

1. Quarterly Consolidated Financial Information

① Quarterly consolidated balance sheets

		1st quarter Consolidated fiscal period - current year (As of March 31, 2009) (Unit: Thousands of U.S. Dollars)	1st quarter Consolidated fiscal period - current year (As of March 31, 2009) (Unit: Millions of Japanese Yen)	Consolidated fiscal year - prior year (As of December 31, 2008) (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - prior year (As of December 31, 2008) (Unit: Millions of Japanese Yen)
Assets					
Current assets					
Cash and deposits	※1	37,395	3,673	75,289	7,396
Accounts receivable-trade	※2	6,333	622	8,203	806
Short-term investment securities		-	-	756	74
Accounts receivable-other		6,112	600	5,014	493
Short-term loans receivable		6,420	631	-	-
Other	※2	3,999	393	14,337	1,408
Total current assets		60,260	5,919	103,600	10,177
Non-current assets					
Property, plant and equipment					
Buildings and structures		1,075	106	5,566	547
Accumulated depreciation		△ 514	△ 51	△ 1,950	△ 192
Buildings and structures, net		561	55	3,616	355
Tools, furniture and fixtures		3,565	350	8,095	795
Accumulated depreciation		△ 2,278	△ 224	△ 5,940	△ 583
Tools, furniture and fixtures, net		1,287	126	2,155	212
Total property, plant and equipment		1,848	182	5,772	567
Intangible assets					
Goodwill		5,216	512	15,114	1,485
Others		959	94	1,033	101
Total intangible assets		6,175	607	16,147	1,586
Investments and other assets					
Investment securities		21	2	205	20
Stocks of subsidiaries and affiliates		81,959	8,051	89,062	8,749
Investments in capital of subsidiaries and affiliates		-	-	188	18
Other	※2	7,880	774	-	-
Total investments and other assets		89,861	8,827	89,455	8,787
Total non-current assets		97,884	9,615	111,373	10,940
Deferred assets					
Bond issuance costs		250	25	1,140	112
Total deferred assets		250	25	1,140	112
Total assets		158,393	15,559	216,113	21,229

		1st quarter Consolidated fiscal period - current year (As of March 31, 2009) (Unit: Thousands of U.S. Dollars)	1st quarter Consolidated fiscal period - current year (As of March 31, 2009) (Unit: Millions of Japanese Yen)	Consolidated fiscal year - prior year (As of December 31, 2008) (Unit: Thousands of U.S. Dollars)	Consolidated fiscal year - prior year (As of December 31, 2008) (Unit: Millions of Japanese Yen)
Liabilities					
Current liabilities					
Accounts payable-trade		1,631	160	5,804	570
Current portion of bond		2,897	285	41,474	4,074
Short-term loans payable	※1,3	22,211	2,182	16,208	1,592
Income taxes payable		1,555	153	2,372	233
Accounts payable-other		1,272	125	1,971	194
Accrued expenses		9,021	886	15,313	1,504
Unearned revenue		1,700	167	1,685	166
Notes payable-non-operating		22	2	44	4
Lease obligations	※1	9	1	9	1
Other		319	31	452	44
Total current liabilities		40,636	3,992	85,333	8,382
Non-current liabilities					
Bonds payable		9,360	919	9,508	934
Lease obligations	※1	2	0	4	0
Long-term accounts payable-other		400	39	400	39
Deferred tax liabilities		182	18	202	20
Others		363	36	1,074	105
Total non-current liabilities		10,307	1,012	11,188	1,099
Total liabilities		50,943	5,004	96,521	9,481
Net Assets					
Shareholders' equity					
Capital stock		3,821	375	3,810	374
Capital surplus		402,763	39,563	401,693	39,458
Retained earnings		△ 281,060	△ 27,609	△ 269,549	△ 26,478
Total shareholders' equity		125,524	12,330	135,955	13,355
Valuation and translation adjustments					
Valuation differences on available-for-sale securities		-	-	40	4
Foreign currency translation adjustments	※4	△ 23,774	△ 2,335	△ 24,320	△ 2,389
Total valuation and translation adjustments		△ 23,774	△ 2,335	△ 24,280	△ 2,385
Subscription rights to shares		798	78	1,797	177
Minority interests		4,904	482	6,120	601
Total net assets		107,450	10,555	119,592	11,748
Total liabilities and net assets		158,393	15,559	216,113	21,229

②Quarterly consolidated income statements

First quarter consolidated income statements

	1st quarter Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009) (Unit: Thousands of U.S. Dollars)	1st quarter Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009) (Unit: Millions of Japanese Yen)
Net sales	9,095	893
Cost of sales	3,396	334
Gross profit	5,699	560
Selling, general and administrative expenses		
Directors' compensations	158	16
Salaries and allowances	2,922	287
Advertising expenses	36	4
Depreciation	271	27
Amortization of goodwill	129	13
Others	3,387	333
Total selling, general and administrative	6,903	678
Operating loss (△)	△ 1,204	△ 118
Non-operating income		
Interest and dividend income	527	52
Commission fee	256	25
Others	246	24
Total non-operating income	1,028	101
Non-operating expenses		
Interest expenses	2,251	221
Foreign exchange loss	414	41
Equity in loss of affiliates	4,465	439
Total non-operating expenses	7,130	700
Ordinary loss (△)	△ 7,306	△ 718
Extraordinary gains		
Gain on sales of stocks of subsidiaries and affiliates	827	81
Total extraordinary gains	827	81
Extraordinary losses		
Loss on change in equity	2,555	251
Loss on sales of stocks of subsidiaries and affiliates	553	54
Others	193	19
Total extraordinary losses	3,301	324
Loss before income taxes and minority interests (△)	△ 9,781	△ 961
Income taxes (current)	△ 4	△ 0
Income taxes (deferred)	△ 9	△ 1
Total income tax	△ 13	△ 1
Minority interests in income	1,743	171
Net loss for the period (△)	△ 11,511	△ 1,131

③ Quarterly consolidated cashflow statements

		1st quarter Consolidated fiscal period (From January 1, 2009 to March 31, 2009) (Unit: Thousands of US dollars)	1st quarter Consolidated fiscal period (From January 1, 2009 to March 31, 2009) (Unit: Millions of Japanese Yen)
Net cash provided by (used in) operating activities			
Loss before income taxes and minority interests (△)		△ 9,781	△ 961
Depreciation		292	29
Amortization of goodwill		129	13
Interest and dividends income		△ 527	△ 52
Interest expenses		2,251	221
Gain (loss) on change in equity (△ : gain)		2,555	251
Equity in gain (loss) of affiliates (△ : gain)		4,465	439
Gain (loss) on sales of stocks of subsidiaries and affiliates (△ : gain)		△ 273	△ 27
Increase (decrease) in accounts receivable (△ : increase)		607	60
Increase (decrease) in accounts payable (△ : decrease)		△ 380	△ 37
Other, net		△ 4,771	△ 469
Subtotal		△ 5,433	△ 534
Income taxes paid		△ 178	△ 18
Net cash provided by (used in) operating activities (△: used in)		△ 5,611	△ 551
Net cash provided by (used in) investment activities			
Interest and dividends income received		527	52
Purchase of property, plant and equipment		△ 86	△ 8
Payments of short-term loans receivable		△ 6,420	△ 631
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation		7,128	700
Net cash provided by (used in) investing activities (△: used in)		1,148	113
Net cash provided by (used in) financing activities			
Interest expenses paid		△ 1,336	△ 131
Increase (decrease) in deposit pledged (△: increase)		△ 152	△ 15
Redemption of bonds		△ 38,943	△ 3,825
Net increase (decrease) in short-term loans payable (△: decrease)		6,071	596
Net cash provided by (used in) financing activities (△: used in)		△ 34,361	△ 3,375
Effect of exchange rate change on cash and cash equivalents		437	43
Net increase (decrease) in cash and cash equivalents (△ : decrease)		△ 38,387	△ 3,771
Cash and cash equivalents at beginning of period		57,624	5,660
Cash and cash equivalents at end of period	※	19,238	1,890

Substantial doubt about its ability to continue as a going concern

1st quarter - consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
Not applicable.

Change in basis of presenting quarterly consolidated financial statements

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
1 Change in scope of consolidation
(1) Change in scope of consolidation Market News International Inc. and its subsidiary and Shanghai Far East Credit Rating Co. Ltd. and its 6 subsidiaries, are excluded from the scope of consolidation due to sale of shares.
(2) The number of consolidated subsidiaries after the change: 26
2 Change in scope of equity method
(1) Change in scope of company accounted by the equity method NingBo Far East Credit Rating Co. Ltd (NingBo), which had been accounted by the equity method, was excluded from the scope of the equity method application because the Company sold shares of Shanghai Far East Credit Rating Co. that had held equity interest in NingBo.
(2) The number of associated companies after the change: 1
3 Change in accounting policies Not applicable.

Adoption of simplified accounting methods

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
Not applicable.

Additional information

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
Conversion of dollars into yen In accordance with the Article 86 of the Quarterly Financial Statements rules, the amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), being US\$1.00=98.23, from the Tokyo Foreign Exchange Market as of March 31, 2009. The Japanese yen amounts are stated only for 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.

Footnote Information

(Quarterly consolidated balance sheets)

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

1st quarter - Consolidated fiscal period - current year (As of March 31, 2009)	Consolidated fiscal year - prior year (As of December 31, 2008)
<p>※1 Assets collateralized and corresponding liabilities</p> <p>Assets collateralized</p> <p>Bank deposit</p> <p style="text-align: right;">18,157 (1,784)</p> <p>Corresponding liabilities</p> <p>Short-term loan payable</p> <p style="text-align: right;">15,944 (1,566)</p>	<p>※1 Assets collateralized and corresponding liabilities</p> <p>Assets collateralized</p> <p>Bank deposit</p> <p style="text-align: right;">18,004 (1,769)</p> <p>Corresponding liabilities</p> <p>Short-term loan payable</p> <p style="text-align: right;">15,969 (1,569)</p> <p>Lease obligations</p> <p style="text-align: right;">9 (1)</p> <p>Lease obligations</p> <p style="text-align: right;">4 (0)</p>
<p>※2 Assets are presented after deduction of allowance for doubtful accounts.</p> <p>Amounts deducted from current assets:</p> <p style="text-align: right;">380 (37)</p> <p>Amounts deducted from investment and other assets:</p> <p style="text-align: right;">7,417 (729)</p>	<p>※2 Assets are presented after deduction of allowance for doubtful accounts.</p> <p>Amounts deducted from current assets:</p> <p style="text-align: right;">7,581 (745)</p>
<p>※3 Xinhua Financial Network (Shanghai) Ltd., Xinhua Financial Network Korea Company Limited, and Shanghai Huacai Investment Advisory Company Limited have line of credit agreements with banks. The amount of the lines of credit and the balance outstanding under the agreements at March 31, 2009 are as follows:</p> <p>Total amount of the line of credit</p> <p style="text-align: right;">30,255 (2,972)</p> <p>Outstanding balance</p> <p style="text-align: right;">16,041 (1,576)</p> <hr/> <p>Remaining amount of the line of credit</p> <p style="text-align: right;">14,214 (1,396)</p>	<p>※3 Xinhua Financial Network (Shanghai) Ltd., Xinhua Financial Network Korea Company Limited, and Shanghai Huacai Investment Advisory Company Limited have line of credit agreements with banks. The amount of the lines of credit and the balance outstanding under the agreements at December 31, 2008 are as follows:</p> <p>Total amount of the lines of credit</p> <p style="text-align: right;">30,308 (2,977)</p> <p>Outstanding balance</p> <p style="text-align: right;">16,071 (1,579)</p> <hr/> <p>Remaining amount of the lines of credit</p> <p style="text-align: right;">14,237 (1,398)</p>
<p>※4 This account includes the difference arising on the translation of Xinhua Finance Limited's functional currency into reporting currency.</p>	<p>※4 Same as on the left.</p>
<p>※1-4 notes correspond with ※1-4 as denoted in the consolidated balance sheet.</p>	<p>Same as on the left.</p>

(Quarterly consolidated income statements)

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

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
Not applicable.

(Consolidated cashflow statements)

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

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)	
※ Reconciliation between ending balance of cash and cash equivalents in the 1st quarter consolidated cashflow statement and balance in the consolidated balance sheet:	
Cash and deposits	37,395
	(3,673)
Deposit pledged as collateral	△18,157
	(△1,784)
Cash and cash equivalents	19,238
	(1,890)

(Shareholders' equity)

1st quarter - Consolidated fiscal period - current year (As of March 31, 2009 and from January 1, 2009 to March 31, 2009)

1. Number and class of issued shares
Ordinary share 1,490,106 shares
2. Number and class of repurchased shares
Not applicable.
3. Share subscription rights
The ending balance of share subscription rights granted by the Company as share option rights is USD 798 thousand (JPY 78 million).
4. Dividend
Not applicable.

(Segment information)

【Business segmental information】

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)

Consolidated subsidiaries of the Company operating Media business in consolidated fiscal year – prior year were excluded from the scope of consolidation as of December 31, 2008 and are accounted for under equity method. As a consequence, the Group operates in one business segment from 1st quarter – consolidated fiscal period thus information on business segment is omitted.

【Regional segmental information】

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)

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

	Japan	Asia	North America	Others	Total	Eliminated or unallocated	Consolidated
Sales							
(1) Outside customer	133 (13)	6,657 (654)	2,279 (224)	26 (3)	9,095 (893)	- (-)	9,095 (893)
(2) Inter segment or transfer	- (-)	2,887 (284)	47 (5)	2,051 (201)	4,984 (490)	△ 4,984 (△490)	- (-)
Total	133 (13)	9,543 (937)	2,326 (228)	2,077 (204)	14,079 (1,383)	△ 4,984 (△490)	9,095 (893)
Operating income / loss (△)	△ 31 (△3)	3,788 (372)	△ 1,029 (△101)	△ 3,929 (△386)	△ 1,202 (△118)	△ 2 (△0)	△ 1,204 (△118)

Note

- 1 Location segments are based on geographical proximity.
- 2 Main countries or locations which do not belong to Japan:
 - (1) Asia Hong Kong, China, Singapore and other locations.
 - (2) North America.....U.S.A.
 - (3) Others..... U.K., British West Indies and other locations.

【Overseas sales】

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)

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

	Asia	North America	Europe	Others	Total
I Oversea sale	4,782 (470)	1,107 (109)	2,919 (287)	2 (0)	8,809 (865)
II Consolidated sale	- (-)	- (-)	- (-)	- (-)	9,095 (893)
III Ratio of overseas sales which accounts for consolidated sale (%)	52.6%	12.2%	32.1%	0.0%	96.9%

Note

- 1 Location segments are based on the geographical proximity.
- 2 Main countries or locations which do not belong to Japan:
 - (1)Asia Hong Kong, China, Singapore and other locations.
 - (2)North AmericaU.S.A. and Canada
 - (3)Europe.....U.K., Germany, France and other locations.
 - (4)Others.....Australia, South America and other locations.
- 3 Overseas sales are sales of the Group recognized in countries or locations other than Japan.

(Per share information)

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

1st quarter - Consolidated fiscal period - current year (As of March 31, 2009)	Consolidated fiscal year - prior year (As of December 31, 2008)
Net assets per Share 68.28 (6,707.14)	Net assets per Share 75.15 (7,381.98)

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

1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
Net loss per share 7.73 (759.50)
As the Group is in a loss position, diluted net loss per share information is not stated.

(Note) Basis of calculation for the net loss

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

Item	1st quarter - Consolidated fiscal period - current year (From January 1, 2009 to March 31, 2009)
Net loss for the period	11,511 (1,131)
Net income NOT attributed to ordinary shareholders	- (-)
Net loss attributed to ordinary shares	11,511 (1,131)
Average number of ordinary shares during the period (shares)	1,488,739.27
Overview of potential shares without dilutive effect excluded from the formula of diluted income per share for the period and changed significantly from consolidated fiscal year – prior year	-

(Significant subsequent events)

Not applicable.