws of Japan
- who have had their transactions with the promissory note clearinghouse suspended
- who have begun similar proceedings under any foreign law

These loans are categorized as loans to "Bankrupt borrowers" under the self-assessment of asset quality.

(b) "Non-accrual loans" are loans that are classified as non-accrual and which do not fall into the "Bankrupt loans" category. These loans are categorized as loans to "Substantially bankrupt borrowers" or "Potentially bankrupt borrowers" under self-assessment of asset quality.

(c) "Past due loans (3 month or more)" are loans whose principal and/or interest is past due three months or more counted from the date following the scheduled payment date, and which do not fall into the "Bankrupt loans" and "Non-accrual Loans" categories. Those loans are also categorized as loans to "Watchlist borrowers" under the self-assessment of asset quality.

(d) "Restructured loans" are loans whose contracts were amended in favor of obligors (e.g. reduction of or

exemption from stated interest, deferral of interest payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate restructuring processes of the obligors in financial difficulties, and which do not fall into the "Bankrupt loans", "Non-accrual loans", and "Past due loans (3 month or more)" categories. Those loans are also categorized as loans to "Watchlist borrowers" under the self-assessment of asset quality.

- (e) The amounts of Loans indicated in the table above are the gross amounts prior to reduction 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 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, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
International Financial Account	¥ 456,442	¥ 466,232	¥ 463,600	\$ 4,110

In terms of repayment probability of the loans rescheduled in the Paris Club, their nature as public credit, 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 above table, is ¥92,458 million (\$833 million) of which ¥86,695 million (\$781 million) represents original principal attributable to the International Financial Account for the interim year ended September 30, 2004, ¥118,206 million of which ¥75,874 million represents original principal for the interim year ended September 30, 2003 and ¥115,380 million of which ¥78,955 million represents original principal for the year ended March 31, 2004.

- (g) 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 the predetermined amount, that 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 balances of unused commitment lines as of September 30, 2004, 2003 and March 31, 2004 are ¥1,178,838 million (\$10,615 million), ¥1,482,391 million and ¥1,445,085 million, respectively.
- (h) With respect to the 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. The amounts of the accumulated write-offs as of September 30, 2004, 2003 and March 31, 2004 are ¥18,661 million (\$168 million), ¥7,363 million and ¥18,092 million respectively.

5. Miscellaneous assets

A part of the net earnings on of the International Financial Account is paid to the National Treasury, pursuant to Article 44 of the JBIC law. Preliminary payments to the National Treasury, made on a best estimation basis amounted to ¥5,257 million (\$47 million) for the interim year ended September 30, 2004, ¥6,734 million for the interim year ended September 30, 2003 and ¥19,185 million for the year ended March 31, 2004 respectively, and accounted for under Miscellaneous assets on the (interim) balance sheets.

6. Premises and equipment

Depreciation expense in First half of FY 2004, 2003 and FY 2004 and Accumulated Depreciation as of September 30, 2004, 2003 and March 31, 2004 are as follows:

	First Half of FY2004 (In millions of yen)	First Half of FY2003 (In millions of yen)	FY2004 (In millions of yen)	First Half of FY2004 (In millions of U.S. dollars)
Depreciation Expense	¥ 467	¥ 503	¥ 1,024	\$ 4
	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
Accumulated Depreciation	¥ 13,756	¥ 13,130	¥ 13,412	\$ 124

7. Miscellaneous liabilities

Deferred hedged gains is net realized or unrealized gains from hedging instruments. The gross amount of deferred hedge gains and losses before netting are as follows:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
Gains	¥ 156,869	¥ 328,710	¥ 169,900	\$ 1,413
Losses	8,516	160,084	16,328	77

8. Acceptances and guarantees

Acceptances and Guarantees as of September 30, 2004, 2003 and March 31, 2004 are as follows:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
Acceptances	¥ -	¥ -	¥ -	\$ -
Guarantees	845,107	680,401	724,924	7,610
	¥ 845,107	¥ 680,401	¥ 724,924	\$ 7,610

9. Assets pledged as collateral

There were no assets pledged as collateral as of September 30, 2004, 2003 and March 31, 2004.

10. Other ordinary expenses

Other ordinary expenses include Provision for allowance for possible loan losses, ¥16,871 million (\$151 million) and ¥17,704 million for the (interim) years ended September 30, 2004 and March 31, 2004, respectively.

11. Reserve

Pursuant to Article 44 of JBIC Law, the reserve attributable to the International Financial Account is provide from net earnings from the International Financial Account.

12. Lease transactions

Lease transactions in the (interim) fiscal year ended September 30, 2004, 2003 and March 31, 2004 are as follows:

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

- Acquisition cost, accumulated depreciation and net balance of leased property as of September 30, 2004, 2003 and March 31, 2004, are as follows:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
	¥	¥	¥	\$
Acquisition cost				
Equipment	196	-	199	2
Others	313	-	313	3
Total	¥ 510	¥ -	¥ 513	\$ 5
Accumulated depreciation				
Equipment	41	-	24	0
Others	62	-	31	1
Total	¥ 104	¥ -	¥ 55	\$ 1
Net balance				
Equipment	154	-	175	1
Others	251	-	282	2
Total	¥ 406	¥ -	¥ 458	\$ 4

- Future lease payment obligations as of September 30, 2004, 2003 and March 31, 2004 are summarized below:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
	¥	¥	¥	\$
Due within 1 year	101	-	100	1
Due after 1 year	308	-	359	3
Total	¥ 410	¥ -	¥ 460	\$ 4

- Lease payment, depreciation expenses and interest expense for the (interim) fiscal year ended September 30, 2004, 2003 and March 31, 2004 are as follows:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
	¥	¥	¥	\$
Lease payment	54	-	59	0
Depreciation expense	52	-	56	0
Interest expense	4	-	4	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 interest expenses, and is allocated to each fiscal year using the interest method.

(b) Operating lease transactions:

• Future lease payment obligations as of September 30, 2004, 2003 and March 31, 2004 are summarized below:

	September 30, 2004 (In millions of yen)	September 30, 2003 (In millions of yen)	March 31, 2004 (In millions of yen)	September 30, 2004 (In millions of U.S. dollars)
Due within 1 year	¥ 0	¥ 1	¥ 1	\$ 0
Due after 1 year	-	0	-	-
Total	¥ 0	¥ 2	¥ 1	\$ 0

13. Derivative transactions

Notes to derivative transactions in the interim fiscal year ended September 30, 2004 are as follows:

(a) Interest rate-related transactions

Gains or losses arising from changes in fair value of interest rate-related derivatives are not included in the interim statements of operations.

Hedge accounting is applied to all the interest rate-related derivative transactions.

(b) Currency-related transactions

Gains or losses arising from changes in fair value of currency-related derivatives are not included in the interim statements of operations.

Hedge accounting is applied to all currency-related derivative transactions.

(c) Equity-related transactions

Not applicable

(d) Bond-related transactions

Not applicable

(e) Commodity-related transactions

Not applicable

(f) Credit derivatives transactions

Not applicable

Notes to derivative transactions in the interim fiscal year ended September 30, 2003 are as follows:

(a) Interest rate-related transactions

Gains or losses arising from changes in fair value of interest rate-related derivatives are not included in the interim statements of operations.

Hedge accounting is applied to all interest rate-related derivative transactions.

(b) Currency-related transactions

Gains or losses arising from changes in fair value of currency-related derivatives are not included in the interim statements of operations.

Hedge accounting is applied to all currency-related derivative transactions.

(c) Equity-related transactions

Not applicable

(d) Bond-related transactions

Not applicable

(e) Commodity-related transactions

Not applicable

(f) Credit derivatives transactions

Not applicable

Notes to derivative transactions in the fiscal year ended March 31, 2004 are as follows:

(a) Interest rate-related transactions

Gains or losses arising from changes in fair value of interest rate-related derivatives are not included in the statements of operations.

Hedge accounting is applied to all interest rate-related derivative transactions.

(b) Currency-related transactions

Gains or losses arising from changes in fair value of currency-related derivatives are not included in the statements of operations.

Hedge accounting is applied to all currency-related derivative transactions.

(c) Equity-related transactions

Not applicable

(d) Bond-related transactions

Not applicable

(e) Commodity-related transactions

Not applicable

(f) Credit derivatives transactions

Not applicable