

## Financial Summary for the First Quarter of Fiscal Year ending December 31, 2009

15 May, 2009

Listed Company Name: Xinhua Finance Limited  
 Code No. : 9399  
 Representative-Title: Chief Executive Officer;  
 Inquiry-Title: Chief Financial Officer;  
 Title: Director, Investor Relations;  
 Schedule of filing quarterly report: 15 May, 2009

Listed Section: Mothers  
 URL: <http://www.xinhuafinance.com>  
 Name : Jae Lie  
 Name : David Wang; Tel : Hong Kong (852) 3196-3939  
 Name : Yoshitaka Yamada; Tel: Tokyo (81) 3 5403 4832  
 Schedule of dividends: -

(Note: Figures are rounded to the nearest thousand of US dollar (US\$) or the nearest million of Japanese Yen (JPY).)

### 1. Consolidated results for the First Quarter (from January 1, 2009 to March 31, 2009) of Fiscal Year ending December 31, 2009 under Japan GAAP

#### (1) Consolidated Operating Results (Accumulated)

(Note: % represents increase or decrease compared to the corresponding period of a year earlier.)

	Net Sales		Operating Income / Δ Loss		Ordinary Income / Δ Loss	
	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%
31 March, 2009	9,095 (893)	-	Δ1,204 (Δ118)	-	Δ7,306 (Δ718)	-
31 March, 2008	63,491 (6,237)	36.4	Δ12,435 (Δ1,221)	-	Δ11,223 (Δ1,102)	-

	Net Income / Δ Loss		Basic Earnings per share		Diluted Earnings per Share	
	US\$ thousand (JPY million)	%	US\$ (JPY) 2 decimal places		US\$ (JPY) 2 decimal places	
31 March, 2009	Δ11,511 (Δ1,131)	-	Δ7.73 (Δ759.50)		- (-)	
31 March, 2008	Δ12,423 (Δ1,220)	-	Δ11.97 (Δ1,175.81)		- (-)	

	Proforma EBITDA		EBITDA		Proforma Net Income / Δ Loss	
	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%
31 March, 2009	1,245 (122)	-	Δ783 (Δ77)	-	Δ2,698 (Δ265)	-
31 March, 2008	9,983 (981)	17.2	Δ715 (Δ70)	-	Δ1,498 (Δ147)	-

(Notes)

- 1) Exchange rate used US\$1 = ¥98.23; the amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), from the quotations by The Bank of Tokyo-Mitsubishi UFJ, Ltd. for buying and selling spot US\$ by telegraphic transfer against yen as of March 31, 2009.
- 2) We define EBITDA in relation to our Japan GAAP financial statements as operating income or loss plus depreciation, amortization of goodwill and amortization of deferred long term contracts within cost of sales.
- 3) We define Proforma EBITDA in relation to our Japan GAAP financial statements as EBITDA excluding non cash share based payments, one time items and discontinued operations and including recurring non operating income.

- 4) We define Proforma Net Income in relation to our Japan GAAP financial statements as net income excluding non cash share based payments, one time items, discontinued operations and amortization arising from acquisitions.

## (2) Consolidated Financial Status

	Total Assets	Total Net Assets	Adjusted Shareholders' Equity to Total Assets (%)	Net Assets per Share
	US\$ thousand (JPY million)	US\$ thousand (JPY million)	%	US\$ (JPY) 2 decimal places
31 March, 2009	158,393	107,450	64.2	68.28
	(15,559)	(10,555)		(6,707.14)
31 December, 2008	216,113	119,592	51.7	75.15
	(21,229)	(11,748)		(7,381.98)

(Reference)

Adjusted shareholders' equity: March 31, 2009: US\$ 101,750 thousand (JPY 9,995 million)  
December 31, 2008: US\$111,674 thousand (JPY 10,970 million)

## 2. Condition of Dividends

(Recorded Date)	Dividend per Share				
	For the First Quarter	For the Second Quarter	For the Third Quarter	For the Fourth Quarter	For the year
	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal places
For the year of 2008	- (-)	- (-)	- (-)	- (-)	- (-)
For the year of 2009	- (-)				
For the year of 2009 (Forecast)		- (-)	- (-)	- (-)	- (-)

(Note)

Revisions to forecast on dividends in the first quarter: None

## 3. Forecast on Consolidated Results for Fiscal Year ending December 31, 2009 (from January 1, 2009 to December 31, 2009) under Japan GAAP

(Note: % represents increase or decrease compared to the corresponding period of a year earlier.)

	Net Sales		Operating Income /Δ Loss		Ordinary Income /Δ Loss	
	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%	US\$ thousand (JPY million)	%
For first two quarters (accumulated)	15,822	-	Δ437	-	Δ11,131	-
	(1,440)		(Δ40)		(Δ1,013)	
For the year	34,163	Δ87.8	3,436	-	Δ12,409	-
	(3,110)		(313)		(Δ1,130)	

	Net Income /Δ Loss		Basic Earnings per share		EBITDA	
	US\$ thousand (JPY million)	%	US\$ (JPY) 2 decimal places		US\$ thousand (JPY million)	%
For first two quarters (accumulated)	Δ14,132	-	Δ9.48		314	-
	(Δ1,286)		(Δ863.29)		(29)	
For the year	Δ20,093	-	Δ13.48		4,827	-
	(Δ1,829)		(Δ1,227.49)		(439)	

(Notes)

- 1) Revisions to forecast on consolidated results in the first quarter: None
- 2) Exchange rate used: US\$1 = ¥91.03
- 3) We define EBITDA in relation to our Japan GAAP financial statements as operating income or loss plus depreciation, amortization of goodwill and amortization of deferred long term contracts within cost of sales.

#### 4. Miscellaneous

- (1) Changes of significant subsidiary during the period (with changes in scope of specified consolidated entities): Yes

Newly consolidated subsidiaries: 0, excluded: 1 (Shanghai Far East Credit Rating Co., Ltd.)

(Note) For more details, please see “4. Miscellaneous” in “Qualitative information and financial statements, etc.” on page 10.

- (2) Application of simplified accounting policies or accounting policies specific to the preparation of quarterly consolidated financial statements :not applied

- (3) Changes in basis, procedures or representing method of accounting treatments, for the consolidated financial statements (significant matters as basis for the quarterly consolidated financial statements)

- 1) Changes associated with the revision of accounting principles, etc.: Yes
- 2) Changes other than 1): None

(Note) For more details, please see “4. Miscellaneous” in “Qualitative information and financial statements, etc.” on Page 10

- (4) Issued Shares (common stock)

- 1) Total issued shares at the end of the period (including treasury shares)

The first quarter of fiscal year ending December 31, 2009: 1,490,105.79 shares

The fiscal year ended December 31, 2008: 1,486,051.79 shares

- 2) Total treasury shares at the end of the period

The first quarter of fiscal year ending December 31, 2009: 0 shares

The fiscal year ended December 31, 2008: 0 shares

- 3) Average number of shares during the period (accumulative consolidated three month period)

The first quarter of fiscal year ending December 31, 2009: 1,488,739.27 shares

The first quarter of fiscal year ending December 31, 2008: 1,037,709.28 shares

#### **\*Cautionary Statement about the use of forecast information and other special information:**

From this fiscal year, the Company applies the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No. 14). The Company has prepared its quarterly consolidated financial statements pursuant to the “Rules for Quarterly Consolidated Financial Reporting.”

<Concerning the forward-looking statements>

The forward-looking statements in this document (including but not limited to performance forecast) are based on the information currently available to the Company and the assumptions the Company believes reasonable, and actual performance may significantly differ from estimates due to various unforeseen factors. Please see “3. Qualitative information about Forecast on Consolidated Results” on page 9 for the details of assumptions for the forecasts and the cautionary statements concerning the use of the forecasts.

(For reference only)  
**Consolidated Results under IFRS**

**1. Consolidated Operating Results for the First Quarter (from January 1, 2009 to March 31, 2009) of the Fiscal Year ending December 31, 2009 under IFRS**

	Net Sales	Net Income / Δ Loss	Basic Earnings per share	Diluted earnings per share	Proforma EBITDA	EBITDA	Proforma Net Income / Δ Loss
	US\$ thousand (JPY million)	US\$ thousand (JPY million)	US\$ (JPY) 2 decimal places	US\$ (JPY) 2 decimal	US\$ thousand (JPY million)	US\$ thousand (JPY million)	US\$ thousand (JPY million)
31 March, 2009	9,095	Δ 5,112	Δ 3.43	-	1,168	Δ 1,728	Δ 2,122
	(893)	(Δ 502)	(Δ 336.93)	(-)	(115)	(Δ 170)	(Δ 208)
31 March, 2008	63,491	Δ6,240	Δ6.01	-	10,122	2,541	1,073
	(6,237)	(Δ613)	(Δ590.36)	(-)	(994)	(250)	(105)

(Notes)

- 1) Exchange rate used US\$1 = ¥98.23. The amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), from the quotations by The Bank of Tokyo – Mitsubishi UFJ, Ltd. for buying and selling spot US\$ by telegraphic transfer against yen as of March 31, 2009.
- 2) We define EBITDA in relation to our IFRS financial statements as profit (loss) before interest expense, tax, depreciation and amortization.
- 3) We define Proforma EBITDA in relation to our IFRS financial statements as EBITDA excluding non cash share based payments, one time items and discontinued operations.
- 4) We define Proforma Net Income in relation to our IFRS financial statements as net income excluding non cash share based payments, one time items, discontinued operations, amortization arising from acquisitions and non-cash imputed interest.

**2. Forecast on Consolidated Results for the period ended December 31, 2009 (from January 1, 2009 to December 31, 2009) under IFRS**

	Net Sales	Net Income / Δ Loss	EBITDA
	US\$ thousand (JPY million)	US\$ thousand (JPY million)	US\$ thousand (JPY million)
For a year	34,163	Δ19,932	5,086
	(3,110)	(Δ1,814)	(463)

(Notes)

- 1) Exchange rate used: US\$1 = ¥91.03
- 2) We define EBITDA in relation to our IFRS financial statements as profit or loss before interest expense, tax, depreciation and amortization.
- 3) Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

*Difference in net results under IFRS and Japan GAAP*

The material differences between IFRS and Japan GAAP when applied to us include:

- 1) Amortization of goodwill on consolidation arising from strategic acquisitions (a consolidation adjustment which is a non-cash expense)  
 Japan GAAP requires goodwill arising from consolidation to be amortized within 20 years. The goodwill on consolidation of the Company has been and is projected to be amortized by the straight-line method over a period of 20 years. Under IAS 36, our goodwill on consolidation in connection with subsidiaries acquired on or after March 31, 2004 is not amortized but is assessed for impairment at least annually.
- 2) Goodwill Impairment  
 Under Japan GAAP, goodwill arising from consolidation is required to be amortized within 20 years,

whereas under IFRS, such amortization is not required, as mentioned in point 1 above. As a result, the goodwill balance arising from consolidation under Japan GAAP is lower than the corresponding amount under IFRS. Thus when there is goodwill impairment for a certain asset, the amount of goodwill impairment under Japan GAAP will be lower than under IFRS.

## 1. Qualitative information about Consolidated Operating Results

### Operating results analysis

In the Index service line, we offer a broad series of benchmark and tradable indices, tracking the China equity and bond markets, through our partnerships with FTSE Group and Barclays Capital. During the quarter, we signed an Index Service Agreement with Dachang FMC, a local Chinese financial institution, to provide benchmarking services against our Chinese indices. Dachang FMC is a fund management company based in Shenzhen and is one of the ten largest fund management companies in China. At the end of the first quarter, the AUM tracking Xinhua FTSE Index (“XFI”) indices or benchmarking against XFI products decreased to US\$110 billion, from US\$125 billion at the end of 2008 due mainly to the fall in stock market values.

In the Ratings service line, we publish Chinese company reports and industry studies on the China markets. During the quarter, the ratings team published the “2009 Competition in the China Securities Industry” report. Dr. Chung Hsing Chen, our Ratings head, was invited to speak at the 21<sup>st</sup> Century Capital Market 2009 Annual Conference which was attended by major institutional investors in China. The team also published 26 public information reports concerning the real estate and shipping/port sectors. These reports expanded our ratings coverage and provided insights and credit risk analysis in response to the global financial crisis with major emphasis on the potential impact on China’s real estate and infrastructure sectors.

In the Solutions service line, we provide comprehensive market data and research via financial terminals, reports, SMS and mobile applications. Our subsidiary providing consultancy services to businesses involved in agriculture, co-sponsored the International Summit for Food Safety Conference with American GIC Group. The conference was attended by government officials and over 100 top managers from local and international food related companies.

During the first three months of 2009, the Company redeemed US\$38,943 thousand (¥3,825 million) principal amount of its 10% Senior Guaranteed Notes due 2011 (the “Notes”) by using the proceeds from the sale of non-core businesses, leaving US\$12,318 thousand (¥1,210 million) principal amount of the Notes outstanding as at the end of March 2009.

Due to the sale of many of our non-core businesses, such as Mergent Inc and Washington Analysis, and the deconsolidation of Xinhua Sports and Entertainment Limited (“XSEL”) (formerly known as Xinhua Finance Media Limited) in 2008, which constituted a large part of our business, it results in the significant difference in the FY2008 numbers and the FY2009 numbers.

To facilitate a more appropriate year on year comparison, the Company shows Continuing Operations excluding operations that have been discontinued since last year due either to disposal, dissolution or deconsolidation. The Continuing Operations figures will allow investors to be able to more appropriately compare our FY2009 versus the prior year. Continuing Operations numbers are unaudited and not reviewed by auditors and are management estimates only.

(Note) Since the quarterly financial accounting standard from relevant quarter is applied to the Company from this fiscal year, the accounting standard for this fiscal year is different from the one for the last fiscal year. The percentage increase or decrease as compared against the corresponding period of the preceding fiscal year and the actual amounts of results in the corresponding period of the preceding fiscal year are included below for reference.

#### Net Sales

Net Sales was US\$9,095 thousand (¥893 million) for the three months ended March 31, 2009, as compared to US\$63,491 thousand (¥6,237 million) for the three months ended March 31, 2008.

Lower net sales in 2009 is primarily due to the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent Inc and Washington Analysis in 2008, and the sale of Market News International Inc. ("Market News International") and Shanghai Far East Credit Rating Co., Ltd. ("Shanghai Far East") in 2009.

On a Continuing Operations basis, Net Sales for the three months ended March 31, 2009 was US\$7,802 thousand (¥766 million) compared to US\$6,653 thousand (¥653 million) for the three months ended March 31, 2008. The increase in Net Sales in 2009 was mainly due to the growth of the indices business.

#### Cost of sales

Cost of sales was US\$ 3,396 thousand (¥334 million) for the three months ended March 31, 2009, as compared to US\$33,769 thousand (¥3,317 million) for the three months ended March 31, 2008.

Lower cost of sales in 2009 is primarily due to the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent Inc and Washington Analysis in 2008, and the sale of Market News International and Shanghai Far East in 2009.

#### Gross profit margin

Gross profit margin was 62.7% for the three months ended March 31, 2009 versus 46.8% for the three months ended March 31, 2008. The higher gross profit margin in 2009 was mainly the result of the deconsolidation of XSEL, as XSEL has a lower gross profit margin.

#### Selling, general and administrative expenses

Selling, general, and administrative expenses were US\$6,903 thousand (¥678 million) for the three months ended March 31, 2009, versus US\$42,156 thousand (¥4,141 million) for the three months ended March 31, 2008.

Lower selling, general and administrative expenses in 2009 is primarily due to the Company's much reduced size in 2009 as compared to 2008. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent Inc and Washington Analysis in 2008, and the sale of Market News International and Shanghai Far East in 2009. The reduction is also attributable to reductions in corporate costs from a year ago.

#### Operating income

Operating loss was US\$1,204 thousand (¥118 million) for the three months ended March 31, 2009, versus operating loss of US\$12,435 thousand (¥1,221 million) for the three months ended March 31, 2008.

The smaller operating loss in 2009 is primarily due to the Company's lower selling general and administrative expenses, and lower depreciation, as a result of the Company's much reduced size in 2009 as compared to 2008. The improvement is also attributable to reductions in corporate costs from a year ago.

#### Ordinary income

Ordinary loss was US\$7,306 thousand (¥718 million) for the three months ended March 31, 2009, versus ordinary loss of US\$11,223 thousand (¥1,102 million) for the three months ended March 31, 2008.

The smaller ordinary loss in 2009 is primarily due to the Company's lower operating loss, as described above. Other major variances in ordinary loss include the sharing of the results of XSEL in 2009 as it is accounted for as an associated company instead of a consolidated subsidiary. In addition, a foreign exchange loss of US\$414 thousand (¥41 million) was recorded in the first quarter of 2009, whereas an exchange gain of US\$3,234 thousand (¥318 million) was recorded in the first quarter of 2008.

#### Net income for the period

Net loss was US\$11,511 thousand (¥1,131 million) for the three months ended March 31, 2009, versus net loss of US\$12,423 thousand (¥1,220 million) for the three months ended March 31, 2008.

### Proforma EBITDA

We define Proforma EBITDA in relation to our Japan GAAP financial statements as EBITDA excluding non cash share based payments, one time items, discontinued operations and including recurring non operating income. For the three months ended March 31, 2009 Proforma EBITDA was US\$1,245 thousand (¥122 million) compared to US\$9,983 thousand (¥981 million) for the three months ended March 31, 2008.

### EBITDA

EBITDA was a loss of US\$783 thousand (¥77 million) for the three months ended March 31, 2009, versus a loss of US\$715 thousand (¥70 million) for the three months ended March 31, 2008.

## **2. Qualitative information about Consolidated Financial Status**

### **Total Assets, Net Assets and Liabilities Analysis**

#### Total Assets

Total Assets as at March 31, 2009, was US\$158,393 thousand (¥15,559 million) compared to US\$1,025,081 thousand (¥100,694 million) as at March 31, 2008. Lower Total Assets as at March 31, 2009 is mainly due to the reduced size of the Company in 2009. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent Inc and Washington Analysis in 2008, and the sale of Market News International and Shanghai Far East in 2009.

#### Total Net Assets

Total Net Assets as at March 31, 2009, was US\$107,450 thousand (¥10,555 million) compared to US\$577,794 thousand (¥56,757 million) as at March 31, 2008. Lower Total Net Assets as at March 31, 2009 is mainly due to the reduced size of the Company in 2009. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent Inc and Washington Analysis in 2008, and the sale of Market News International and Shanghai Far East in 2009.

#### Total Liabilities

Total Liabilities as at March 31, 2009, was US\$50,943 thousand (¥5,004 million) compared to US\$447,287 thousand (¥43,937 million) as at March 31, 2008. Lower Total Liabilities as at March 31, 2009 is mainly due to the reduced size of the Company in 2009. This is the result of the deconsolidation of XSEL and the sale of non core businesses such as Mergent Inc and Washington Analysis in 2008, and the sale of Market News International and Shanghai Far East in 2009.

### **Cashflow analysis**

#### Operating activities

Net cash used in operating activities amounted to US\$5,611 thousand (¥551 million) for the quarter ended March 31, 2009.

#### Investing activities

Net cash obtained in investing activities amounted to US\$1,148 thousand (¥113 million) for the quarter ended March 31, 2009.

### Financing Activities

Cashflow used in financing activities amounted to US\$34,361 thousand (¥3,375 million) for the quarter ended March 31, 2009.

### Cash Balance

As a result of the activities described in “Operating Activities”, “Investing Activities” and “Financing Activities” above, the net cash and cash equivalents was US\$19,238 thousand (¥1,890 million) as at the end of the quarter. The ending cash and bank balance was US\$37,395 thousand (¥3,673 million) as at the end of the quarter, shown on the balance sheet.

### **3. Qualitative information about Forecast on Consolidated Results**

In 2009 we will continue to streamline the Company and focus resources on our core competency of providing valuable information on China’s financial information sector. We will focus on Indices, Ratings and Solutions. We will continue to diversify out of non core assets which no longer fit with the Company’s overall focus on China’s markets.

With a cost cutting, restructuring and reorganizing strategy in place, the Company is expecting to reduce its overall corporate costs which are a part of sales, general and administrative cost by 50% from 2008 to 2009. The measures taken to reduce overall corporate costs included the closing of loss making operations, disposal of non core businesses, cutting of travel and entertainment expenses, office relocations and the negotiated reduction of audit and professional fees.

Due to the sale of many of our non-core China businesses and the deconsolidation of XSEL in 2008, which constituted a large part of our business, there will be a significant difference in the FY2008 numbers and the Forecasted FY2009 numbers. Because of the large difference in our FY2008 numbers and our FY2009 Forecast numbers, we provide adjusted figures which include our Continuing Operations only. The Continuing Operations figures will allow investors to be able to more appropriately compare our FY2009 forecasts versus the prior year.

Forecasted results are as follows:

(Units: US\$ thousand (JPY million))

	FY 2008 Actual	FY 2008 Continuing Operations (note)	FY 2009 First two quarter (accumulated) Forecast	FY 2009 Forecast
Net Sales	279,351 (25,429)	30,610 (2,786)	15,822 (1,440)	34,163 (3,110)
EBITDA	Δ160 (Δ15)	Δ7,110 (Δ647)	314 (29)	4,827 (439)
Operating income / Δ loss	Δ44,838 (Δ4,082)	NA NA	Δ437 (Δ40)	3,436 (313)
Ordinary income / Δ loss	Δ54,789 (Δ4,987)	NA NA	Δ11,131 (Δ1,013)	Δ12,409 (Δ1,130)
Net Income / Δ loss	Δ268,322 (Δ24,425)	NA NA	Δ14,132 (Δ1,286)	Δ20,093 (Δ1,829)

Exchange rate used: USD1 = ¥91.03

(Notes)

To facilitate a more appropriate year on year comparison, the Company shows Continuing Operations excluding operations that have been discontinued since last year due either to disposal, dissolution or deconsolidation. Due to the deconsolidation of XSEL, it has been removed from Continuing Operations. Mergent Inc and other discontinued subsidiaries and businesses have also been removed from Continuing Operations. Continuing Operations numbers are unaudited and not reviewed by auditors and are management estimates only..

The Turnover for FY2009 is expected to be US\$34,163 thousand (¥3,110 million) compared to 2008 continuing operations Turnover of US\$30,610 thousand (¥2,786 million) as a result of organic growth in the business, especially due to the growth in the indices business..

The EBITDA for FY2009 is expected to be US\$4,827 thousand (¥439 million) compared to 2008 continuing operations EBITDA of minus US\$7,110 thousand (¥647 million) as a result of the Company's cost cutting efforts as well as the growth in the business, especially in the indices business.

The Operating Income for FY2009 is expected to be US\$3,436 thousand (¥313 million) as a result of the Company's cost cutting efforts as well as the growth in the business, especially the indices business.

The Ordinary Income for FY2009 is expected to be loss of US\$12,409 thousand (¥1,130 million) mainly due to the sharing of the results of XSEL for the year. XSEL is no longer consolidated into the Company's accounts, and is accounted for as an associated company.

The Net Income for FY2009 is expected to be loss of US\$20,093 thousand (¥1,829 million) mainly due to the Company's share of XSEL's ordinary loss.

#### **4. Miscellaneous**

- (1) Changes of significant subsidiary during the period (with changes in scope of specified consolidated entities)  
Yes.

In January 2009, the Company sold its entire shareholding in Shanghai Far East to China Orient Asset Management Corporation and Shanghai Far East ceased to be a consolidated subsidiary of the Company.

- (2) Application of simplified accounting policies or accounting policies specific to the preparation of quarterly consolidated financial statements  
None.

- (3) Changes in basis, procedures or representing method of accounting treatments, for the consolidated financial statements (significant matters as basis for the quarterly consolidated financial statements)

From this fiscal year, the Company applies the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Statements" (ASBJ Guidance No. 14). The Company also follows the "Rules for Quarterly Consolidated Financial Reporting" to prepare its quarterly consolidated financial statements.

## **5. Consolidated financial statements**

Please refer to separate documents.

## **6. Other information**

For presentation please visit: <http://www.xinhuafinance.com/en/for-investors/reporting/quarterly-results/>