

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

	In millions of yen		In millions of U.S.dollars	
	September 30, 2006	September 30, 2005	March 31, 2006	September 30, 2006
Assets				
Cash and due from banks (Note 3)	¥ 32,926	¥ 12,848	¥ 18,730	\$ 279
Securities (Notes 4 and 12)	114,040	119,090	119,135	967
Loans (Note 5)	10,834,846	10,719,556	10,943,642	91,899
Miscellaneous assets	70,037	107,034	70,876	594
Premises and equipment (Note 6)	-	6,941	6,972	-
Tangible fixed assets (Note 6)	6,581	-	-	56
Intangible fixed assets	1,479	-	-	13
Deferred charges on bonds and notes	-	5	3	-
Allowance for possible loan losses	(118,604)	(142,754)	(125,156)	(1,006)
Total assets	¥ 10,941,308	¥ 10,822,722	¥ 11,034,203	\$ 92,802

	In millions of yen		In millions of U.S.dollars	
	September 30, 2006	September 30, 2005	March 31, 2006	September 30, 2006
Liabilities and equity				
Liabilities				
Bonds and notes	¥ 9,999	¥ 25,000	¥ 10,000	\$ 85
Borrowings	3,808,340	4,025,109	4,020,220	32,301
Miscellaneous liabilities	16,074	17,049	17,145	136
Reserve for bonus payments	368	385	387	3
Reserve for employee retirement benefits	6,200	6,525	6,259	53
Total liabilities	3,840,983	4,074,070	4,054,013	32,578

Equity**Capital:**

Capital attributable to the Overseas Economic Cooperation Account - 6,948,144 7,065,644 -

Retained earnings:

Reserve attributable to the Overseas Economic Cooperation Account (Note 10) - 111,324 111,324 -

Accumulated deficit - (310,816) (196,778) -

Total equity - **6,748,652** **6,980,190** -

Total liabilities and equity **¥ - ¥ 10,822,722 ¥ 11,034,203 \$ -**

Net assets**Capital:**

Capital attributable to the Overseas Economic Cooperation Account 7,085,044 - - 60,094

Retained earnings:

Other retained earnings

Reserve attributable to the Overseas Economic Cooperation Account (Note 10) 166,062 - - 1,408

Accumulated deficit (150,781) - - (1,278)

Total stockholders' equity **7,100,325** - - **60,224**

Net deferred gains on hedges - - - -

Total valuation differences and translation adjustments - - - -

Total net assets **7,100,325** - - **60,224**

Total liabilities and net assets **¥ 10,941,308 ¥ - ¥ - \$ 92,802**

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 2006		First half of FY 2005		FY 2005		First half of FY 2006	
Income								
Interest income								
Interest on loans	¥	121,441	¥	122,370	¥	249,467	\$	1,030
Interest and dividend income on securities		2,048		3,021		5,728		17
Other interest income		2		0		0		0
		123,492		125,392		255,196		1,047
Fees and Commissions		190		240		686		2
Other operating income		-		93		145		-
Other ordinary income		39		105		163		0
Grant from general account (Note 8)		15,000		15,000		30,000		127
Other extraordinary income (Note 9)		7,373		26,647		44,631		63
Total income		146,095		167,479		330,822		1,239
Expenses								
Interest expenses		40,153		46,770		89,609		341
Fees and Commissions		840		537		2,657		7
Other operating expenses		17		0		17		0
General and administrative expenses		4,341		4,171		8,495		37
Other ordinary expenses		0		217		218		0
Other extraordinary losses		8		3		6		0
Total expenses		45,360		51,700		101,005		385
Net income	¥	100,734	¥	115,778	¥	229,816	\$	854

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 2006

(In millions of yen)

	Stockholders' equity					Valuation differences and translation adjustments		Total net assets
	Capital	Retained earnings			Total stockholders' equity	Net deferred gains 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, 2006	7,065,644	111,324	(196,778)	(85,454)	6,980,190	-	-	6,980,190
Changes during the interim accounting period								
Proceeds from issuance of capital stocks attributable to the Overseas Economic Cooperation Account	19,400	-	-	-	19,400	-	-	19,400
Transfer to reserve attributable to the Overseas Economic Cooperation Account from accumulated deficit	-	54,737	(54,737)	-	-	-	-	-
Net income	-	-	100,734	100,734	100,734	-	-	100,734
Net changes in the items other than stockholder's equity	-	-	-	-	-	-	-	-
Net changes during the interim accounting period	19,400	54,737	45,996	100,734	120,134	-	-	120,134
Balance at September 30, 2006	7,085,044	166,062	(150,781)	15,280	7,100,325	-	-	7,100,325

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

First half of FY 2006

(In millions of U.S. dollars)

	Stockholders' equity					Valuation differences and translation adjustments		Total net assets
	Capital	Retained earnings			Total stockholders' equity	Net deferred gains 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, 2006	59,929	944	(1,668)	(724)	59,205	-	-	59,205
Changes during the interim accounting period								
Proceeds from issuance of capital stocks attributable to the Overseas Economic Cooperation Account	165	-	-	-	165	-	-	165
Transfer to reserve attributable to the Overseas Economic Cooperation Account from accumulated deficit	-	464	(464)	-	-	-	-	-
Net income	-	-	854	854	854	-	-	854
Net changes in the items other than stockholder's equity	-	-	-	-	-	-	-	-
Net changes during the interim accounting period	165	464	390	854	1,019	-	-	1,019
Balance at September 30, 2006	60,094	1,408	(1,278)	130	60,224	-	-	60,224

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 2006		First half of FY 2005		FY 2005		First half of FY 2006	
Cash flows from operating activities								
Net income	¥	100,734	¥	115,778	¥	229,816	\$	854
Depreciation and amortization		315		193		442		3
Decrease in allowance for possible loan losses		(6,552)		(39,756)		(57,354)		(56)
Increase (decrease) in reserve for bonus payments		(19)		20		22		(0)
Decrease in reserve for employee retirement benefits		(59)		(39)		(305)		(1)
Interest income		(123,492)		(125,392)		(255,196)		(1,047)
Interest expenses		40,153		46,768		89,609		341
Net loss on securities		13		173		174		0
Foreign exchange loss (gain)		7		(95)		(159)		0
Net loss on sales of premises and equipment		-		0		2		-
Net loss on sales of tangible fixed assets		7		-		-		0
Net decrease (increase) in loans		108,795		21,236		(202,849)		923
Net decrease in bonds and notes		-		-		(15,000)		-
Net decrease in borrowings		(211,879)		(175,349)		(180,238)		(1,797)
Net decrease (increase) in due from banks (excluding cash equivalents)		(21,462)		19,009		18,968		(182)
Interest received		123,300		94,982		261,342		1,046
Interest paid		(40,416)		(46,849)		(90,024)		(343)
Others, net		(903)		(168)		(215)		(8)
Net cash used in operating activities		(31,457)		(89,487)		(200,965)		(267)
Cash flows from investing activities								
Purchases of securities		(125)		(97)		(111)		(1)
Sales of securities		5,066		689		689		43
Expenditures on premises and equipment		-		(83)		(270)		-
Expenditures on tangible fixed assets		(71)		-		-		(1)
Expenditures on intangible fixed assets		(85)		-		-		(1)
Proceeds from sales of premises and equipment		-		5		16		-
Proceeds from sales of tangible fixed assets		1		-		-		0
Net cash provided by investing activities		4,785		514		323		40
Cash flows from financing activities								
Proceeds from issuance of capital from Government		19,400		56,900		174,400		165
Net cash provided by financing activities		19,400		56,900		174,400		165
Effect of exchange rate changes on cash and cash equivalents		0		0		0		0
Net decrease in cash and cash equivalents		(7,271)		(32,073)		(26,241)		(62)
Cash and cash equivalents at the beginning of the period		17,865		44,106		44,106		152
Cash and cash equivalents at the end of the period	¥	10,594	¥	12,033	¥	17,865	\$	90

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 ¥117.90=\$1.00, the exchange rate as of September 30, 2006 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 a moving average cost valuation.

(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 (premises and equipment)

(i) Tangible fixed assets

Tangible fixed assets are depreciated on 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 on a 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.

Buildings: 38 years to 50 years

Equipment: 2 years to 20 years

(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) Method of amortization for deferred charges

Until the previous fiscal year, "discounts and premiums on bonds and notes" had been capitalized and amortized under the straight-line method over the terms of redemption. However, in accordance with the partial revision of "Accounting Standards for Financial Instruments" as of August 11, 2006 (the Accounting Standards Board of Japan ("ASBJ") Statement No.10), which should be applied from the interim period ending upon or after its public announcement, JBIC adopted the revised accounting standard effective this interim fiscal period, and Bonds and notes were stated at amortized cost (the straight line method). As a result, discounts on bond and notes in "Deferred charges on bonds and notes", premiums in "Miscellaneous liabilities" and "Bonds and notes" decreased by ¥0 million and ¥0 million, respectively.

Discounts on bonds and notes booked on the balance sheet as of March 31, 2006 are amortized under the straight-line method over the terms of the Bonds and notes by applying the previous accounting method and the unamortized balance is directly deducted from Bonds and notes, based on the tentative measure stipulated in the "Tentative Solution on Accounting for Deferred Assets" (ASBJ Report No.19, August 11, 2006).

(f) Change in presentation on balance sheets

The appendix forms of “Banking Law Enforcement Regulations” (Ministry of Finance Ordinance No.10, 1982) have been revised by the “Cabinet Office Ordinance to Amend Part of Detailed Enforcement Regulations on Mutual Loan Business Law and Banking Law” (Cabinet Office Ordinance No.60, April 28, 2006). In accordance with the application of the revised “Banking Law Enforcement Regulations” effective this interim fiscal period presentation of account items has been changed as follows:

- (i) “Reserve attributable to the Overseas Economic Cooperation Account” and “Accumulated deficit” which had been included in “Retained earnings” was presented as Reserve attributable to the Overseas Economic Cooperation Account and “Accumulated deficit” in “other retained earnings”, respectively.
- (ii) “Premises and equipment” was divided into “Tangible fixed assets,” “Intangible fixed assets” and “Miscellaneous assets”
- (iii) “Software” was reclassified from “Miscellaneous assets” to “Intangible fixed assets”

(g) Change in presentation on cash flows

Former “Net loss (gain) on sales of premises and equipment” is presented as “Net loss (gain) on sales of tangible fixed assets” following the change in description of former “Premises and equipment” on the balance sheet into “Tangible fixed assets,” “Intangible fixed assets” and others.

Former “Expenditures on premises and equipment” is presented as “Expenditures on tangible fixed assets” and others, and former “Proceeds from sales of premises and equipment” is presented as “Proceeds from sales of tangible fixed assets” and others.

(h) 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 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.

(i) 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.

(j) 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.

(k) 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.

(l) Consumption taxes

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

(m) Significant changes in accounting policies

In accordance with newly effective Accounting Standards Boards Statement No.5 “Accounting Standards for Presentation of Net Assets on Balance Sheet” (December 9,2005) and Accounting Standards Board Guidance No.8 “Guidance on Accounting Standards for Presentation of Net Assets on Balance Sheet” (December 9,2005), “Total equity” was renamed as “Net assets” and divided into “Stockholders’ equity” and “Valuation differences and translation of adjustment”. The amount corresponding to conventional “Total equity” was ¥7,100,325 million at the balance sheet date.

Net Assets portion of the financial statements are presented in accordance with revised “Ordinance Regarding Interim Financial Statements”

“Practical Solution on Investors’ Accounting for Limited-Liability Partnership and Limited-Liability Companies” (Practical Issues Task Force No.21,issued on September 8, 2006) is applicable for the fiscal period

ending on or after September 8, 2006, the announcement date, and JBIC applied the new accounting pronouncement. This accounting change had no material impact on the financial statements.

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, 2006 and 2005, and March 31, 2006 are as follows:

	September 30, 2006 (In millions of yen)		September 30, 2005 (In millions of yen)		March 31, 2006 (In millions of yen)		September 30, 2006 (In millions of U.S.dollars)	
Cash and due from banks	¥	32,926	¥	12,848	¥	18,730	\$	279
Due from banks (*)		(22,332)		(814)		(864)		(189)
Cash and cash equivalents	¥	10,594	¥	12,033	¥	17,865	\$	90

(*) Excluding Due from Bank of Japan

4. Securities

Securities as of September 30, 2006 and 2005, and March 31, 2006 were as follows:

	September 30, 2006 (In millions of yen)		September 30, 2005 (In millions of yen)		March 31, 2006 (In millions of yen)		September 30, 2006 (In millions of U.S.dollars)	
Equity	¥	112,792	¥	117,852	¥	117,858	\$	957
Other securities		1,248		1,237		1,277		10
	¥	114,040	¥	119,090	¥	119,135	\$	967

5. Loans

All of Loans are loans on deeds. The amounts reported in the (interim) balance sheets as of September 30, 2006 and 2005, and March 31, 2006 were as follows:

	September 30, 2006 (In millions of yen)		September 30, 2005 (In millions of yen)		March 31, 2006 (In millions of yen)		September 30, 2006 (In millions of U.S.dollars)	
Bankrupt loans	¥	-	¥	-	¥	-	\$	-
Non-accrual loans		76,460		109,154		96,998		648
Past due loans (3 months or more)		-		7,507		-		-
Restructured loans		183,665		717,119		184,691		1,558
	¥	260,126	¥	833,780	¥	281,689	\$	2,206

- (a) "Bankrupt loans" refer to loans, after write-off, 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 Commercial Code 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 the 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 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, 2006 (In millions of yen)	September 30, 2005 (In millions of yen)	March 31, 2006 (In millions of yen)	September 30, 2006 (In millions of U.S.dollars)
Overseas Economic Cooperation Account	¥ 1,252,609	¥ 1,294,959	¥ 1,262,313	\$ 10,624

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 self 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 ¥183,665 million (\$1,558 million) of which ¥96,611 million (\$819 million) represents original principal attributable to the Overseas Economic Cooperation Account as of September 30, 2006, ¥717,119 million of which ¥562,954 million represents original principal as of September 30, 2005 and ¥184,691 million of which ¥96,407 million represents original principal as of March 31, 2006 respectively.

- (g) "Upon special request, major creditor countries, including Japan, agreed at the Paris Club to offer 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 2006, of the affected countries, Indonesia and Sri Lanka had requested the Paris Club for the Moratorium. The amounts rescheduled repayment period for affected countries who requested the Moratorium were ¥168,017 million (\$1,425 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, 2006 and 2005, and March 31, 2006 were ¥3,512,591 million (\$29,793 million), ¥3,719,568 million and ¥3,667,762 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 in written-off against the respective claims. There were no corresponding amounts as of September 30, 2006 and 2005, and March 31, 2006.

6. Depreciation

Depreciation expense in First half of FY 2006, 2005 and FY 2006 and Accumulated depreciation as of September 30, 2006 and 2005, and March 31, 2006 were as follows:

	First Half of FY2006 (In millions of yen)	First Half of FY2005 (In millions of yen)	FY2005 (In millions of yen)	First Half of FY2006 (In millions of U.S. dollars)
Depreciation Expense	¥ 315	¥ 193	¥ 442	\$ 3

	September 30, 2006 (In millions of yen)	September 30, 2005 (In millions of yen)	March 31, 2006 (In millions of yen)	September 30, 2006 (In millions of U.S. dollars)
Accumulated Depreciation on Tangible Fixed Assets	¥ 5,063	¥ 4,949	¥ 5,048	\$ 43

7. Assets pledged as collateral

There are no assets pledged as collateral as September 30, 2006 and 2005, and March 31, 2006.

8. 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") in FY2002. Under the policy to maintain the financial soundness of JBIC, the government provided JBIC with a grant totaling ¥ 15 billion (\$127 million) corresponding to "ODA-loan related losses" out of its general account for interim fiscal year ended September 30, 2006 and September 30, 2005 respectively, and ¥30 billion for the fiscal year ended March 31, 2006.

9. Other extraordinary income

Other extraordinary income include Reversal of allowance for possible loan losses, ¥6,552 million (\$56 million) for the interim year ended September 30, 2006.

10. Reserve

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

11. Lease transactions

Lease transactions in the (interim) fiscal years ended September 30, 2006 and 2005, and March 31, 2006 were as follows. There are no impairment losses for the leased assets:

- (a) **Finance lease transactions, excluding leases that ownership of the property are deemed to be transferred to the lessee:**
- Acquisition cost, accumulated depreciation, accumulated impairment losses and net balance of leased property as of September 30, 2006 and 2005, and March 31, 2006 were as follows:

	September 30, 2006 (In millions of yen)	September 30, 2005 (In millions of yen)	March 31, 2006 (In millions of yen)	September 30, 2006 (In millions of U.S. dollars)
	¥	¥	¥	\$
Acquisition cost				
Equipment	233	239	237	2
Others	192	192	192	1
Total	¥ 426	¥ 431	¥ 429	\$ 3
Accumulated depreciation				
Equipment	148	90	120	1
Others	115	76	96	1
Total	¥ 263	¥ 167	¥ 216	\$ 2
Net balance				
Equipment	85	149	117	1
Others	76	115	96	0
Total	¥ 162	¥ 264	¥ 213	\$ 1

• Future lease payment obligations as of September 30, 2006 and 2005, and March 31, 2006 were summarized below:

	September 30, 2006 (In millions of yen)	September 30, 2005 (In millions of yen)	March 31, 2006 (In millions of yen)	September 30, 2006 (In millions of U.S. dollars)
	¥	¥	¥	\$
Due within 1 year	103	102	102	1
Due after 1 year	63	167	115	0
Total	¥ 167	¥ 269	¥ 218	\$ 1

• Lease payment, depreciation expenses, interest expense and impairment losses for the (interim) fiscal year ended September 30, 2006 and 2005, and March 31, 2006 were as follows.

	September 30, 2006 (In millions of yen)	September 30, 2005 (In millions of yen)	March 31, 2006 (In millions of yen)	September 30, 2006 (In millions of U.S. dollars)
	¥	¥	¥	\$
Lease payment	53	53	107	0
Depreciation expense	50	51	102	0
Interest expense	2	3	5	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, 2006 and 2005, and March 31, 2006 were summarized below:

	September 30, 2006 (In millions of yen)	September 30, 2005 (In millions of yen)	March 31, 2006 (In millions of yen)	September 30, 2006 (In millions of U.S. dollars)
	¥	¥	¥	\$
Due within 1 year	1	6	2	0
Due after 1 year	0	1	0	0
Total	¥ 1	¥ 7	¥ 3	\$ 0

12. Market value of securities

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 are as follows

	September 30, 2006 (In millions of yen)	September 30, 2006 (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	110,804	940
Unlisted foreign equities	1,987	17
Other unlisted Japanese securities	-	-
Other unlisted foreign securities	1,248	10
Total	¥ 114,040	\$ 967

Notes to market value of securities as of September 30, 2005 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 are as follows

	September 30, 2005 (In millions of yen)
	¥
Held-to-maturity debt securities	-
Unlisted foreign securities	-
Available-for-sale securities	
Unlisted Japanese equities other than over-the-counter	115,804
Unlisted foreign equities	2,048
Other unlisted Japanese securities	-
Other unlisted foreign securities	1,237
Total	¥ 119,090

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

	March 31, 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		115,804
Unlisted foreign equities		2,053
Other unlisted Japanese securities		-
Other unlisted foreign securities		1,277
Total	¥	119,135