

3. Financial Information

Consolidated Balance Sheets

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Item	Note	Consolidated fiscal year -prior year (As of December 31, 2004)		Consolidated fiscal year -current year (As of December 31, 2005)	
		Amount	(%)	Amount	(%)
(Assets)					
Current assets					
Cash and bank balances	4	40,449		88,118	
		(4,775,783)		(10,404,071)	
Trade receivables	4,7	10,033		19,048	
		(1,184,651)		(2,248,946)	
Marketable securities		-		145	
		(-)		(17,131)	
Other receivables		698		1,467	
		(82,390)		(173,253)	
Deferred tax assets		299		571	
		(35,271)		(67,474)	
Other current assets	4	5,158		7,655	
		(609,023)		(903,792)	
Total current assets		56,637	28.0	117,004	31.7
		(6,687,118)		(13,814,668)	
Non-current assets					
Property and equipment					
Buildings and structures		530		1,546	
		(62,520)		(182,506)	
Less: accumulated depreciation		244	285	639	907
		(28,818)	(33,702)	(75,444)	(107,062)
Equipments	4	4,777		9,323	
		(563,994)		(1,100,743)	
Less: accumulated depreciation	4	1,335	3,442	3,960	5,363
		(157,601)	(406,393)	(467,521)	(633,223)
Total property and equipment		3,727	1.8	6,270	1.7
		(440,095)		(740,285)	
Intangible assets					
Goodwill					
		10,616		2,784	
		(1,253,405)		(328,738)	
Goodwill on consolidation	8	116,544		185,934	
		(13,760,388)		(21,953,270)	
Trade mark and distribution rights	3	4,064		700	
		(479,785)		(82,649)	
Total intangible assets		131,224	65.0	189,419	51.3
		(15,493,577)		(22,364,657)	
Investments and other assets					
Securities assets					
	4	10,151		23,367	
		(1,198,486)		(2,758,979)	
Investment in securities	4	68		-	
		(8,016)		(-)	
Investment in associates		-		223	
		(-)		(26,321)	
Investment in progress	2	121		29,000	
		(14,280)		(3,424,030)	
Deferred tax assets		-		204	
		(-)		(24,089)	
Other		-		3,330	
		(-)		(393,149)	
Total investments and other assets		10,339	5.2	56,124	15.2
		(1,220,782)		(6,626,568)	
Total non-current assets		145,291	72.0	251,813	68.3
		(17,154,455)		(29,731,509)	
Total assets		201,927	100.0	368,817	100.0
		(23,841,573)		(43,546,177)	

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Item	Note	Consolidated fiscal year -prior year (As of December 31, 2004)		Consolidated fiscal year -current year (As of December 31, 2005)	
		Amount	(%)	Amount	(%)
(Liabilities)					
Current liabilities					
Trade payables		3,014		2,969	
		(355,838)		(350,599)	
Short-term loans	4, 9	122		7,608	
		(14,366)		(898,235)	
Current portion of long-term debt	4, 9	40		21,341	
		(4,711)		(2,519,746)	
Taxation payables		398		2,802	
		(47,017)		(330,782)	
Other payables	5	25,842		17,355	
		(3,051,125)		(2,049,162)	
Accrued expenses		2,592		6,779	
		(306,056)		(800,392)	
Deferred revenue		15,748		15,576	
		(1,859,411)		(1,839,083)	
Promissory notes (non-operating)	4, 6	350		1,250	
		(41,325)		(147,588)	
Lease obligations	4	37		29	
		(4,420)		(3,393)	
Total current liabilities		48,143	23.8	75,709	20.4
		(5,684,269)		(8,938,978)	
Non-current liabilities					
Long-term debt	4, 9	48		16	
		(5,654)		(1,942)	
Long-term lease obligations	4	26		25	
		(3,039)		(2,976)	
Long-term other payables	5	3,494		10,998	
		(412,524)		(1,298,540)	
Long-term promissory notes (non-operating)	4, 6	1,250		-	
		(147,588)		(-)	
Deferred tax liabilities		44		-	
		(5,219)		(-)	
Total non-current liabilities		4,862	2.4	11,040	3.0
		(574,023)		(1,303,457)	
Total liabilities		53,005	26.2	86,749	23.5
		(6,258,292)		(10,242,436)	
(Minority interests)					
Minority interests	1	180	0.1	2,626	0.7
		(21,224)		(310,056)	
(Capital and reserves)					
Share capital		522	0.3	2,091	0.6
		(61,628)		(246,881)	
Share premium		181,543	90.0	312,966	84.9
		(21,434,839)		(36,951,925)	
Accumulated deficit		32,670	16.2	35,485	9.6
		(3,857,368)		(4,189,667)	
Unrealized loss on available-for-sale securities		151	0.1	-	-
		(17,801)		(-)	
Foreign currency translation adjustment		142	0.1	131	0.1
		(16,793)		(15,454)	
Total shareholders' equity		149,102	73.9	279,442	75.8
		(17,604,505)		(32,993,684)	
Total liabilities, minority interests and shareholders' equity		201,927	100.0	368,817	100.0
		(23,841,573)		(43,546,177)	

Consolidated Income Statements

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Item	Note	Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)		Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)	
		Amount	(%)	Amount	(%)
Turnover		59,689	100.0	110,010	100.0
Cost of sales		(7,047,476)		(12,988,885)	
		29,283	49.1	45,455	41.3
Gross profit		(3,457,493)		(5,366,860)	
		30,406	50.9	64,555	58.7
		(3,589,984)		(7,622,025)	
Selling, general and administrative expenses					
Directors' emoluments		839		900	
		(99,115)		(106,263)	
Salaries		11,344		19,544	
		(1,339,282)		(2,307,536)	
Marketing and promotional expenses		2,111		4,190	
		(249,198)		(494,658)	
Depreciation		1,091		1,937	
		(128,797)		(228,730)	
Amortization		3,630		5,467	
		(428,557)		(645,481)	
Amortization of goodwill on consolidation		3,643		7,912	
		(430,184)		(934,123)	
Other		11,882	57.9	21,134	55.5
		(1,402,965)		(2,495,341)	
Operating income / loss ()		4,134	7.0	3,472	3.2
		(488,114)		(409,893)	
Non-operating income					
Interest and dividend income		186		893	
		(21,992)		(105,412)	
Foreign exchange gains		120		1,061	
		(14,152)		(125,282)	
Other		4	0.5	297	2.0
		(471)		(35,032)	
Non-operating expenses					
Interest expense		498		742	
		(58,800)		(87,613)	
Share issuance related expenses	1	2,757		4,443	
		(325,538)		(524,562)	
Listing related expenses		2,021		-	
		(238,601)		(-)	
Other		-	8.7	14	4.7
		5,276		5,199	
		(-)		(613,818)	
Ordinary income / loss ()		9,100	15.2	523	0.5
		(1,074,437)		(61,801)	

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Item	Note	Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)		Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)	
		Amount	(%)	Amount	(%)
Extraordinary gains					
Gain on sale of fixed assets	4	0 (0)		453 (53,538)	
Gain on relief of debts		4 (525)	4 (526)	- (-)	453 (53,538)
Extraordinary losses					
Loss on sale and disposal of fixed assets	2	2 (201)		45 (5,329)	
Loss on sale of securities assets		- (-)		44 (5,224)	
Loss on impairment	3	- (-)	2 (201)	83 (9,763)	172 (20,317)
Income / loss () before income tax, minority interests and distribution of profits (allocation of losses) from joint alliances			9,097 (1,074,112)		805 (95,022)
Distribution of profits (allocation of losses) from joint alliance			243 (28,634)	0.4	287 (33,863)
Income / loss () before income taxes and minority interests			(9,340) (1,102,746)	15.6	518 (61,159)
Income taxes (current)		10 (1,129)		3,210 (378,985)	
Reversal of over-accrued tax for the past year		212 (25,004)		7 (878)	
Income taxes (deferred)		47 (5,582)	155 (18,293)	0.2	260 (347,412)
Minority interests			121 (14,230)	0.2	390 (46,046)
Net loss			9,305 (1,098,684)	15.6	2,814 (332,299)

Consolidated Surplus Statements

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

		Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)		Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)	
Item	Note	Amount		Amount	
(Share premium)					
Share premium – Beginning balance			51,174 (6,042,160)		181,543 (21,434,839)
Increases of share premium					
Stock issuance		85,202 (10,059,851)		99,739 (11,776,220)	
Share premium increased upon share exchange	2	46,168 (5,451,002)		- (-)	
Suspense account of share exchange	1	2,604 (307,396)		27,828 (3,285,624)	
Exercise of warrants		- (-)	133,973 (15,818,248)	4,982 (588,248)	132,549 (15,650,091)
Decrease of share premium					
Suspense account of share exchange	2	3,604 (425,569)		- (-)	
Capitalized share premium		- (-)	3,604 (425,569)	1,126 (133,005)	1,126 (133,005)
Share premium - Ending balance			181,543 (21,434,839)		312,966 (36,951,925)
(Accumulated deficit)					
Accumulated deficit - Beginning balance			23,365 (2,758,684)		32,670 (3,857,368)
Increases in accumulated deficit					
Net loss		9,305 (1,098,684)	9,305 (1,098,684)	2,814 (332,299)	2,814 (332,299)
Accumulated deficit - Ending balance			32,670 (3,857,368)		35,485 (4,189,667)

Consolidated Cashflow Statements

(Unit: Thousands of US dollars (Thousands of Japanese Yen))

		Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
Item	Note	Amount	Amount
Operating activities			
Income/loss() before income taxes and minority interests		9,340	518
		(1,102,746)	(61,159)
Depreciation		1,091	1,937
		(128,797)	(228,730)
Amortization		3,630	5,467
		(428,557)	(645,481)
Amortization of goodwill		3,643	7,912
		(430,184)	(934,123)
Interest and dividend income		186	893
		(21,992)	(105,412)
Interest expense		498	742
		(58,800)	(87,613)
Share issuance related expenses		2,757	4,443
		(325,538)	(524,562)
Listing related expenses		2,021	-
		(238,601)	(-)
Foreign exchange gain/loss (: gain)		189	100
		(22,260)	(11,750)
Gain on sale of fixed assets		0	453
		(0)	(53,538)
Loss on sale and disposal of fixed assets		2	45
		(201)	(5,329)
Loss on impairment		-	83
		(-)	(9,763)
Loss on sale of securities assets		-	44
		(-)	(5,224)
Gain on relief of debts		4	-
		(525)	(-)
Distribution of profits (allocation of losses) from joint alliances		243	287
		(28,634)	(33,863)
Assets received for services		6,051	11,531
		(714,489)	(1,361,422)
Increase (decrease) in accounts receivable (: increase)		6,800	6,235
		(802,861)	(736,211)
Increase (decrease) in accounts payable (: decrease)		2,168	44
		(255,949)	(5,240)
Increase (decrease) in other current assets (: increase)		3,998	251
		(472,089)	(29,628)
Increase (decrease) in other current liabilities (: decrease)		1,027	7,529
		(121,283)	(888,922)
Subtotal		1,493	5,359
		(176,243)	(632,775)
Income taxes paid		422	1,794
		(49,830)	(211,850)
Net cash provided by (used in) operating activities		1,915	7,154
		(226,073)	(844,625)

(Unit: Thousands of US dollars (Thousands of Japanese Yen))

		Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
Item	Note	Amount	Amount
Investing activities			
Interest and dividend received		186	893
		(21,992)	(105,412)
Deposit for security		360	-
		(42,505)	(-)
Deposit for security released		-	360
		(-)	(42,505)
Purchase of marketable securities		-	4
		(-)	(473)
Purchase of property and equipment		1,353	3,566
		(159,753)	(420,989)
Proceeds from sale of property and equipment		4	37
		(417)	(4,415)
Proceeds from sale of intangible assets		-	6,514
		(-)	(769,161)
Purchase of securities assets		68	-
		(8,016)	(-)
Deposits paid for purchase of securities assets		-	29,000
		(-)	(3,424,030)
Proceeds from sale of securities assets		-	25
		(-)	(2,916)
Payment for asset purchases	3	3,725	-
		(439,832)	(-)
Refund of investments in progress		1,694	-
		(200,012)	(-)
Payment to acquire shares of subsidiaries		65	-
		(7,675)	(-)
Payment to acquire shares of subsidiaries resulting in a change in scope of consolidation	2	49,222	11,030
		(5,811,648)	(1,302,321)
Subsequent consideration paid		-	19,528
		(-)	(2,305,705)
Other		1,686	133
		(199,062)	(15,678)
Net cash provided by (used in) investing activities		54,595	55,431
		(6,446,069)	(6,544,786)
Financing activities			
Interest paid		498	742
		(58,800)	(87,613)
Increase in deposit pledged		-	7,448
		(-)	(879,427)
Increase (decrease) in short-term loans --net (: decrease)		997	6,405
		(117,758)	(756,276)
Increase in of long-term debt		-	22,300
		(-)	(2,632,961)
Repayments of long-term debt		48	133
		(5,658)	(15,691)
Proceeds from issuance of shares		79,986	78,749
		(9,443,889)	(9,297,952)
Proceeds from exercise of warrants		-	5,000
		(-)	(590,350)
Repayments of lease obligations		55	41
		(6,466)	(4,831)
Increase(decrease) in long term other payables (: decrease)		-	836
		(-)	(98,689)
Net cash provided by (used in) financing activities		78,387	103,255
		(9,255,207)	(12,191,289)
Foreign currency translation adjustments on cash and cash equivalents		69	89
		(8,174)	(10,511)
Net increase in cash and cash equivalents		21,947	40,581
		(2,591,239)	(4,791,366)
Cash and cash equivalents, beginning of the year		18,142	40,089
		(2,142,039)	(4,733,278)
Cash and cash equivalents, end of the year	1	40,089	80,669
		(4,733,278)	(9,524,644)

Basis of Presenting Consolidated Financial Statements

Item	Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
1 Scope of consolidation	<p>(1) The number of consolidated subsidiaries: 22</p> <p>The names of consolidated subsidiaries are as follows: Xinhua Financial Network Ltd. Market News International, Inc. Market News Service (International) Inc. China Financial News Ltd. Fortune China Public Relations Ltd. FTSE/Xinhua Index Ltd. Xinhua Financial Network Inc. Xinhua Financial Network (Korea) Ltd. China Finance Limited (formerly known as China Financial Network Ltd.) AFX Asia Pte Ltd. Xinhua Financial Network (Beijing) Ltd. Xinhua Finance Japan Ltd. (formerly known as Xinhua Netchina Ltd.) Xinhua Investment Group Hong Kong Ltd. Shanghai NetChina Ltd. Xinhua Financial Network (Shanghai) Ltd. Mergent, Inc. Mergent Japan K.K. Stone & McCarthy Research Associates, Inc. SMRA International, Inc. G-7 Group, Inc. Xinhua Mergent Holdings Limited Ford Investor Services, Inc.</p>	<p>(1) The number of consolidated subsidiaries: 42</p> <p>The names of consolidated subsidiaries are as follows: Xinhua Financial Network Ltd. Market News International, Inc. Market News Service (International) Inc. China Financial News Ltd. Fortune China Public Relations Ltd. FTSE/Xinhua Index Ltd. Xinhua Financial Network Inc. Xinhua Financial Network (Korea) Ltd. China Finance Limited (formerly known as China Financial Network Ltd.) AFX Asia Pte Ltd. Xinhua Financial Network (Beijing) Ltd. Xinhua Finance Japan Ltd. (formerly known as Xinhua Netchina Ltd.) Xinhua Investment Group Hong Kong Ltd. Shanghai NetChina Ltd. Xinhua Financial Network (Shanghai) Ltd. Mergent, Inc. Mergent Japan K.K. Stone & McCarthy Research Associates, Inc. SMRA International, Inc. G-7 Group, Inc. Xinhua Mergent Holdings Limited Ford Investor Services, Inc. Taylor Rafferty Associates, Inc. Taylor Rafferty Associates Ltd. Taylor Rafferty KK EconWorld Media Ltd. Financial World (Shanghai) Co., Ltd. EconWorld (Shanghai) Co., Ltd. EconWorld Publishing Ltd. Money Journal Publication Ltd. Money Journal Advertising Co., Ltd. Highasia Investments Ltd. Washington Analysis LLC Beijing Century Media Culture Co., Ltd Beijing Workshop Communications Co., Ltd. Beijing Golden Ways Culture Development Co Ltd. Shanghai Pobo Data and Information Network Consulting Co., Ltd. Shanghai Huacai Investment Advisory Company Limited Xinhua Top Sky Public Relations Consulting (Beijing) Co., Ltd. Tesseract Capital Advisors, LLC Xinhua Finance Media Limited Shanghai Far East Credit Rating Co., Ltd.</p>

Item	Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
<p>2 Adoption of equity method</p>	<p>(2) Name of unconsolidated subsidiaries and relative information: Intelligence Asia Pty Ltd. LJS Global Information Services, Inc. Mergent Pricing & Evaluation Services, Inc. Mergent (UK) Ltd. (Reason of status to be unconsolidated) All of the unconsolidated subsidiaries do not have significant influence on Group's consolidated financial statements due to its small magnitude taking into account total assets, revenue, net income and retained earnings as well as the aggregated amounts of all unconsolidated subsidiaries.</p> <p>(1) There is no group company accounted for by the equity method. (2) Unconsolidated subsidiaries not accounted for by the equity method:</p> <p>Intelligence Asia Pty Ltd. LJS Global Information Services, Inc. Mergent Pricing & Evaluation Services, Inc. Mergent (UK) Ltd. (Reason of status not to be accounted for by the equity method) The adoption of the equity method for all of the subsidiaries does not have any significant influence on Group's consolidated financial statements due to its small magnitude taking into account the net income and retained earnings as well as the aggregated amounts of all unconsolidated subsidiaries.</p>	<p>(2) Name of unconsolidated subsidiaries and relative information: Same as on the left.</p> <p>(Reason of status to be unconsolidated) Same as on the left.</p> <p>(1) Number of associated company adopted equity method : 1</p> <p>Name of the associated company Ning Bo Far East Credit Rating Co., Ltd.</p> <p>(2) Unconsolidated subsidiaries not accounted for by the equity method: Same as on the left.</p> <p>(Reason of status not to be accounted for by the equity method) Same as on the left.</p>
<p>3 Reconciliation of closing date for consolidation</p>	<p>There is no consolidated subsidiary whose closing date for the year is different from that of the Company.</p>	<p>Same as on the left.</p>
<p>4 Method of business combination</p>	<p>All of the shareholders of Xinhua Financial Network Ltd ("XFN") exchanged their shares in XFN for equivalent shares in Xinhua Finance Ltd. ("XFL") upon which XFL became the 100% parent company of XFN. In terms of the business combination, accounting treatment in accordance with the pooling of interest method is applied based on "Guidance for business combination for formation of an ultimate parent company through share exchange or share transfer" (Research Report #6 announced by Accounting Standard Committee in Japanese Institute of Certified Public Accountants).</p>	<hr/>

Item	Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
<p>5 Significant accounting policies</p> <p>(1) Valuation basis and method for assets</p> <p>(2) Depreciation or amortization method</p> <p>(3) Allowance, reserve and provision</p> <p>(4) Conversion of significant items in foreign currencies</p>	<p>Securities</p> <hr/> <p>Available-for-sale securities -With market value Fair value method based on fair value information, such as market information, at the balance sheet date is applied. (Unrealized gain or loss is accounted for as an equity item, and the cost of securities sold is determined based on the moving-average cost method.) -With no market value Cost method based on the moving-average cost method is applied</p> <p>(a) Property and equipment Depreciation of property and equipment of the Company and its consolidated non-Japanese subsidiaries is computed substantially by the straight-line method, while the declining-balance method is applied to the property and equipment of consolidated Japanese subsidiaries. Estimated useful lives are as follows: Buildings and structures: 3 to 7 years Equipments: 1 to 10 years</p> <p>(b) Intangible assets Intangible assets are amortized by the straight-line method. Estimated useful lives are as follows: Trade mark and distribution rights: 3 to 11 years Goodwill : 4 to 5 years</p> <p>Allowance for doubtful accounts</p> <p>For the Company and its non-Japanese subsidiaries, the allowance has been determined by reference to past default experience. For Japanese subsidiaries, the allowance for doubtful accounts is stated in amounts considered to be appropriate based on the past credit loss experience and an evaluation of respective potential losses in the receivables outstanding.</p> <p>All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into U.S. Dollars at the exchange rates at the balance sheet date, while all revenue and expense accounts are translated into U.S. Dollars at the average rate of the period. The foreign exchange gains and losses from translation are recognized in the income statement. All assets and liabilities of foreign subsidiaries are translated into U.S. Dollars at the exchange rates at the balance sheet date, while all revenue and expense accounts are translated into U.S. Dollars at the average rate applicable for the period. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of shareholders' equity.</p>	<p>Securities</p> <p>(a) Trading securities -Fair value method (the cost of securities sold is determined based on the moving-average cost method)</p> <p>(b) Held-to-maturity securities -Amortized cost method</p> <p>(c) Available-for-sale securities -With market value Same as on the left.</p> <p>-With no market value Same as on the left.</p> <p>(a) Property and equipment Same as on the left.</p> <p>(b) Intangible assets Intangible assets are amortized by the straight-line method. Estimated useful lives are as follows: Trade mark and distribution rights: 11 years Goodwill : 5 years</p> <p>Allowance for doubtful accounts</p> <p>Same as on the left.</p> <p>Same as on the left.</p>

Item	Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
(5) Leases	For finance leases deemed not to transfer ownership of the leased property to the lessee, leased properties are capitalized.	Same as on the left.
(6) Other significant items for the preparation of the consolidated financial statements	<p>Accounting policy of consumption tax Tax-excluding method is applied.</p> <p>Conversion of dollars into yen In accordance with the Article 130 of the Financial Statements rules, the amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), being USD1.00=JPY118.07, from the Tokyo Foreign Exchange Market as of December 30, 2005. The Japanese yen amounts are stated only for the purpose of convenience. Therefore it is not assured that the amounts in U.S. dollars could be exchanged to Japanese yen amounts calculated by the abovementioned exchange rate.</p>	<p>Accounting policy of consumption tax Same as on the left.</p> <p>Conversion of dollars into yen Same as on the left.</p>
6 Valuation for assets and liabilities of consolidated subsidiaries	The assets and liabilities of the consolidated subsidiaries for not only the Company's interest but also minority interests are evaluated at fair value.	Same as on the left.
7 Amortization of goodwill on consolidation	Goodwill on consolidation is amortized by the straight-line method over 20 years.	Same as on the left.
8 Appropriations of retained earnings	Appropriations of retained earnings of the Company are reflected in the consolidated surplus statement of the following year upon shareholder's approval.	Same as on the left.
9 Cash and cash equivalents in the consolidated cashflow statement	Cash equivalents in the consolidated cashflow statement are short-term investments that are readily convertible into cash and are not exposed to significant risk of changes in value. Cash equivalents mature or become due within three months of the date of investment.	Same as on the left.

Footnote Information

(Consolidated Balance Sheets)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year -prior year (As of December 31, 2004)	Consolidated fiscal year -current year (As of December 31, 2005)
<p>1 The reason for the negative balance of "minority interests" is that the Company accounts for a subsidiary's deficit on "minority interests" based on a contract with FTSE, a co-investor of FTSE/Xinhua Index LTD., which is a subsidiary of the Company in Hong Kong, whereby the Company and FTSE are jointly liable for the deficit of the subsidiary.</p>	1
<p>2 The amount represents the deposit paid for the acquisition of an equity share of a credit rating agency in the People's Republic of China (the "PRC").</p>	2 The amount represents the deposit paid for the acquisition of equity shares.
<p>3 The brand name and distribution rights are combined together in one set of contracts and are therefore accounted for in a single account. Another intangible asset that relates to a separate brand name license right and a trademark is included in this account as well.</p>	3 Same as on the left.
<p>4 Assets collateralized and corresponding liabilities</p> <p>Assets collateralized</p> <p>Bank deposit</p> <p style="text-align: right;">389 (45,934)</p> <p>Trade receivables</p> <p style="text-align: right;">924 (109,129)</p> <p>Other current assets</p> <p style="text-align: right;">928 (109,550)</p> <p>Equipments</p> <p style="text-align: right;">78 (9,181)</p> <p>Investment in securities</p> <p style="text-align: right;">68 (8,016)</p> <p>Correspondent obligation</p> <p>Promissory notes (non-operating)</p> <p>Short-term</p> <p style="text-align: right;">350 (41,325)</p> <p>Long-term</p> <p style="text-align: right;">1,250 (147,588)</p> <p>Lease obligation (including obligations for operating lease)</p> <p>Short-term</p> <p style="text-align: right;">745 (87,962)</p> <p>Long-term</p> <p style="text-align: right;">2,176 (256,920)</p>	<p>4 Assets collateralized and corresponding liabilities</p> <p>Assets collateralized</p> <p>Bank deposit</p> <p style="text-align: right;">7,514 (887,187)</p> <p>Trade receivables</p> <p style="text-align: right;">1,812 (213,915)</p> <p>Other current assets</p> <p style="text-align: right;">346 (40,886)</p> <p>Equipments</p> <p style="text-align: right;">169 (19,904)</p> <p>Securities assets</p> <p style="text-align: right;">68 (8,016)</p> <p>In addition, investment in consolidated subsidiaries (the total net assets amount of USD 9,852 thousand (JPY 1,163,183 thousand), which are eliminated on consolidation, have been pledged as collateral for the bank commitment line of USD 24,000 thousand (JPY 2,833,680thousand).</p> <p>Correspondent obligation</p> <p>Short-term loans</p> <p style="text-align: right;">7,482 (883,433)</p> <p>Current portion of long-term debt</p> <p style="text-align: right;">21,300 (2,514,891)</p> <p>Promissory note (non-operating)</p> <p>Short-term</p> <p style="text-align: right;">1,250 (147,588)</p>

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year -prior year (As of December 31, 2004)	Consolidated fiscal year -current year (As of December 31, 2005)																												
<p>5 This other payables include part of the consideration for the acquisition of shares of Mergent, Inc. and Stone & McCarthy Research Associates, Inc. The consideration for the acquisition of shares of Stone & McCarthy Research Associates, Inc. could fluctuate since the final payments are based on the future operating results of the respective company.</p> <p>6 This promissory note was issued as part of the consideration for the acquisition of shares of Ford Investor Services Inc., which became a consolidated subsidiary of the Company during the period. The consideration for the acquisition of shares could fluctuate since the final payment is based on future operating results and future payments made for additional obligations due under the terminated Ford executive bonus plan.</p> <p>7 Assets are presented after deduction of allowance for doubtful accounts. Amounts deducted from current assets</p> <p style="text-align: right;">834 (98,446)</p> <p>8 The consideration for the acquisition of shares of Market News International, Inc., G-7 Group, Inc. and Stone & McCarthy Research Associates, Inc. could fluctuate since the final payments are based on the future operating results of the respective companies. The consideration for the acquisition of shares of Ford Investor Services Inc. could fluctuate since the final payment is based on the future operating results and future payments made for additional obligations due under the terminated Ford executive bonus plan.</p> <p>9 Xinhua Mergent Holdings Limited and Market News International, Inc. have a line of credit agreements with banks. The amount of the line of credit and the balance outstanding under the agreements at December 31, 2004 are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Total amount of the line of credit</td> <td style="text-align: right;">24,500</td> </tr> <tr> <td></td> <td style="text-align: right;">(2,892,715)</td> </tr> <tr> <td>Outstanding balance</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;">(-)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Remaining amount of the line of credit</td> <td style="text-align: right;">24,500</td> </tr> <tr> <td></td> <td style="text-align: right;">(2,892,715)</td> </tr> </table> <p>1-9 notes correspond with 1-9 as denoted in the Consolidated Balance Sheets.</p>	Total amount of the line of credit	24,500		(2,892,715)	Outstanding balance	-		(-)	<hr/>		Remaining amount of the line of credit	24,500		(2,892,715)	<p>5 Other payables and long-term other payables include part of the consideration for the acquisition of shares of Taylor Rafferty Associates, Inc., Washington Analysis, LLC and Shanghai Pobo Data and Information Network Consulting Co., Ltd. The consideration for the acquisition of shares of these companies could fluctuate since the final payments are based on the future operating results of the respective company.</p> <p>6 _____</p> <p>7 Assets are presented after deduction of allowance for doubtful accounts. Amounts deducted from current assets</p> <p style="text-align: right;">373 (44,099)</p> <p>8 The consideration for the acquisition of shares of Taylor Rafferty Associates, Inc., Washington Analysis, LLC and Shanghai Pobo Data and Information Network Consulting Co., Ltd. could fluctuate since the final payments are based on the future operating results of the respective company.</p> <p>9 Xinhua Mergent Holdings Limited and Shanghai Huacai Investment Advisory Company Limited have a line of credit agreements with banks. The amount of the line of credit and the balance outstanding under the agreements at December 31, 2005 are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Total amount of the line of credit</td> <td style="text-align: right;">30,482</td> </tr> <tr> <td></td> <td style="text-align: right;">(3,599,043)</td> </tr> <tr> <td>Outstanding balance</td> <td style="text-align: right;">28,782</td> </tr> <tr> <td></td> <td style="text-align: right;">(3,398,324)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Remaining amount of the line of credit</td> <td style="text-align: right;">1,700</td> </tr> <tr> <td></td> <td style="text-align: right;">(200,719)</td> </tr> </table> <p>Under the line of credit agreement held by Xinhua Mergent Holdings Limited, the following covenants should be maintained :</p> <p>a) ratio of consolidated total debt at any time during a relevant period to consolidated EBITDA for that relevant period shall not at any time exceed 3.5:1; and</p> <p>b) interest coverage ratio for each relevant period shall not be less than 4:1.</p> <p>1-9 notes correspond with 1-9 as denoted in the Consolidated Balance Sheets.</p>	Total amount of the line of credit	30,482		(3,599,043)	Outstanding balance	28,782		(3,398,324)	<hr/>		Remaining amount of the line of credit	1,700		(200,719)
Total amount of the line of credit	24,500																												
	(2,892,715)																												
Outstanding balance	-																												
	(-)																												
<hr/>																													
Remaining amount of the line of credit	24,500																												
	(2,892,715)																												
Total amount of the line of credit	30,482																												
	(3,599,043)																												
Outstanding balance	28,782																												
	(3,398,324)																												
<hr/>																													
Remaining amount of the line of credit	1,700																												
	(200,719)																												

(Consolidated Income Statements)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)																																
<p>1 Expenses directly relating to share issuance are presented as “share issuance related expenses”, which includes “share issuance cost”.</p> <p>2 Components of Loss on disposal of fixed assets are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; text-align: left;">Equipments</td> <td style="width: 20%; text-align: right;">2</td> </tr> <tr> <td></td> <td style="text-align: right;">(201)</td> </tr> </table>	Equipments	2		(201)	<p>1 Expenses directly relating to share issuance are presented as “share issuance related expenses”, which includes “share issuance cost”.</p> <p>2 Components of Loss on disposal of fixed assets are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; text-align: left;">Buildings and structures</td> <td style="width: 20%; text-align: right;">3</td> </tr> <tr> <td></td> <td style="text-align: right;">(308)</td> </tr> <tr> <td style="text-align: left;">Equipments</td> <td style="text-align: right;">43</td> </tr> <tr> <td></td> <td style="text-align: right;">(5,022)</td> </tr> </table> <p>3 Loss on impairment The Group recognized losses on impairment for an asset group presented below for the year ended December 31, 2005.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Area</th> <th style="width: 25%;">Object</th> <th style="width: 25%;">Type</th> <th style="width: 35%;">Recognized losses</th> </tr> </thead> <tbody> <tr> <td>Asia</td> <td>Asset for operation</td> <td>Trademark</td> <td style="text-align: right;">83 (9,763)</td> </tr> </tbody> </table> <p>Grouping is basically implemented by each company unit. However, if it is possible to identify cashflows from an individual asset, recoverable amount is determined for each individual asset. Considering continuous operating losses arising from the above assets, the carrying amount of the assets was reduced to the recoverable amount, and the reduced amount was recorded as loss on impairment in the extraordinary losses section of the consolidated income statement . Recoverable amount of the asset group was determined based upon value in use. The loss on impairment was recognized at the entire carrying amount of the asset group because the estimated future cash flows arising from the asset group were negative.</p> <p>4 Components of gain on sale of fixed assets are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; text-align: left;">Equipments</td> <td style="width: 20%; text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">(14)</td> </tr> <tr> <td style="text-align: left;">Goodwill</td> <td style="text-align: right;">356</td> </tr> <tr> <td></td> <td style="text-align: right;">(41,988)</td> </tr> <tr> <td style="text-align: left;">Trade mark and distribution rights</td> <td style="text-align: right;">98</td> </tr> <tr> <td></td> <td style="text-align: right;">(11,537)</td> </tr> </table>	Buildings and structures	3		(308)	Equipments	43		(5,022)	Area	Object	Type	Recognized losses	Asia	Asset for operation	Trademark	83 (9,763)	Equipments	0		(14)	Goodwill	356		(41,988)	Trade mark and distribution rights	98		(11,537)
Equipments	2																																
	(201)																																
Buildings and structures	3																																
	(308)																																
Equipments	43																																
	(5,022)																																
Area	Object	Type	Recognized losses																														
Asia	Asset for operation	Trademark	83 (9,763)																														
Equipments	0																																
	(14)																																
Goodwill	356																																
	(41,988)																																
Trade mark and distribution rights	98																																
	(11,537)																																
1-2 notes correspond with 1-2 as denoted in the Consolidated Income Statements.	1-4 notes correspond with 1-3 as denoted in the Consolidated Income Statements.																																

(Consolidated Surplus Statements)

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)
<p>1 The Company acquired full ownership of Stone & McCarthy Research Associates, Inc. through cash and share exchange. However, the Company's shares to be exchanged for subsequent consideration have not been issued, whereas related acquisition costs have been included in share premium.</p> <p>2 This represents transfer of suspense account of share exchange into share capital and share premium due to issuance of shares previously unissued at the time of share exchange with Xinhua Investment Group Hong Kong Ltd. and Xinhua Finance Japan Limited (formerly known as Xinhua Netchina Ltd.).</p> <p>1-2 notes correspond with 1-2 as denoted in the Consolidated Surplus Statements.</p>	<p>1 The Company acquired full ownership of Taylor Rafferty Associates, Inc., Washington Analysis, LLC and Beijing Century Media Culture Co., Ltd. through a cash and share exchange. However, the Company's shares to be exchanged for subsequent consideration have not been issued, whereas related acquisition costs have been included in share premium.</p> <p>2 _____</p> <p>1-2 notes correspond with 1-2 as denoted in the Consolidated Surplus Statements.</p>

(Consolidated Cashflow Statements)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)																																																																																																																																
<p>1 Reconciliation between ending balances of cash and cash equivalents in consolidated cashflow statement and balance in consolidated balance sheet:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and bank balances</td> <td style="text-align: right;">40,449</td> </tr> <tr> <td></td> <td style="text-align: right;">(4,775,783)</td> </tr> <tr> <td>Deposit pledged as collateral</td> <td style="text-align: right;">360</td> </tr> <tr> <td></td> <td style="text-align: right;">(42,505)</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">40,089</td> </tr> <tr> <td></td> <td style="text-align: right;">(4,733,278)</td> </tr> </table> <p>2 Major component of subsidiaries' assets and liabilities newly consolidated through acquisition of its shares</p> <p>Major components of subsidiaries' assets and liabilities newly consolidated (MNI, G7, SMRA, Mergent, Ford and 7 other subsidiaries) through acquisition of shares, cost of acquisition and net cash outflow are summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current assets</td> <td style="text-align: right;">12,257</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,447,142)</td> </tr> <tr> <td>Non-current assets</td> <td style="text-align: right;">16,475</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,945,216)</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">23,372</td> </tr> <tr> <td></td> <td style="text-align: right;">(2,759,507)</td> </tr> <tr> <td>Goodwill on consolidation</td> <td style="text-align: right;">115,730</td> </tr> <tr> <td></td> <td style="text-align: right;">(13,664,262)</td> </tr> <tr> <td style="border-top: 1px solid black;">Acquisition costs of newly acquired subsidiaries</td> <td style="text-align: right; border-top: 1px solid black;">121,090</td> </tr> <tr> <td></td> <td style="text-align: right;">(14,297,113)</td> </tr> <tr> <td>Price of share issued on share exchange</td> <td style="text-align: right;">44,978</td> </tr> <tr> <td></td> <td style="text-align: right;">(5,310,576)</td> </tr> <tr> <td>Accounts payable</td> <td style="text-align: right;">21,388</td> </tr> <tr> <td></td> <td style="text-align: right;">(2,525,249)</td> </tr> <tr> <td>Cash and cash equivalents of acquired subsidiaries</td> <td style="text-align: right;">5,502</td> </tr> <tr> <td></td> <td style="text-align: right;">(649,641)</td> </tr> <tr> <td style="border-top: 1px solid black;">Net cash outflow due to acquisition of subsidiaries</td> <td style="text-align: right; border-top: 1px solid black;">49,222</td> </tr> <tr> <td></td> <td style="text-align: right;">(5,811,648)</td> </tr> </table> <p>3 Major components of assets and liabilities increased through asset purchase</p> <p>Major components of assets and liabilities increased through asset purchase from Capco Reference Data Services and net cash outflow are summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current assets</td> <td style="text-align: right;">11</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,335)</td> </tr> <tr> <td>Non-current assets</td> <td style="text-align: right;">583</td> </tr> <tr> <td></td> <td style="text-align: right;">(68,802)</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">329</td> </tr> <tr> <td></td> <td style="text-align: right;">(38,790)</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;">3,460</td> </tr> <tr> <td></td> <td style="text-align: right;">(408,486)</td> </tr> <tr> <td style="border-top: 1px solid black;">Net cash outflow due to asset purchase</td> <td style="text-align: right; border-top: 1px solid black;">3,725</td> </tr> <tr> <td></td> <td style="text-align: right;">(439,832)</td> </tr> </table>	Cash and bank balances	40,449		(4,775,783)	Deposit pledged as collateral	360		(42,505)	Cash and cash equivalents	40,089		(4,733,278)	Current assets	12,257		(1,447,142)	Non-current assets	16,475		(1,945,216)	Current liabilities	23,372		(2,759,507)	Goodwill on consolidation	115,730		(13,664,262)	Acquisition costs of newly acquired subsidiaries	121,090		(14,297,113)	Price of share issued on share exchange	44,978		(5,310,576)	Accounts payable	21,388		(2,525,249)	Cash and cash equivalents of acquired subsidiaries	5,502		(649,641)	Net cash outflow due to acquisition of subsidiaries	49,222		(5,811,648)	Current assets	11		(1,335)	Non-current assets	583		(68,802)	Current liabilities	329		(38,790)	Goodwill	3,460		(408,486)	Net cash outflow due to asset purchase	3,725		(439,832)	<p>1 Reconciliation between ending balances of cash and cash equivalents in consolidated cashflow statement and balance in consolidated balance sheet:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and bank balances</td> <td style="text-align: right;">88,118</td> </tr> <tr> <td></td> <td style="text-align: right;">(10,404,071)</td> </tr> <tr> <td>Deposit pledged as collateral</td> <td style="text-align: right;">7,448</td> </tr> <tr> <td></td> <td style="text-align: right;">(879,427)</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">80,669</td> </tr> <tr> <td></td> <td style="text-align: right;">(9,524,644)</td> </tr> </table> <p>2 Major component of subsidiaries' assets and liabilities newly consolidated through acquisition of its shares</p> <p>Major components of subsidiaries' assets and liabilities newly consolidated (Taylor Rafferty Associates, Inc., EconWorld Media Ltd., Washington Analysis LLC, Shanghai Pobo Data and Information Network Consulting Co., Ltd., Shanghai Far East Credit Rating Co., Ltd., Beijing Century Media Culture Co., Ltd and 10 other subsidiaries) through acquisition of shares, cost of acquisition and net cash outflow are summarized as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Current assets</td> <td style="text-align: right;">14,244</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,681,743)</td> </tr> <tr> <td>Non-current assets</td> <td style="text-align: right;">4,122</td> </tr> <tr> <td></td> <td style="text-align: right;">(486,680)</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">13,013</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,536,423)</td> </tr> <tr> <td>Non-current liabilities</td> <td style="text-align: right;">442</td> </tr> <tr> <td></td> <td style="text-align: right;">(52,155)</td> </tr> <tr> <td>Goodwill on consolidation</td> <td style="text-align: right;">55,543</td> </tr> <tr> <td></td> <td style="text-align: right;">(6,558,017)</td> </tr> <tr> <td>Minority interests</td> <td style="text-align: right;">2,356</td> </tr> <tr> <td></td> <td style="text-align: right;">(278,150)</td> </tr> <tr> <td style="border-top: 1px solid black;">Acquisition costs of newly acquired subsidiaries</td> <td style="text-align: right; border-top: 1px solid black;">58,099</td> </tr> <tr> <td></td> <td style="text-align: right;">(6,859,712)</td> </tr> <tr> <td>Deposit paid for acquisition</td> <td style="text-align: right;">121</td> </tr> <tr> <td></td> <td style="text-align: right;">(14,280)</td> </tr> <tr> <td>Stock issue price on share exchange</td> <td style="text-align: right;">23,016</td> </tr> <tr> <td></td> <td style="text-align: right;">(2,717,523)</td> </tr> <tr> <td>Other payables</td> <td style="text-align: right;">17,075</td> </tr> <tr> <td></td> <td style="text-align: right;">(2,016,056)</td> </tr> <tr> <td>Cash and cash equivalents of acquired subsidiaries</td> <td style="text-align: right;">6,856</td> </tr> <tr> <td></td> <td style="text-align: right;">(809,532)</td> </tr> <tr> <td style="border-top: 1px solid black;">Net cash outflow due to acquisition of subsidiaries</td> <td style="text-align: right; border-top: 1px solid black;">11,030</td> </tr> <tr> <td></td> <td style="text-align: right;">(1,302,321)</td> </tr> </table> <p>3 _____</p>	Cash and bank balances	88,118		(10,404,071)	Deposit pledged as collateral	7,448		(879,427)	Cash and cash equivalents	80,669		(9,524,644)	Current assets	14,244		(1,681,743)	Non-current assets	4,122		(486,680)	Current liabilities	13,013		(1,536,423)	Non-current liabilities	442		(52,155)	Goodwill on consolidation	55,543		(6,558,017)	Minority interests	2,356		(278,150)	Acquisition costs of newly acquired subsidiaries	58,099		(6,859,712)	Deposit paid for acquisition	121		(14,280)	Stock issue price on share exchange	23,016		(2,717,523)	Other payables	17,075		(2,016,056)	Cash and cash equivalents of acquired subsidiaries	6,856		(809,532)	Net cash outflow due to acquisition of subsidiaries	11,030		(1,302,321)
Cash and bank balances	40,449																																																																																																																																
	(4,775,783)																																																																																																																																
Deposit pledged as collateral	360																																																																																																																																
	(42,505)																																																																																																																																
Cash and cash equivalents	40,089																																																																																																																																
	(4,733,278)																																																																																																																																
Current assets	12,257																																																																																																																																
	(1,447,142)																																																																																																																																
Non-current assets	16,475																																																																																																																																
	(1,945,216)																																																																																																																																
Current liabilities	23,372																																																																																																																																
	(2,759,507)																																																																																																																																
Goodwill on consolidation	115,730																																																																																																																																
	(13,664,262)																																																																																																																																
Acquisition costs of newly acquired subsidiaries	121,090																																																																																																																																
	(14,297,113)																																																																																																																																
Price of share issued on share exchange	44,978																																																																																																																																
	(5,310,576)																																																																																																																																
Accounts payable	21,388																																																																																																																																
	(2,525,249)																																																																																																																																
Cash and cash equivalents of acquired subsidiaries	5,502																																																																																																																																
	(649,641)																																																																																																																																
Net cash outflow due to acquisition of subsidiaries	49,222																																																																																																																																
	(5,811,648)																																																																																																																																
Current assets	11																																																																																																																																
	(1,335)																																																																																																																																
Non-current assets	583																																																																																																																																
	(68,802)																																																																																																																																
Current liabilities	329																																																																																																																																
	(38,790)																																																																																																																																
Goodwill	3,460																																																																																																																																
	(408,486)																																																																																																																																
Net cash outflow due to asset purchase	3,725																																																																																																																																
	(439,832)																																																																																																																																
Cash and bank balances	88,118																																																																																																																																
	(10,404,071)																																																																																																																																
Deposit pledged as collateral	7,448																																																																																																																																
	(879,427)																																																																																																																																
Cash and cash equivalents	80,669																																																																																																																																
	(9,524,644)																																																																																																																																
Current assets	14,244																																																																																																																																
	(1,681,743)																																																																																																																																
Non-current assets	4,122																																																																																																																																
	(486,680)																																																																																																																																
Current liabilities	13,013																																																																																																																																
	(1,536,423)																																																																																																																																
Non-current liabilities	442																																																																																																																																
	(52,155)																																																																																																																																
Goodwill on consolidation	55,543																																																																																																																																
	(6,558,017)																																																																																																																																
Minority interests	2,356																																																																																																																																
	(278,150)																																																																																																																																
Acquisition costs of newly acquired subsidiaries	58,099																																																																																																																																
	(6,859,712)																																																																																																																																
Deposit paid for acquisition	121																																																																																																																																
	(14,280)																																																																																																																																
Stock issue price on share exchange	23,016																																																																																																																																
	(2,717,523)																																																																																																																																
Other payables	17,075																																																																																																																																
	(2,016,056)																																																																																																																																
Cash and cash equivalents of acquired subsidiaries	6,856																																																																																																																																
	(809,532)																																																																																																																																
Net cash outflow due to acquisition of subsidiaries	11,030																																																																																																																																
	(1,302,321)																																																																																																																																

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)
<p>4 Major non-cash transactions</p> <p>(1) Share capital and share premium increased through share exchange are USD120 thousand (JPY14,140 thousand) and USD46,168 thousand (JPY5,451,002 thousand), respectively.</p> <p>(2) The Group entered into finance leases in respect of property and equipment with total capital value at the inception of the leases of USD17 thousand (JPY2,007 thousand) during the year.</p> <p>(3) In order to satisfy a debt on behalf of a certain company, XFL issued its ordinary shares without receiving the corresponding capital contribution. This transaction was recognized as a loan to this company and the share capital and the share premium of XFL increased upon this issuance are USD1 thousand (JPY135 thousand) and USD652 thousand (JPY77,003 thousand), respectively.</p> <p>(4) The amount of notes payable additionally issued as a consideration for conditional acquisition costs on the acquisition of a subsidiary is USD18,788 thousand (JPY2,218,267 thousand).</p> <p>(5) The Group received securities assets of USD6,052 thousand (JPY714,560 thousand) for services performed.</p> <p>1-3 notes correspond with 1-3 as denoted in the Consolidated Cashflow Statement</p>	<p>4 Major non-cash transactions</p> <p>(1) Share capital and share premium increased through share exchange are USD23 thousand (JPY2,657 thousand) and USD16,949 thousand (JPY2,001,194 thousand), respectively.</p> <p>(2) The Group entered into finance leases in respect of property and equipment with total capital value of USD32 thousand (JPY 3,741 thousand) at the inception of the lease during the year.</p> <p>(3) The Group received securities assets of USD11,531 thousand (JPY1,361,422 thousand) for services performed.</p> <p>1-3 notes correspond with 1-3 as denoted in the Consolidated Cashflow Statement</p>

(Lease Transaction)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)
<p>Operating leases:</p> <p>Minimum lease commitments</p> <p style="padding-left: 20px;">Within one year 2,954 (348,779)</p> <p style="padding-left: 20px;">After one year 5,219 (616,207)</p> <hr/> <p>Total 8,173 (964,986)</p>	<p>Operating leases:</p> <p>Minimum lease commitments</p> <p style="padding-left: 20px;">Within one year 3,894 (459,721)</p> <p style="padding-left: 20px;">After one year 8,457 (998,469)</p> <hr/> <p>Total 12,350 (1,458,190)</p>

(Securities)

As of December 31, 2004

1. Available-for-sale securities with fair value

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Category	Acquisition cost	Amounts on Consolidated Balance Sheets	Difference
Book value is more than acquisition cost:			
1) Equity securities	-	-	-
	(-)	(-)	(-)
2) Debt securities	-	-	-
	(-)	(-)	(-)
3) Other	4,329	6,968	2,639
	(511,067)	(822,690)	(311,623)
Subtotal	4,329	6,968	2,639
	(511,067)	(822,690)	(311,623)
Book value is less than acquisition cost:			
1) Equity securities	-	-	-
	(-)	(-)	(-)
2) Debt securities	-	-	-
	(-)	(-)	(-)
3) Other	5,973	3,183	2,790
	(705,219)	(375,796)	(329,423)
Subtotal	5,973	3,183	2,790
	(705,219)	(375,796)	(329,423)
TOTAL	10,301	10,151	151
	(1,216,286)	(1,198,485)	(17,801)

(Note1) "Other" above is categorized into securities assets on Consolidated Balance Sheets.

2. Securities not stated at fair value

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Category	Amounts on Consolidated Balance Sheets
Other investments	
(1) Investment in securities	68
	(8,016)
Total	68
	(8,016)

(Note1) Other investments above are categorized into investment in securities on Consolidated Balance Sheets.

As of December 31, 2005

1. Trading Securities

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Amount on Consolidated Balance Sheets	Gain/loss included in Consolidated Income Statements
145 (17,131)	- (-)

2. Available-for-sale securities with fair value

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Category	Acquisition cost	Amounts on Consolidated Balance Sheets	Difference
Book value more than acquisition cost:			
1) Equity securities	-	-	-
	(-)	(-)	(-)
2) Debt securities	-	-	-
	(-)	(-)	(-)
3) Other	-	-	-
	(-)	(-)	(-)
Subtotal	-	-	-
	(-)	(-)	(-)
Book value is less than acquisition cost:			
1) Equity securities	14	14	-
	(1,670)	(1,670)	(-)
2) Debt securities	-	-	-
	(-)	(-)	(-)
3) Other	-	-	-
	(-)	(-)	(-)
Subtotal	14	14	-
	(1,670)	(1,670)	(-)
TOTAL	14	14	-
	(1,670)	(1,670)	(-)

(Note1) "Other" above is categorized into securities assets on Consolidated Balance Sheets.

3. Available-for-sale securities sold in the current fiscal period

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Amount on sale	Gain on sale	Loss on sale
21,788	-	44
(2,572,484)	(-)	(5,224)

4. Securities not stated at fair value

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Category	Amounts on Consolidated Balance Sheets
Available-for-sale securities	
(1) Unlisted securities	21,788
	(2,572,484)
(2) Fund trust	880
	(103,916)
(3) Investment in limited liability company	68
	(8,016)
Total	22,736
	(2,684,417)

(Note1) Available-for-sale securities above are categorized into investment in securities on Consolidated Balance Sheets.

5. Redemption schedule for held-to-maturity securities

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

	Within 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
Debt securities				
Corporate bond	-	617	-	-
	(-)	(72,892)	(-)	(-)
Total	-	617	-	-
	(-)	(72,892)	(-)	(-)

(Derivative Transactions)

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)

The Group does not enter into any derivative contracts.

Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)

The Group does not enter into any derivative contracts.

(Employees' Retirement Benefits)

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)

1, Retirement benefit scheme

Subsidiaries located in Hong Kong, PRC and U.S.A. apply defined-contribution retirement benefit plan.

2, Projected benefit obligation

Not applicable.

3, Service cost and relative expenses

Not applicable.

4, Basis of calculation to determine projected benefit obligation

Not applicable.

Consolidated fiscal year-current year (From January 1, 2005 to December 31, 2005)

1, Retirement benefit scheme

Subsidiaries located in Hong Kong, PRC and U.S.A. apply defined-contribution retirement benefit plan.

2, Projected benefit obligation (as of December 31, 2005)

Not applicable.

3, Service cost and relative expenses

Not applicable.

4, Basis of calculation to determine projected benefit obligation

Not applicable.

(Taxation)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)		Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)	
1 Major components of deferred tax assets and liabilities		1 Major components of deferred tax assets and liabilities	
(Deferred tax assets)		(Deferred tax assets)	
Unutilized tax losses	21,421	Unutilized tax losses	18,074
	(2,529,177)		(2,133,947)
Subscription revenue received in advance	215	Subscription revenue received in advance	315
	(25,385)		(37,192)
Allowance for doubtful debts	46	Allowance for doubtful debts	114
	(5,455)		(13,507)
Other	186	Accruals	378
	(21,951)		(44,682)
Subtotal	<u>21,868</u>	Other	198
	(2,581,968)		(23,399)
Valuation reserve	21,447	Subtotal	<u>19,080</u>
	(2,532,293)		(2,252,728)
Total deferred tax assets	<u>421</u>	Valuation reserve	18,074
	(49,675)		(2,133,947)
(Deferred tax liabilities)		Total deferred tax assets	<u>1,006</u>
Allowance for doubtful debts	97		(118,780)
	(11,453)	(Deferred tax liabilities)	
Depreciation and amortization	44	Accounts receivable	127
	(5,219)		(14,995)
Other	25	Depreciation and amortization	36
	(2,952)		(4,282)
Total deferred tax liabilities	<u>166</u>	Other	67
	(19,623)		(7,940)
Net of deferred tax assets and	<u>255</u>	Total deferred tax liabilities	<u>231</u>
deferred tax liabilities	(30,052)		(27,217)
		Net of deferred tax assets and	<u>776</u>
		deferred tax liabilities	(91,563)

(Taxation)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
Net of deferred tax assets and deferred tax liabilities appear on the balance sheet as follows:	Net of deferred tax assets and deferred tax liabilities appear on the balance sheet as follows:
Deferred tax assets – current	Deferred tax assets – current
299	571
(35,271)	(67,474)
Deferred tax assets – non-current	Deferred tax assets – non-current
-	204
(-)	(24,089)
Deferred tax liabilities – current	Deferred tax liabilities – current
-	-
(-)	(-)
Deferred tax liabilities – non-current	Deferred tax liabilities – non-current
44	-
(5,219)	(-)

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)
2 Reconciliation between the normal statutory tax rate and the actual effective tax rate	2 Reconciliation between the normal statutory tax rate and the actual effective tax rate
Tax at the applicable income tax rate 17.5%	Tax at the applicable income tax rate 17.5%
(Reconciliation)	(Reconciliation)
Tax effect of expenses not deductible for tax purposes 24.0%	Tax effect of expenses not deductible for tax purposes 902.4%
Tax effect of income not taxable for tax purposes 2.4%	Tax effect of income not taxable for tax purposes 560.0%
Tax effect of unrecognized tax losses 10.1%	Tax effect of unrecognized tax losses 38.1%
Tax effect of utilization of tax losses not previously recognized 9.4%	Tax effect of utilization of tax losses not previously recognized 151.2%
Effect of different tax rates of subsidiaries operating in other jurisdictions 6.6%	Effect of different tax rates of subsidiaries operating in other jurisdictions 298.3%
Other 0.2%	Other 22.9%
Tax effect and effective tax rate for the year 1.7%	Tax effect and effective tax rate for the year 568.0%
	As the Company is a foreign company, there is a huge difference between "income before income taxes and minority interests" under IFRS and that under J GAAP, which caused reconciliation items with huge percentages.

(Segment Information)

【Business Segment】

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004) and consolidated fiscal year-current year (From January 1, 2005 to December 31, 2005)

The Group is engaged solely in financial information business which includes distribution of market indices, financial news, credit ratings, investor relations services and other relevant services. Thus, information of business segmentation is omitted.

【Regional Segmental Information】

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

	Japan	Asia	North America	Other location	Total	Eliminated or unallocated	Consolidated
Sales and operating income / loss							
Sales							
(1) Outside customer	3,672	19,105	36,172	741	59,689	-	59,689
	(433,497)	(2,255,676)	(4,270,818)	(87,485)	(7,047,476)	(-)	(7,047,476)
(2) Inter segment or transfer	-	324	-	-	324	324	-
	(-)	(38,242)	(-)	(-)	(38,242)	(38,242)	(-)
Total	3,672	19,428	36,172	741	60,013	324	59,689
	(433,497)	(2,293,919)	(4,270,818)	(87,485)	(7,085,719)	(38,242)	(7,047,476)
Operating expenses	3,674	20,895	37,254	2,000	63,823	-	63,823
	(433,795)	(2,467,071)	(4,398,555)	(236,168)	(7,535,590)	(-)	(7,535,590)
Operating income (loss)	3	1,467	1,082	1,259	3,810	324	4,134
	(298)	(173,153)	(127,737)	(148,683)	(449,871)	(38,242)	(488,114)
Assets	2,740	55,763	143,389	35	201,927	-	201,927
	(323,538)	(6,583,893)	(16,929,985)	(4,155)	(23,841,572)	(-)	(23,841,573)

Note

- 1 Location segments are based on geographical closeness.
- 2 Main countries or locations which do not belong to Japan:
 - (1) Asia Hong Kong, China, Singapore and so on.
 - (2) North America.....U.S.A.
 - (3) Other location U.K. and so on

Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

	Japan	Asia	North America	Other location	Total	Eliminated or unallocated	Consolidated
Sales and operating income / loss							
Sales							
(1) Outside customer	4,630	33,653	71,451	277	110,010	-	110,010
	(546,617)	(3,973,379)	(8,436,218)	(32,671)	(12,988,885)	(-)	(12,988,885)
(2) Inter segment or transfer	-	7,418	1,157	8,855	17,430	17,430	-
	(-)	(875,857)	(136,664)	(1,045,494)	(2,058,015)	(2,058,015)	(-)
Total	4,630	41,071	72,608	9,132	127,441	17,430	110,010
	(546,617)	(4,849,236)	(8,572,882)	(1,078,165)	(15,046,900)	(2,058,015)	(12,988,885)
Operating expenses	4,807	30,950	78,944	8,701	123,402	16,864	106,538
	(567,518)	(3,654,305)	(9,320,936)	(1,027,327)	(14,570,086)	(1,991,093)	(12,578,993)
Operating income (loss)	177	10,121	6,336	431	4,038	567	3,472
	(20,901)	(1,194,931)	(748,054)	(50,837)	(476,814)	(66,921)	(409,893)
Assets	1,324	75,509	186,531	105,453	368,817	-	368,817
	(156,277)	(8,915,291)	(22,023,757)	(12,450,852)	(43,546,177)	(-)	(43,546,177)

Note

- 1 Location segments are based on geographical closeness.
- 2 Main countries or locations which do not belong to Japan:
 - (1) Asia Hong Kong, China, Singapore and so on.
 - (2) North America.....U.S.A.
 - (3) Other location U.K. and so on

【Overseas Sales】

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

	Asia	North America	Europe	Other	Total
Overseas Sale	11,994 (1,416,079)	33,021 (3,898,752)	9,448 (1,115,543)	151 (17,858)	54,614 (6,448,232)
Consolidated Sale	- (-)	- (-)	- (-)	- (-)	59,689 (7,047,476)
Ratio of overseas sales which accounts for consolidated sale (%)	20.1%	55.3%	15.8%	0.3%	91.5%

Note

- 1 Location segments are based on the geographical closeness.
- 2 Main countries or locations which do not belong to Japan.
 - (1)Asia Hong Kong, China, Singapore and so on
 - (2)North AmericaU.S.A. and Canada
 - (3)Europe.....U.K., Germany and France and so on
 - (4)Other.....Australia, South America and so on
- 3 Overseas sales are sales of the Company and consolidated subsidiaries in undomesticated countries or locations.

Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

	Asia	North America	Europe	Other	Total
Overseas Sale	17,381 (2,052,119)	64,912 (7,664,175)	18,718 (2,210,003)	1,105 (130,503)	102,116 (12,056,800)
Consolidated Sale	- (-)	- (-)	- (-)	- (-)	110,010 (12,988,885)
Ratio of overseas sales which accounts for consolidated sale (%)	15.8%	59.0%	17.0%	1.0%	92.8%

Note

- 1 Location segments are based on the geographical closeness.
- 2 Main countries or locations which do not belong to Japan.
 - (1)Asia Hong Kong, China, Singapore and so on
 - (2)North AmericaU.S.A. and Canada
 - (3)Europe.....U.K., Germany and France and so on
 - (4)Other.....Australia, South America and so on
- 3 Overseas sales are sales of the Company and consolidated subsidiaries in undomesticated countries or locations.

【Related party transactions】

Consolidated fiscal year -prior year (From January 1, 2004 to December 31, 2004)

The Company does not have any related party transactions.

Consolidated fiscal year -current year (From January 1, 2005 to December 31, 2005)

Sister company

- (1) Category
Sister company
- (2) Name of the related party
NIS Securities Co., Ltd.
- (3) Address
Shinjuku-ku, Tokyo
- (4) Share capital

JPY1,620 million
- (5) Nature of business
A securities company
- (6) Ratio of voting right (held by the Company / held by the related party)
None
- (7) Relationship
Concurrency of directors
None
Business relationship
None
- (8) Nature of transactions
Underwriter of the Company's share upon a share issuance
- (9) Amount
USD 4,367 thousand (JPY 515,605 thousand)
- (10) Name of account
Share issuance related expense
- (11) Remaining balance as of the year end
None

Terms and condition of agreement are determined in third arms' length.

(Per Share Information)

(Unit: U.S. Dollars (Japanese Yen))

Item	Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)				
Net assets per share	719.66 (84,970.79)	305.65 (36,087.70)				
	Suspense account of share exchange included in share premium is excluded from the process of calculation of net asset per share.	Suspense account of share exchange included in share premium is excluded from the process of calculation of net asset per share.				
Net loss per share	103.94 (12,271.62)	4.25 (501.90)				
	For diluted net income per share, even if the Company has shares with dilution effect, the Company is in a loss position, thus, such information is not stated. The Company's outstanding shares were reversely split on August 24, 2004 on a one for two thousand basis.	For diluted net income per share, even if the Company has shares with dilution effect, the Company is in a loss position, thus, such information is not stated. On September 22, 2005, the Company made a share split by way of a free share distribution at the rate of 2 shares for each outstanding 1 share. If the share split had been effective from the beginning of the prior year, the per share information would have been as follows: <table style="margin-left: 40px;"> <tr> <td>Net assets per share</td> <td>239.89 (28,323.60)</td> </tr> <tr> <td>Net loss per share</td> <td>34.65 (4,090.54)</td> </tr> </table> The diluted net loss per share is not stated because of the net loss position.	Net assets per share	239.89 (28,323.60)	Net loss per share	34.65 (4,090.54)
Net assets per share	239.89 (28,323.60)					
Net loss per share	34.65 (4,090.54)					

(Note) Basis of calculation for the net income (loss) per share

(Unit: Thousands of U.S. Dollars (Thousands of Japanese Yen))

Item	Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)
Net loss on the consolidated income statements	9,305 (1,098,684)	2,814 (332,299)
Net loss not attributed to ordinary shares	- (-)	- (-)
Net loss attributed to ordinary shares	9,305 (1,098,684)	2,814 (332,299)
Average number of ordinary shares during the period	89,530.42	662,085.34

(Significant Subsequent Events)

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)
<p>On February 9, 2005, the Compensation Committee of the Board of Directors approved that the Company would issue stock options based upon the compensation strategy designed to align the interests of employees and shareholders. The summary of this issuance is summarized as follows:</p> <p>(1) Class and number of shares issued pursuant to the stock option Ordinary shares, the maximum number to be issued is 4,665 and the minimum is 2,253.</p> <p>(2) Issue price of the stock option No consideration</p> <p>(3) Strike price Based upon the average closing price of shares for the 90 days ending December 31, 2004.</p> <p>(4) Exercisable period Exercisable over three years to encourage long term commitment, one third being granted at each year end of 2005, 2006 and 2007, and expired ten years from the date of grant.</p> <p>(5) Conditions of the grant Half of the shares in each option grant will be awarded based on the achievement of financial targets and overall company objectives, while the remaining options will be awarded based upon the managing personnel's position with the company.</p> <p>(6) Grantees of the options Managing personnel of the Group.</p>	<p>1. On January 12, 2006, the Company has completed acquisition of Ming Shing International Ltd.</p> <p>(1) Purpose of the acquisition The acquisition advances the Company's strategy of leveraging the value of existing content offerings and enhancing distribution and financial markets communications capabilities across China.</p> <p>(2) Outline of Ming Shing International Ltd. Address : Hong Kong, Beijing, Shanghai. Business : Advertising</p> <p>(3) Outline of the acquisition Method of acquisition Acquired ordinary shares (1,000 shares, 100%) of Ming Shing International Ltd. Acquisition cost and payment term Initial consideration of USD29,000 thousand (JPY 3,424,030 thousand) was settled by cash. The subsequent consideration to be determined based on the performance of Ming Shing International Ltd. in 2005, 2006 and 2007 will be settled by cash and the Company's ordinary shares. Name of Sellers Lu Chin Chien Date of acquisition January 12, 2006</p>

Consolidated fiscal year - prior year (From January 1, 2004 to December 31, 2004)	Consolidated fiscal year - current year (From January 1, 2005 to December 31, 2005)
	<p>2. On January 23, 2006, the Board of Directors resolved that the Company would grant stock option as follows:</p> <p>(1) Grant to independent directors</p> <p style="padding-left: 20px;">Grantees of the option 2 independent directors</p> <p style="padding-left: 20px;">Number of stock options to be granted 2</p> <p style="padding-left: 20px;">Class and number of shares to be issued pursuant to the stock option 5,000 ordinary shares</p> <p style="padding-left: 20px;">Issue price of the stock option No consideration</p> <p style="padding-left: 20px;">Strike price JPY 74,247 per share (Based upon the average closing price of the Company's share for the 15 trading days ending January 20, 2006 at Tokyo Stock Exchange)</p> <p style="padding-left: 20px;">Exercisable period From January 31, 2006 to January 31, 2009</p> <p>(2) Grant to directors</p> <p style="padding-left: 20px;">Grantees of the options 5 directors/non-executive directors</p> <p style="padding-left: 20px;">Number of stock options to be granted 5</p> <p style="padding-left: 20px;">Class and number of shares to be issued pursuant to the stock option 6,000 ordinary shares</p> <p style="padding-left: 20px;">Issue price of the stock option No consideration</p> <p style="padding-left: 20px;">Strike price JPY 71,844 per share (Based upon the average closing price of the Company's share for the 90 days ending December 31, 2005 at Tokyo Stock Exchange)</p> <p style="padding-left: 20px;">Exercisable period From January 31, 2006 to January 31, 2016</p>