



NEXT Co., Ltd. (TSE Section 1 2120)

Earnings Presentation

First Quarter of the year ended March 31, 2016 (April to June 2015)

The opinions and projections, etc. contained herein represent the judgment of the Company at the time this document was prepared. We provide no guarantees regarding the accuracy of the information. Please keep in mind that actual performance and results may vary significantly due to fluctuations in various factors.

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Today's Key Points

Posted increased sales and profits for Q1 of the year ending March 31, 2016
Consolidated sales revenue **up 41.7% year on year**
EBITDA **up 56.6%** and net profit **up 59.8% year on year, respectively**

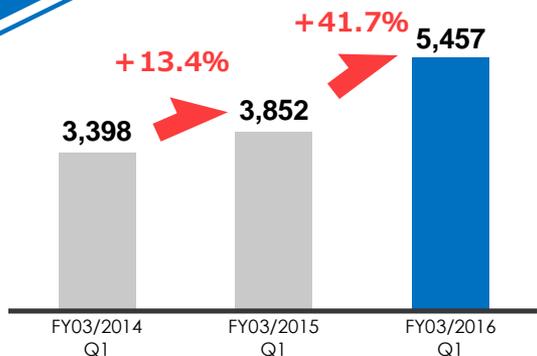
Rolled out new service offerings one after another as those aimed at turning
NEXT into an **absolute top player** in Japan

Bolster our New Houses business through the conversion of
AXELION into an affiliate
Provide seamless assistance to realtor operations from project deliberation
to property handover

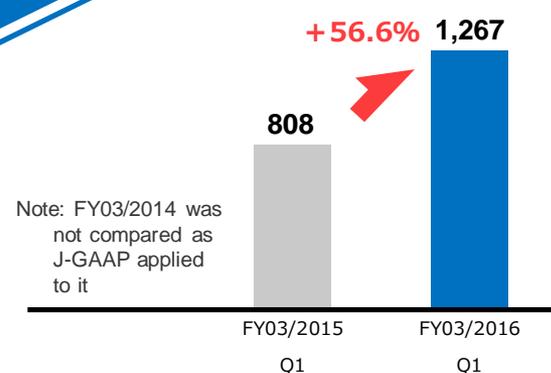
Established six new subsidiaries towards building the third business pillar
Running the organization speedily and accelerating employee development efforts

Highlights for Financial Results for 1Q of the Year Ending March 31, 2016

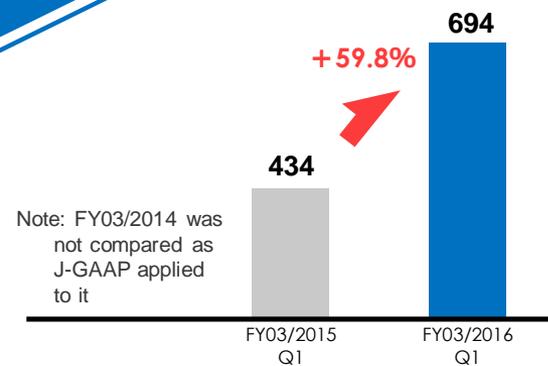
Revenue
(millions of yen) **+41.7%**



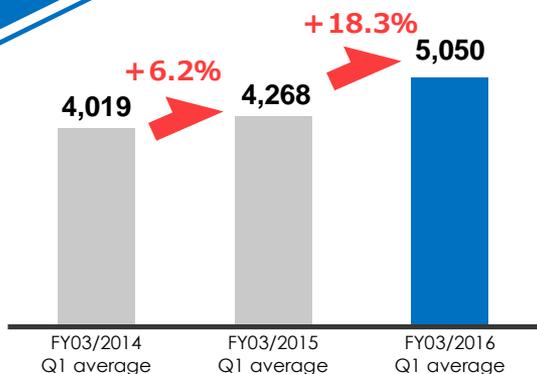
EBITDA *1
(millions of yen) **+56.6%**



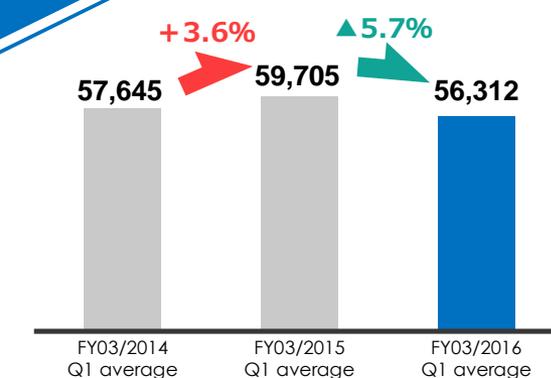
Net profit *2
(millions of yen) **+59.8%**



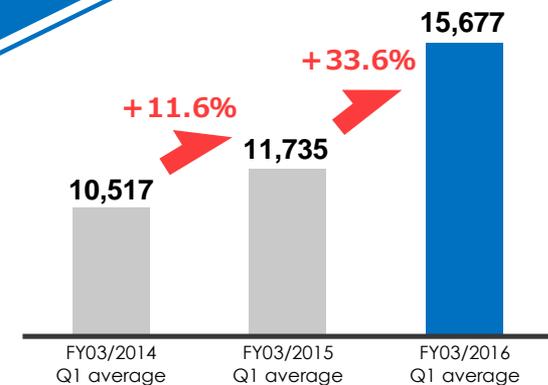
Listed properties
(thousand) **+18.3%**



Average revenue per store
(yen) **▲5.7%**



Affiliated stores
(stores) **+33.6%**



*1: Operating profit before depreciation and amortization

*2: Profit attributable to owners of the parent company

Business strategy

The Current State of the Japanese Real Estate Market

The Japanese real estate market is faced with a load of problems



Vacant homes on the increase

No property database

Prices lacking transparency

Precision of information unreliable



Important contractual matters must be explained in person.



Information disparity

Building asset value gets fully depreciated within 20 years

We aim to **change
the real estate industry**

Building a platform



Basic Strategy for Real Estate Sector

POINT Provide a wide range of solutions for both users and companies.

Being provided
 Under development/in planning
 Not undertaken

Services



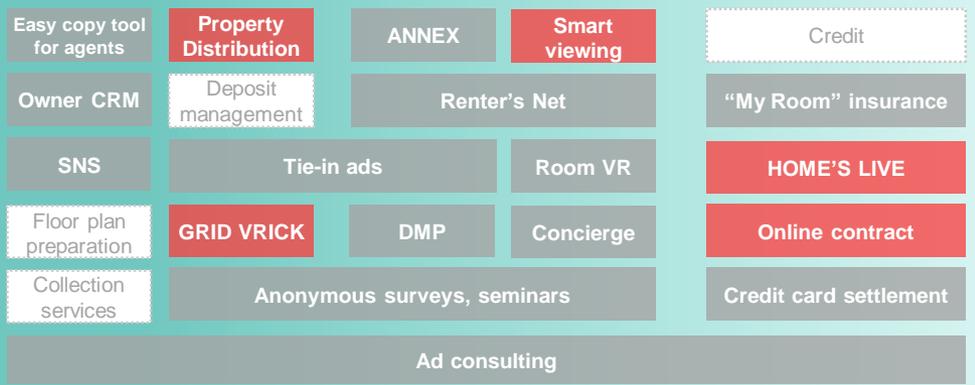
Matching



Specialist companies
 (Movers, construction companies, insurance agencies, etc.)



Administrative support



Correspondence to foreign language

Run advertisements effectively

Measure the effects independently on a periodic basis

Measure the ROI each time

Effective advertisement allocation

(1) Achieve increased traffic
(2) generation ability

→ Web marketing, Partner portal site

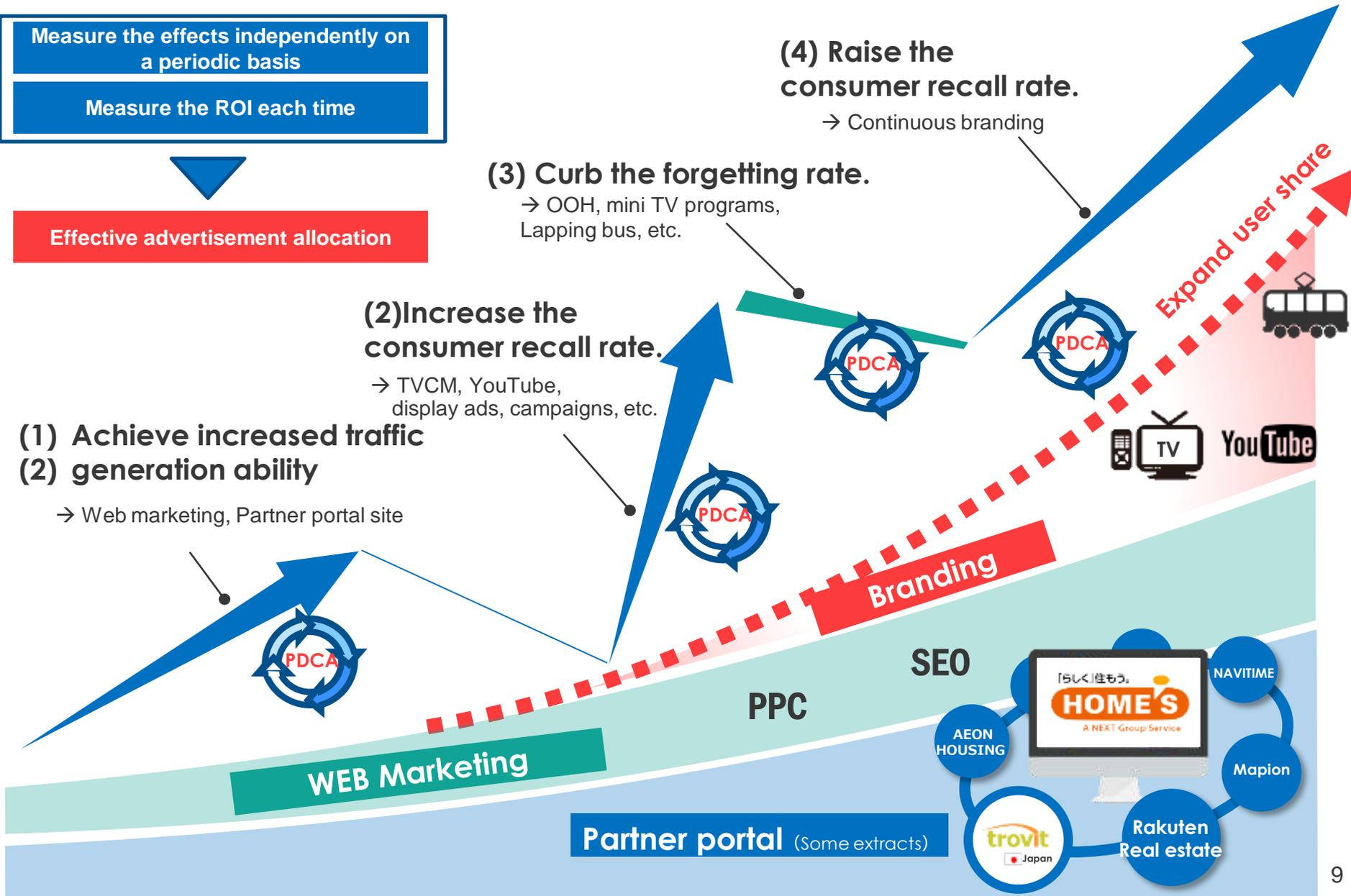
(2) Increase the consumer recall rate.
→ TVCM, YouTube, display ads, campaigns, etc.

(3) Curb the forgetting rate.

→ OOH, mini TV programs, Lapping bus, etc.

(4) Raise the consumer recall rate.

→ Continuous branding



become the undisputed No. 1 in the industry



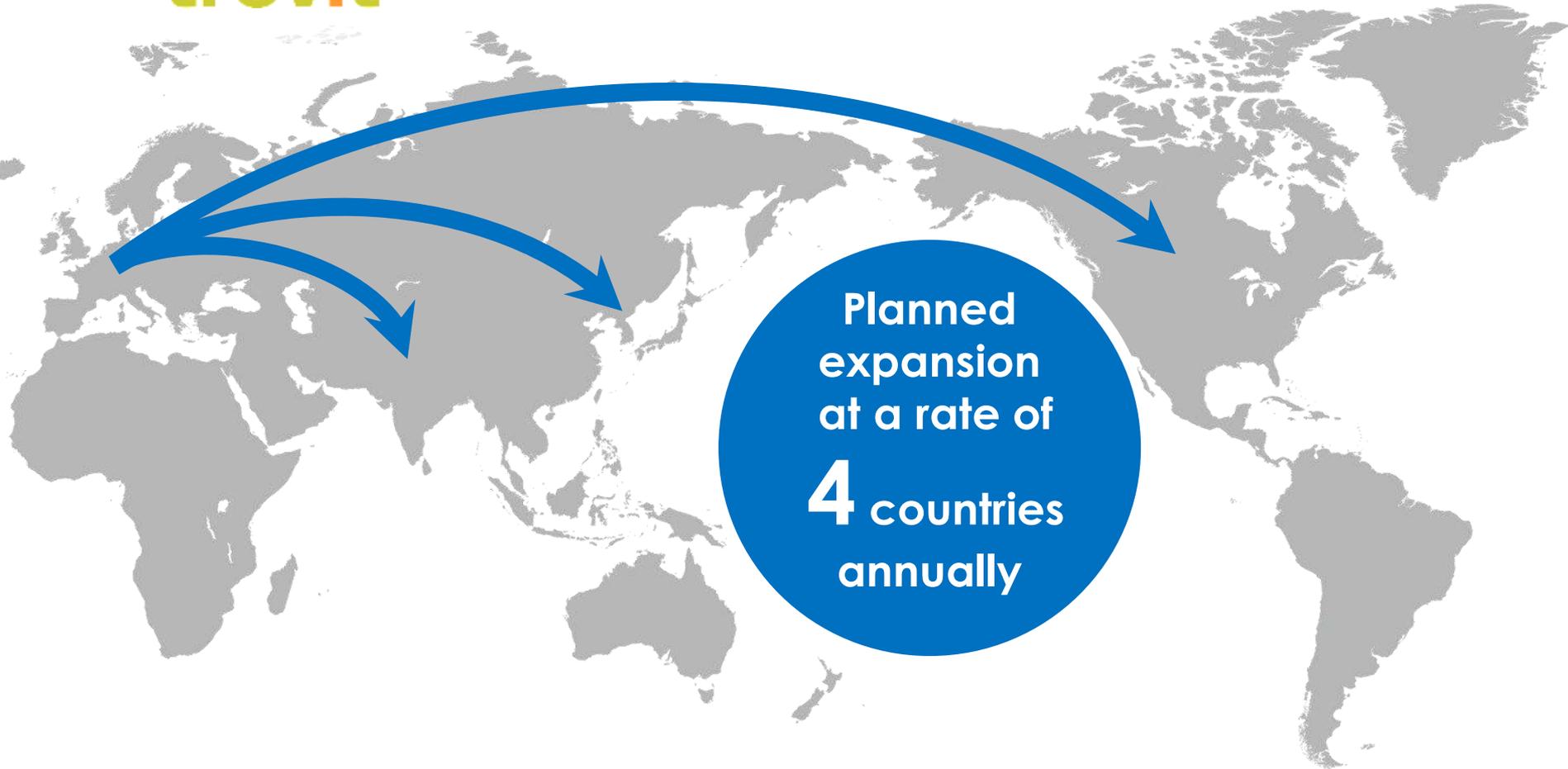


Building a global platform

Overseas Growth Strategy

POINT

Have Trovit's service areas expand further

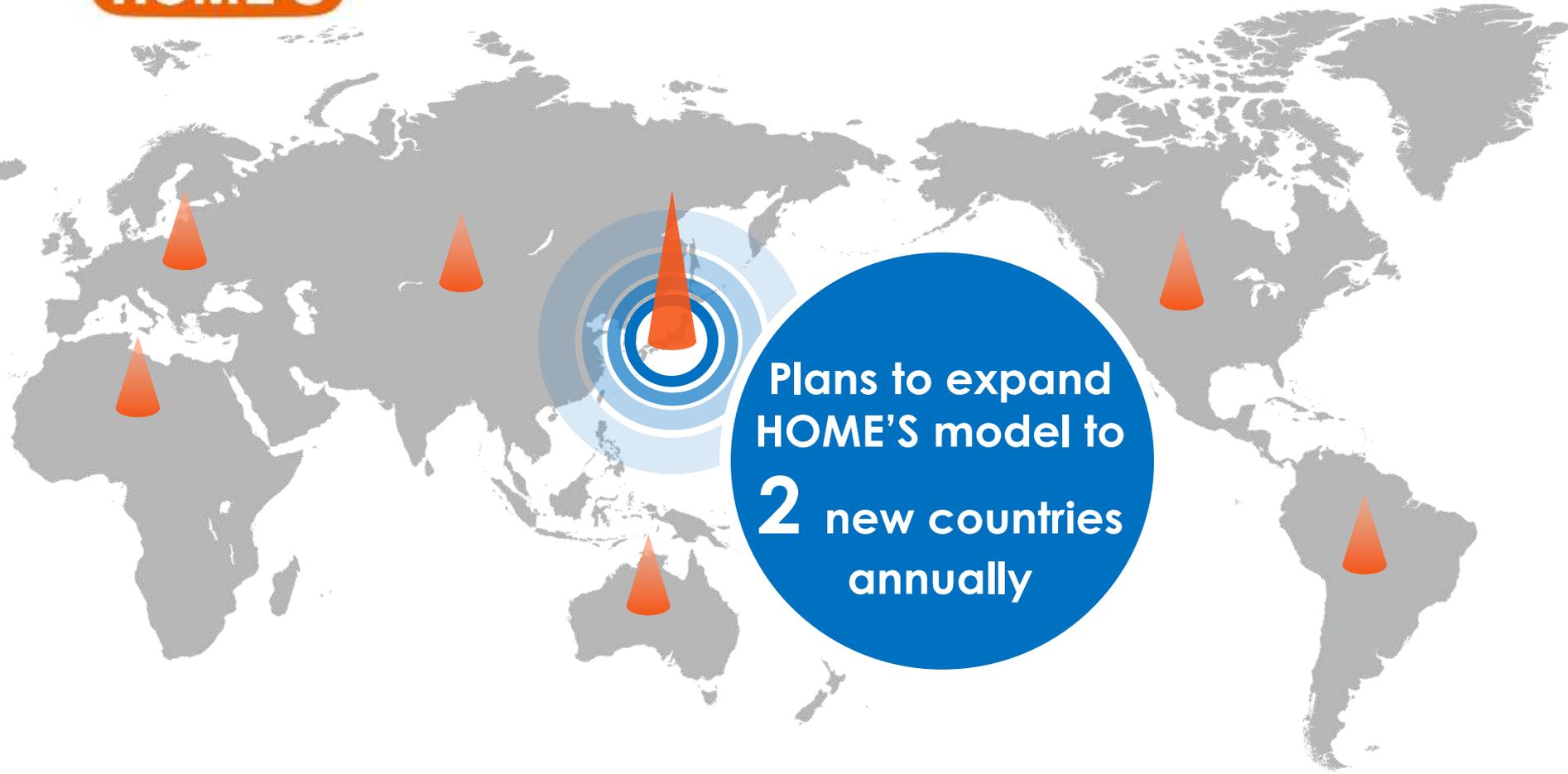


Planned
expansion
at a rate of
4 countries
annually

Overseas Growth Strategy

POINT Leverage the know-how accumulated in Japan for overseas operations

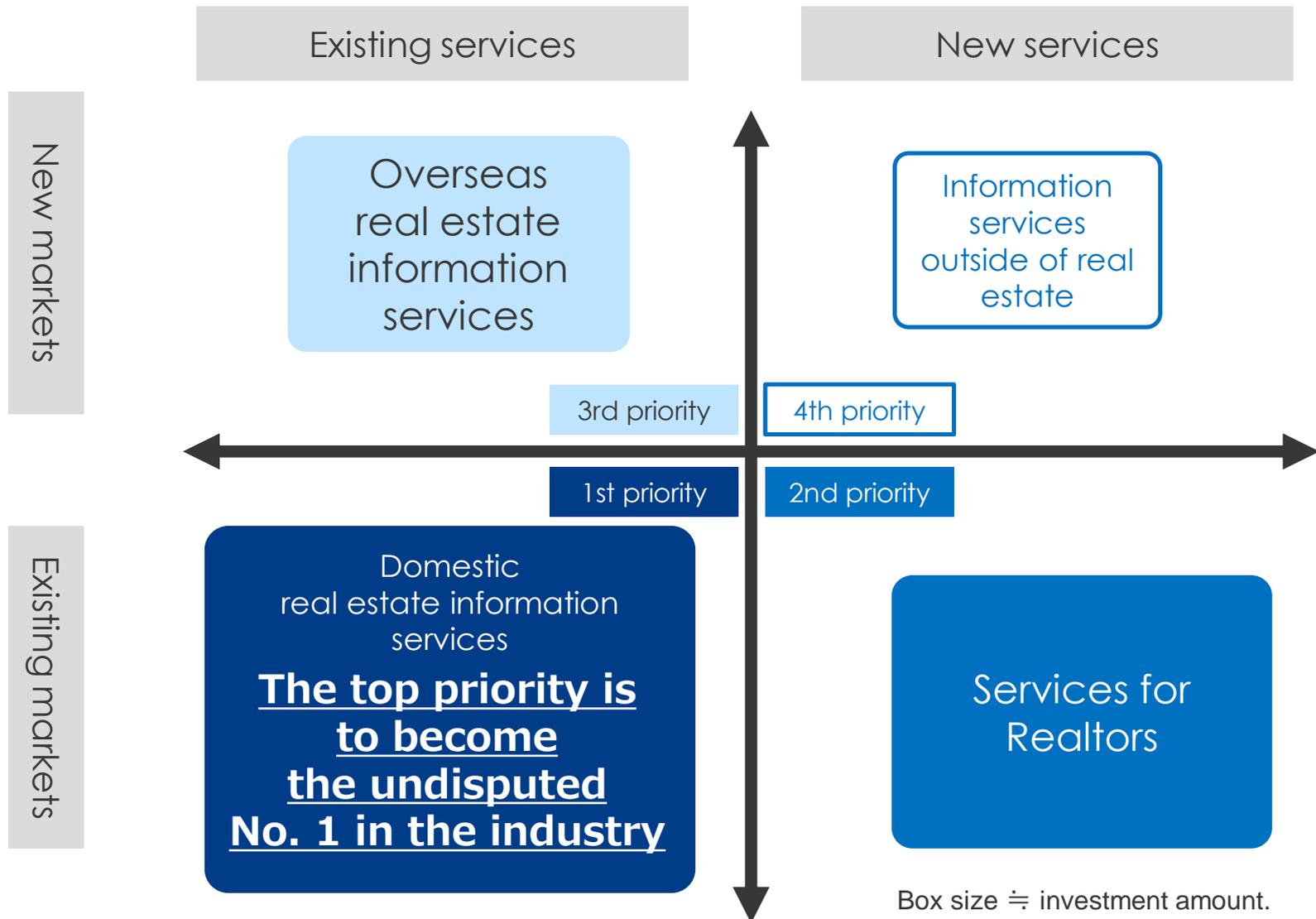
Live the way you want



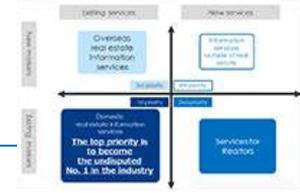
Plans to expand
HOME'S model to
2 new countries
annually

Investment Outlook

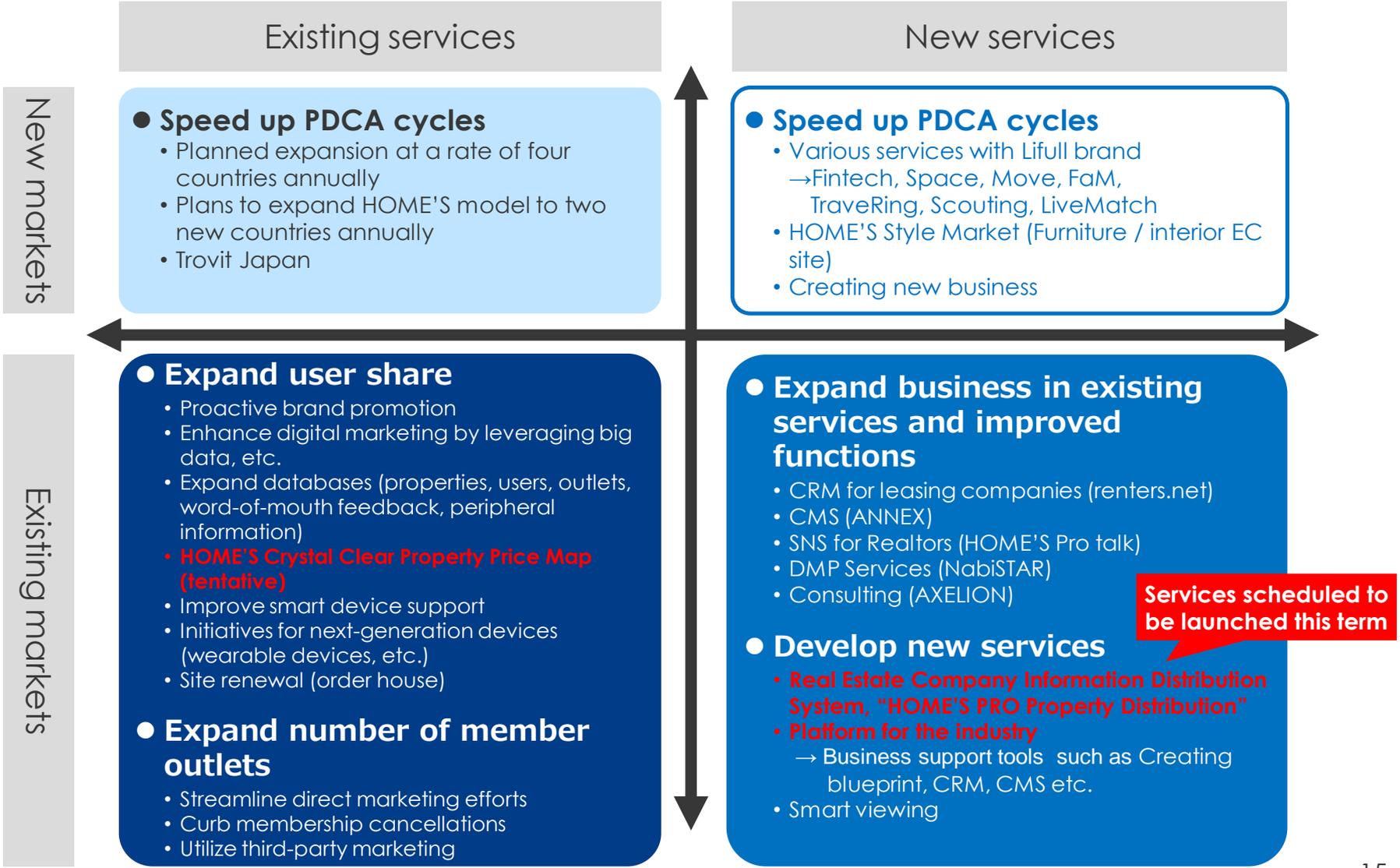
POINT Prioritize the domestic real estate market and invest in long-term growth



Investment Outlook



POINT Prioritize the domestic real estate market and invest in long-term growth





**Investments made to date bearing fruit
Toward the recovery phase
Accelerating growth through domestic / overseas investment**

Financial Results for 1Q of the Year Ending March 31, 2016

Simplified Income Statement

Financial Information for 1Q of the FY2016/03

POINT Net sales up 41.7%, EBITDA up 56.6% and net profit up 59.8% year on year in a year of significant earnings growth

Unit: Millions of yen	[Quarter] FY2015/03 (April-June)	[Quarter] FY2016/03 (April-June)	Change	Rate of Change	
Revenue	3,852	5,457	+1,605	+41.7%	*1, 2
Cost of sales	108	141	+32	+30.0%	
SGA expenses	3,020	4,250	+1,230	+40.7%	*2
Personnel expenses	1,001	1,366	+365	+36.5%	*3
Advertising expenses	1,114	1,524	+409	+36.8%	
Operating expenses	126	208	+81	+64.9%	*4
Other SGA expenses	690	937	+246	+35.8%	*5
Other revenues and expenses	▲2	▲13	▲11	+543.1%	
EBITDA	808	1,267	+458	+56.6%	
Net profit	434	694	+260	+59.8%	
EBITDA margin	21.0%	23.2%	—	+2.2p	
Depreciation	87	214	+126	+143.9%	*6
Operating profits	720	1,052	+331	+46.0%	

*1: Sales grew at a double digit or higher rate in all segments

*2: An increase of 97 persons due to the Company's acquisition of Trovit.

*3: Hired 43 new employees in April 2015 (compared to 20 hires a year ago)

*4: Growth of agency sales service fees and campaign costs.

*5: Increase due to campaign system use fees, operating expenses, IFRS transition-induced costs and AXELION acquisition-related costs

*6: Expansion owing to amortization of intangible fixed assets of Trovit. and to the overhaul of NEXT's internal backbone IT system

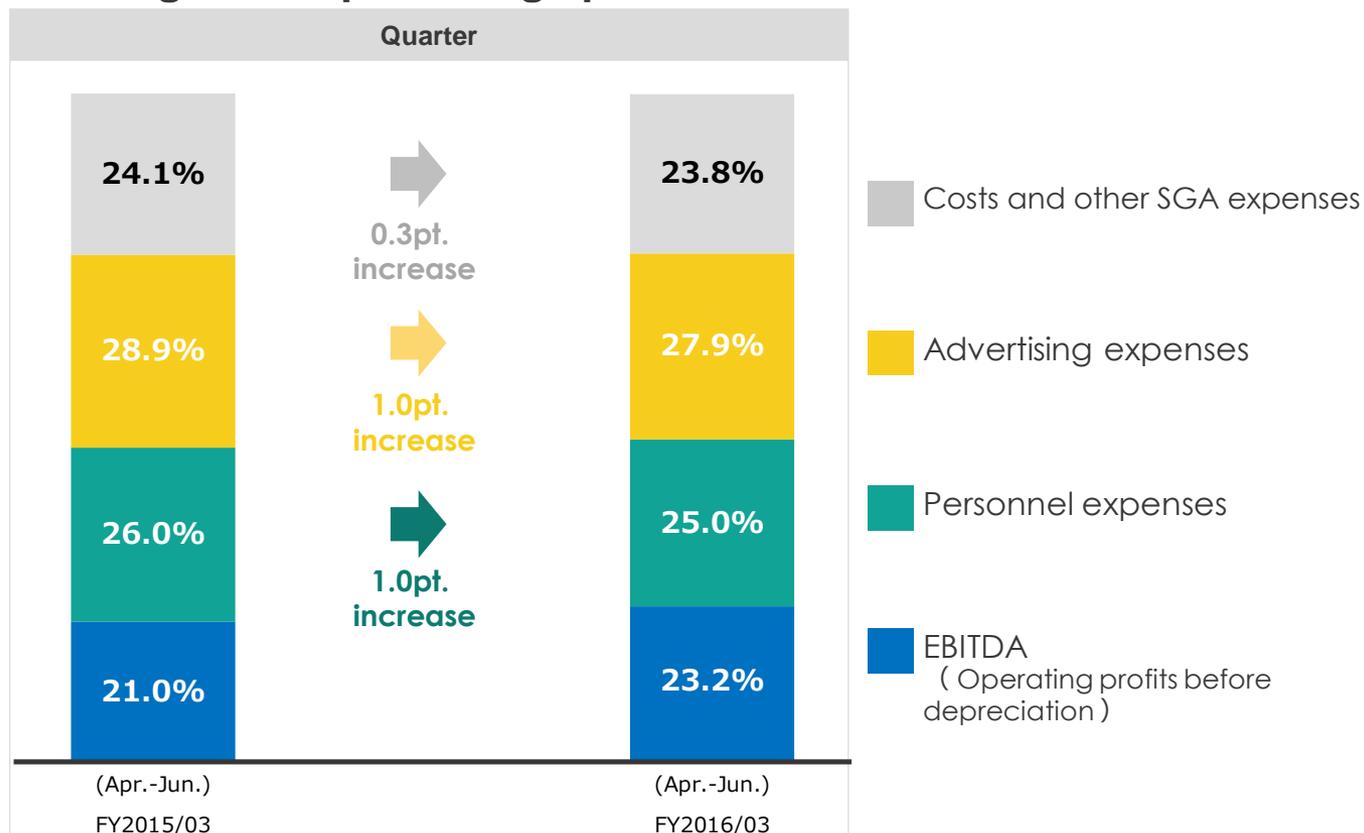
Sales Breakdown

Financial Information for 1Q of the FY2016/03

POINT

The ratios of advertising expenses, personnel expenses and other SGA expenses to sales declined, respectively.

EBITDA to sales ratio grew 2.2 percentage points to 23.2%



Costs and other SGA expenses: Increased due to campaign system use fees, IFRS transition-induced expenses and AXELION acquisition-related expenses, but the increase was more than offset by higher sales.

Advertising expenses: NEXT continued with its advertising programs focusing on strategic branding promotions aimed at achieving rapid gains in user share. Advertising expenses to sales ratio declined by 1 percentage point while the Company aims to attain EBITDA to sales ratio of 28%.

Personnel expenses: The average number of consolidated employees rose to 796 for the quarter under review (April-June 2015), up from 605 a year ago. Due to higher revenues and increased productivity, personnel expenses to sales ratio improved for the quarter under review.

POINT Posted double-digit sales growth for all segments.
Overseas Business grew markedly due to the consolidation of Trovit

Unit: Millions of yen	[Quarter] FY03/2014 (Apr – Jun)	[Quarter] FY03/2015 (Apr – Jun)	Change	Rate of Change	
Revenue	3,852	5,457	+1,605	+41.7%	
Domestic Real Estate Information Services	3,524	4,167	+642	+18.2%	
Rental & Real Estate	2,102	2,648	+546	+26.0%	*1
New Houses & Condominiums	1,083	1,207	+123	+11.4%	*2
Custom-Built Homes and Renovations	230	169	▲61	▲26.5%	*3
Others	107	141	+34	+32.0%	*4
Domestic services for Realtors	206	242	+35	+14.7%	
Overseas Business	14	904	+890	+6,339.1%	*5
Other Services	107	144	+36	+34.4%	

*1: NEXT's SEO effect continued to be strong. It enjoyed increased numbers of site visitors and property inquiries. The number of affiliated stores grew 1,447 during the quarter under review (April to June 2015) to 15,892 as of June 30, 2015.

*2: The number of new condominiums sold during the quarter under review declined 4.3% year-on-year. The number of new condominiums listed online decreased 2.4% year on year. On the other hand, the number of new houses listed online declined 2.2% year on year. An increase of 11.4% was achieved thanks to the Company's sales efforts.

*3: Aim to attain greater revenues for custom-built homes through the website overhaul planned for the year ending March 31, 2016. The 26.5% year-on-year decline was more or less in line with the period-start plan.

*4: Sales for HOME'S Nursing Care Service grew 40.1% year-on-year due to increases in the number of online postings.

*5: A significant sales growth resulting from the consolidation of Trovit.

POINT Real Estate Information Services income up 16.1% year on year. Overseas Business income grew markedly due to the consolidation of Trovit

Unit: Millions of yen	[Quarter] FY03/2014 (Apr – Jun)	[Quarter] FY03/2015 (Apr – Jun)	Change	Rate of Change
Domestic Real Estate Information Services	741	860	+119	+16.1%
Domestic services for Realtors	6	2	▲3	▲53.1%
Overseas Business	▲23	214	+238	—
Other Services	▲3	▲20	▲17	—
Inter-segment transactions	2	8	5	+222.6%
Consolidated Operating Profits	723	1,065	+342	+47.4%

* Rates of change not listed if figures were negative in the previous or current term.

Domestic Real Estate Information Services: More or less in line with the period-start plan

Domestic services for Realtors: A decrease of 53.1% due to staffing expansion designed to reinforce the platform, which was more or less in line with the period-start plan

Overseas Business: A marked sales growth due to the consolidation of Trovit

Other Services: Launched the “HOME’S Style Market” service in April 2014

Established Lifull FaM Co., Ltd. and Lifull TraveRing Co., Ltd. in October 2014

Established Lifull LiveMatch Co., Ltd. and Lifull Scouting Co., Ltd. in April 2015

Balance Sheet and Goodwill Status

Financial Information for 1Q of the FY2016/03

POINT Eliminated goodwill amortization due to NEXT's transition to IFRS standards

Millions of yen	Previous year-end March 31, 2015	[Current quarter-end] June 30, 2015	Change	Rate of Change
Assets	22,592	23,708	+1,116	+4.9% *4
Current assets	8,758	8,739	▲19	▲0.2%
Fixed assets	13,833	14,969	+1,136	+8.2%
Liabilities	11,738	11,855	+116	+1.0%
Current liabilities	11,169	11,271	+102	+0.9%
Long-term liabilities	569	584	▲14	▲1.5%
Net assets	11,738	11,855	+116	+1.0%
Nets assets per share	92.13	103.97	+11.84	+12.9%

Major Factors Resulting in Changes			
Increase in cash and deposits	+428	Increase in current assets	
Increase in assets receivable-other	+405	Increase in fixed assets	
Decrease in other financial assets	▲998	Decrease in fixed assets	
Increase in goodwill	+852	Increase in fixed assets	*1,2
Increase in software	+634	Increase in fixed assets	*3
Decrease in software suspense account	▲531	Decrease in current assets	*3
Increase in accounts payable-trade	+336	Increase in current liabilities	*1
Decrease in accounts payable-other	▲703	Decrease in current liabilities	
Increase in accrued expenses	+49	Increase in current liabilities	
Increase in accrued income taxes	+55	Increase in current liabilities	
Deposits received	+61	Increase in current liabilities	
Increase in allowance for bonuses	+232	Increase in current liabilities	
Increase in retained earnings	+357	Increase in net assets	
Increase in foreign currency translation adjustment	+559	Increase in net assets	*2

*With June 1, 2015 as the effective date, NEXT conducted a two-for-one stock split for each share of its common stock. Net assets per share for the quarter a year ago were calculated by dividing net assets by the total number of shares outstanding after the stock split.

*1: Attributable to the AXELION acquisition. Goodwill increase of 370 million yen

*2: Foreign exchange difference for goodwill resulting from the Trovit acquisition

*3: A result of NEXT's client platform development program and internal backbone IT system replacement

*4: The balance of unamortized goodwill due to NEXT's transition to IFRS standards was 86 million yen for Littel Co., Ltd., 9,560 million yen for Trovit and 370 million yen for AXELION

POINT Cash and cash equivalents for Q1 up 0.4 billion yen to 4.6 billion yen

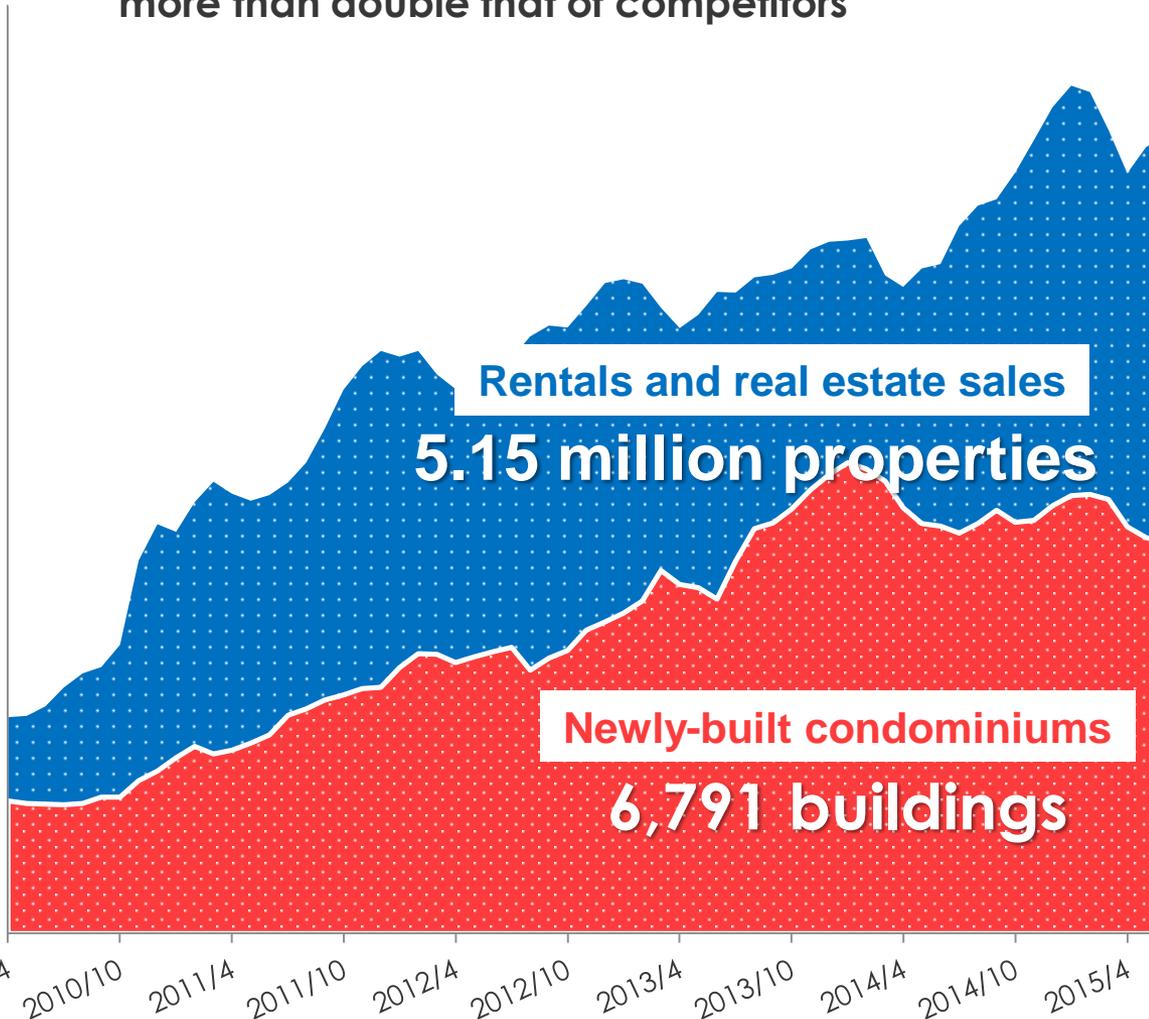
Millions of yen	FY03/2015 (Apr-Jun)	FY03/2016 (Apr-Jun)	Change	Main items	FY03/2015 (Apr-Jun)	FY03/2016 (Apr-Jun)
Operating CF	359	▲12	▲371	Income before income taxes	721	1,050
				Depreciation	87	214
				Increase/decrease in accounts receivable-trade and other short-term claims	206	▲156
				Increase/decrease in accounts payable-trade and other short-term claims	▲343	▲961
Investment CF	▲1,242	730	+1,973	Outlays for provision of time deposits	▲1,000	-
				Income from time deposit withdrawals	-	1,000
				Outlays for acquisition of property, plant and equipment	▲20	▲14
				Outlays for acquisition of intangible fixed assets	▲222	▲123
				Outlays for acquisition of subsidiary equity	-	▲132
Financial CF	▲260	▲321	▲60	Dividend payments	▲262	▲320
Increase/Decrease in cash and cash equivalents	▲1,143	428	+1,571			
Balance of cash and cash equivalents	7,300	4,696	▲2,603	Acquired all shares in Trovit for an amount equivalent to approx. 11.5 billion yen in November 2014. Cash and cash equivalents of 4.6 billion yen as of June 30, 2015		

Topics

Trends in the Total Number of Properties Listed on HOME'S

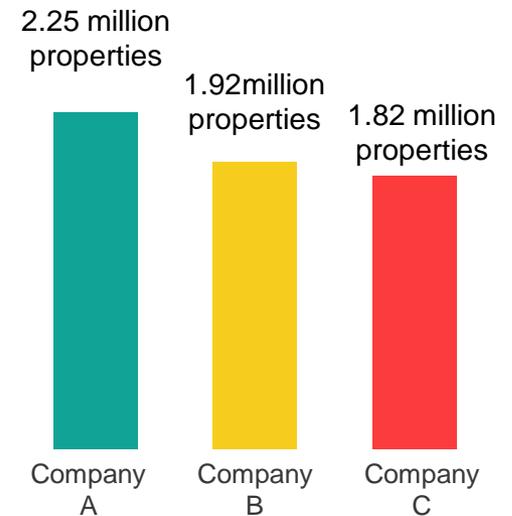
POINT

The total number of properties listed on HOME'S exceeded the 5 million mark
 The number of properties listed remaining at levels more than double that of competitors



Comparison with major websites

(*1)



(*1) Total properties listed for rentals and real estate sales as of June 2015. NEXT data.

HOME'S Crystal Clear Property Price Map (provisional service name)

POINT

Scheduled to be rolled out in autumn 2015

Using the property data of HOME'S, Japan's No. 1 site in the number of properties listed, to reveal property reference prices in a "crystal clear" manner!?

Concept of the HOME'S Crystal Clear Property Price Map (provisional service name)



品川マンション

HOME'S参考価格
2,900 ~ 3,100万円

所在階数	3階
築年	14年
平米数	36.25㎡
所在地	東京都港区港南2-3-13

“HOME’S LIVE” Web communication system

POINT

Plans call for initiating a social experiment in online explanation of important matters involved when concluding a real estate contract.

Distinguishing features of “HOME’S LIVE”



- (1) Compatible with a broad **range of devices**, including PCs, smartphones, and tablets
- (2) Prevents loss of records through **automatic recording**
- (3) Items displayed on screen
- (4) Allows **multiple people** to log in simultaneously
- (5) **Reminder emails** sent in accordance with schedule configured in advance

HOME'S PRO Property Distribution

POINT

HOME'S PRO Property Distribution, a real estate information distribution service offering, was launched in July 2015

This service is designed to distribute and reflect information speedily for free*

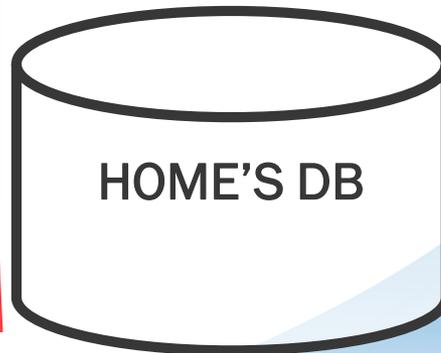
*Free of charge for HOME'S affiliated stores

Originator real estate firm

- Transmits property information broadly
- Transmits property information on an individual basis
- Identifies the number of site user viewings on a property-by-property basis

(The service launch scheduled for August 2015)

Allows the realtor to provide information exclusively to designated parties (extensive coverage of non-public property information)



Brokerage firm (sales)

- **Not subjected to any restriction on information viewing**
- **Allowed to inquire about detailed information on each property**
- **Enabled to serve the customer while showing the screen image** (without displaying inter-realtor information)
- **Can use multiple information search methods** (Map, building, school zone and company searches)

A dedicated application is also available

- Provides alert on new information arrival and property information revision
- Provides alert on information arrival for a property meeting the preset conditions
- Allows message exchange between different realtors
- Property search function
- Intra-company SNS



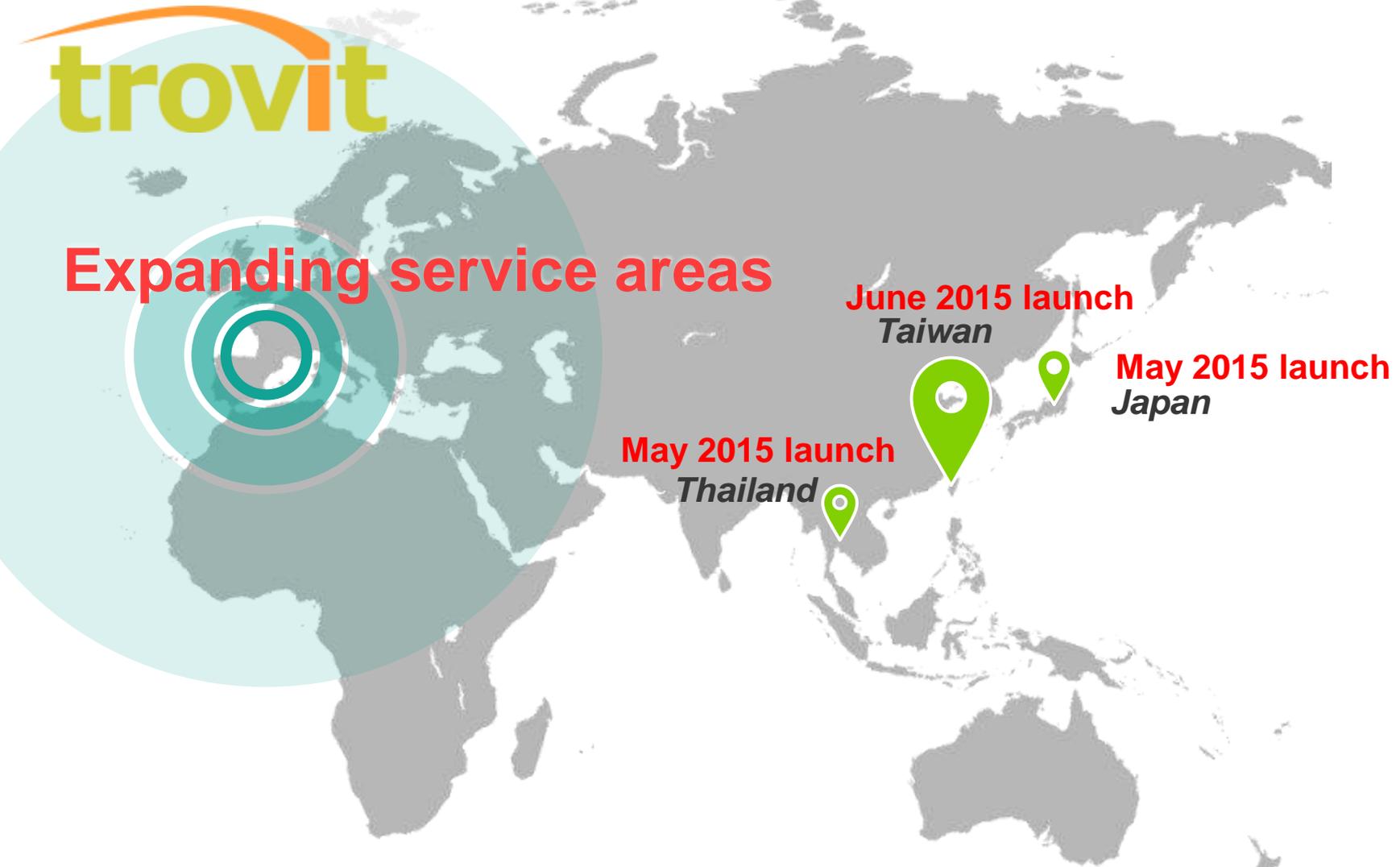
HOME'S

Enables real-time linking with the originator firm's control system (enhanced information accuracy)



Trovit Expanded into Three Countries in the Current Fiscal Year

POINT Launched Trovit Taiwan, expanding Trovit's service areas to 46 countries



Established Four New Subsidiaries under the Lifull Brand

POINT Transferred the “HOME’S Nursing Care,” “MONEYMO,” “HOME’S Moving Estimates,” and “HOME’S Storage Room,” businesses to the subsidiaries to achieve increased speed for the operations while accelerating the efforts to develop employees

Lifull Senior Co., Ltd.

Runs the “HOME’S Nursing Care” site, a search site for senior citizens’ homes and nursing care facilities
<http://kaigo.homes.co.jp/>

Lifull FinTech Co., Ltd.

Runs the “MONEYMO” site, an insurance shop search and reservation site
<http://moneymo.jp/>

Lifull Move Co., Ltd.

Runs the “HOME’S Moving Estimates” site, a comprehensive moving service fee estimate and online reservation site
<http://www.homes.co.jp/hikkoshi/>

Lifull Space Co., Ltd.

Runs the “HOME’S Storage Room” site, a storage room search site
<http://www.homes.co.jp/trunkroom/>



Rolled Out Two New Service Offerings under the Lifull Brand



A user-professional team matching site



Main functions

- > Allows the user to share online his/her play data and videos to demonstrate them
- > Enables the information-seeing team and company to deliver an offer and message to the user
- > Makes it possible for the user to know the number of viewings and favorite listings
- > Allows the application to be used also as a tool for the user to keep a record of game results and so on



A live music concert accompanier search application



Main functions

- > Allows the user to solicit live concert accompaniers and secondary ticket buyers
- > Displays information on live concerts by the user's favorite music artists, based on the music library contained in the device in which the application is installed

Issue of new shares through third-party allotment and borrowing of funds

> Details

(1) Issue of new shares through third-party allotment to Rakuten, Inc.

• Amount of funds raised	3,999,999,000 yen
• Issue price	690 yen/share
• Number of new shares issued	5,797,100 shares (dilution ratio of 5.1%)

(2) Debt refinancing through syndicated loan

• Arranger	Sumitomo Mitsui Trust Bank, Ltd.
• Amount borrowed	3,000,000,000 yen
• Term of loan	Three years from execution date
• Security conditions	Unsecured, unguaranteed

> Objectives

- Establishing even stronger business ties with Rakuten, Inc.
- Capital reinforcement
- Repayment of 7,000 million yen in loans that resulted from NEXT's acquisition of Trovit Search S.L.

> Future impact on business

- Enabling M&A activities
- Consideration of new services and businesses fusing the strengths of Rakuten, Inc. and NEXT



**For creating new value
(100 million Rakuten site users x
5.2 million properties)**



X



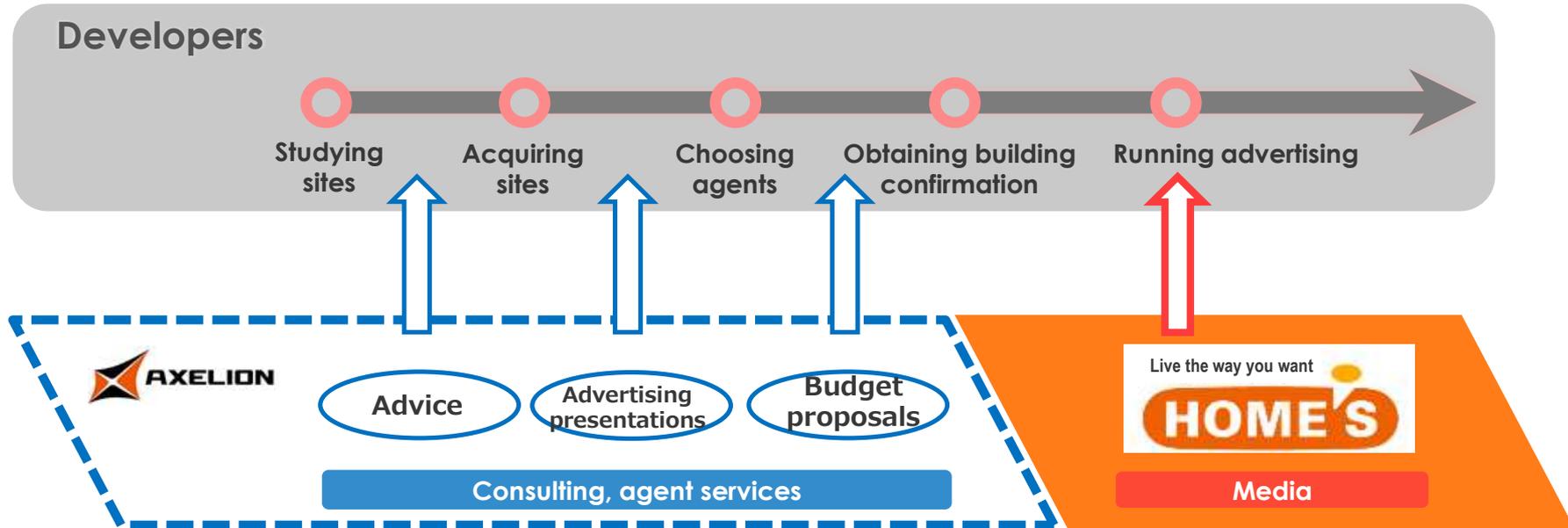


Acquisition of AXELION Co., Ltd.

Acquisition of AXELION Co., Ltd.

POINT Enhancing the new condominium business domain

Applying AXELION's expertise to increase media value



Providing a one-stop service
Using AXELION's expertise to increase media value



**Revision to Full-Year
Performance Forecast due to
Conversion of AXELION into an
Affiliate**

Revision to Full-Year Performance Forecast due to Conversion of AXELION into an Affiliate

Simplified Income Statement

Millions of yen	[Actual] FY03/2015 (IFRS)	[Initial Forecast] FY03/2016 (IFRS)	[Revised Forecast] FY03/2016 (IFRS)	Percentage change
Revenue	18,165	24,145	26,142	+8.3%
Cost of sales	583	769	2,236	+190.8%
SGA expenses	14,391	18,229	18,735	+2.8%
Personnel expenses	4,440	5,791	6,170	+6.5%
Advertising expenses	5,941	7,321	7,338	+0.2%
Operating expenses	718	1,191	1,211	+1.7%
Other SGA expenses	3,290	3,924	4,014	+2.3%
Other income and expenses	▲41	0	▲24	—
EBITDA	3,191	5,146	5,146	▲0.0%
Net profit	1,805	2,821	2,795	▲0.9%
EBITDA margin	17.6%	21.3%	19.7%	▲1.6p
Depreciation and amortization	458	821	831	+1.3%
Operating profit	2,691	4,315	4,314	▲0.0%

Sales by Service

Unit: Millions of yen	[Actual] FY03/2015 (IFRS)	[Initial Forecast] FY03/2016 (IFRS)	[Revised Forecast] FY03/2016 (IFRS)	Percentage change
Revenue	18,165	24,145	26,142	+1,997
Domestic Real Estate Information Services	15,602	18,758	18,758	—
Rental & Real Estate	9,751	12,561	12,561	—
New Houses & Condominiums	4,537	4,790	4,790	—
Custom-Built Homes and Renovations	817	835	835	—
Others	494	571	571	—
Domestic Services for Realtors	908	1,210	3,222	+2,012
Overseas Business	1,202	3,466	3,466	—
Other Services	452	709	694	▲15

Note: In the year ended March 31, 2015, due to NEXT's transition to IFRS standards, the scope of its consolidation included Overseas Business, starting from December 2014, following the Trovit acquisition.

Revenue: The conversion of AXELION into an affiliate had the effect of raising net sales by 2,102 million yen.

NEXT's revision of its interior EC site business plan had the effect of lowering Other Businesses sales by 15 million yen.

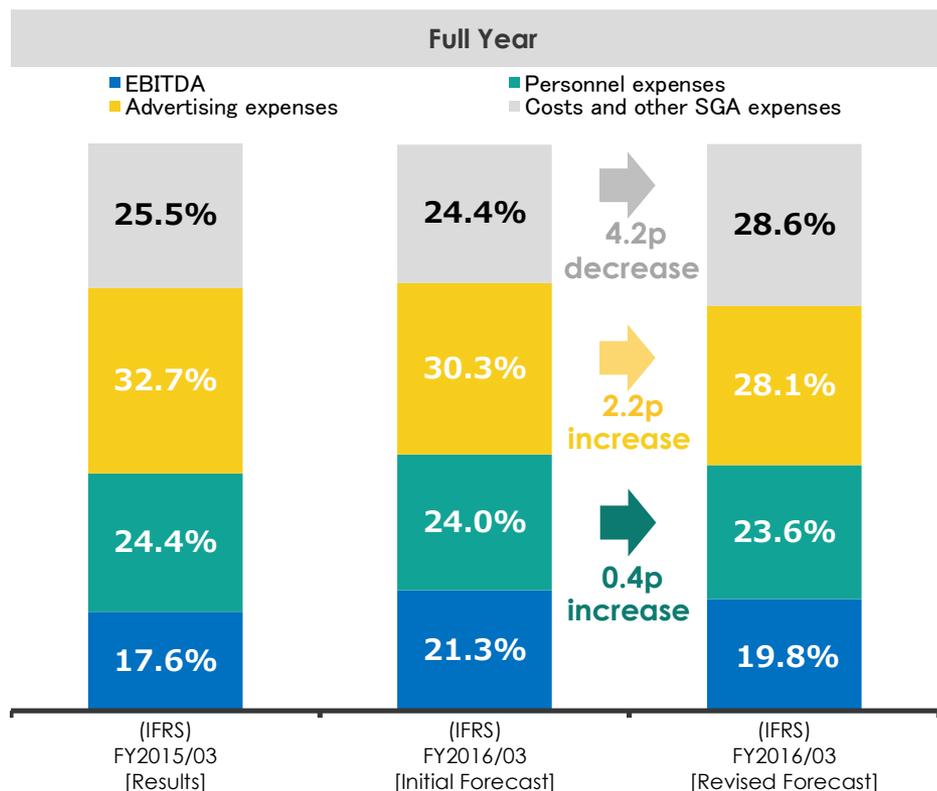
Profits : EBITDA is ▲ 0.0% by expenses due to new division from NEXT and AXELION 's head office relocation.

Quarter profit , ▲ 0.9% in the impact of profit and loss , etc. attributable to non- controlling interests of AXELION.

Change in SGA Expenses to Sales Ratio as a Result of Revision of Full-Year Performance Forecast

POINT

The consolidation of AXELION led to higher cost of sales, resulting in a deterioration of the ratios of cost and other SGA expenses to sales



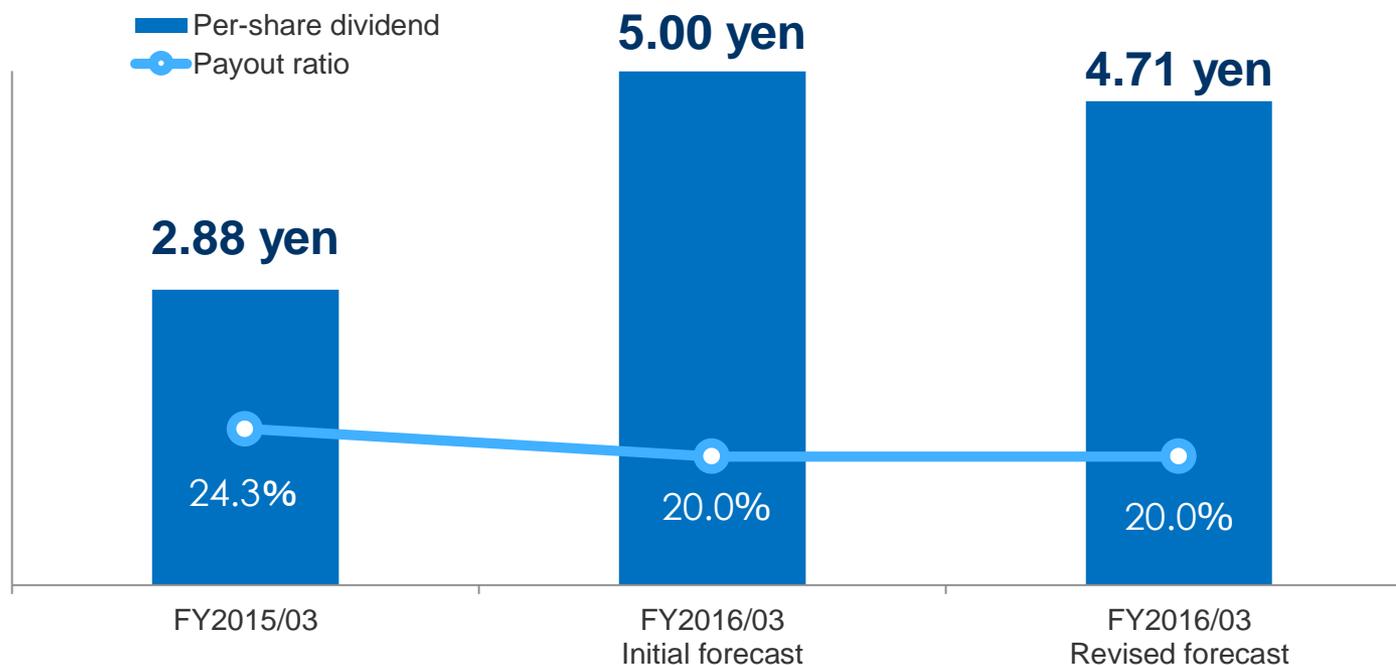
Cost of sales and other SGA expenses : Cost of sales grew due to the consolidation of AXELION. (For details, please see the press release titled “Notice of Revision of Performance Forecast for the Year Ending March 31, 2016.”)

Advertising expenses : The consolidation of AXELION leads to an improved ratio of advertising expenses to sales, yet NEXT will continue to bolster its advertising activities according to the period-start plan in an effort to achieve higher brand recognition. While attaining a certain level of brand recognition, NEXT will begin to lower the ratio of advertising expenses to sales, going forward.

Personnel expenses : Although the AXELION acquisition resulted in an addition of 67 persons to NEXT’s overall employee headcount, the ratio of personnel expenses to sales improved.

Revision to Dividend Forecast

POINT With AXELION having been consolidated, the forecast dividend was revised to 4.71 yen per share

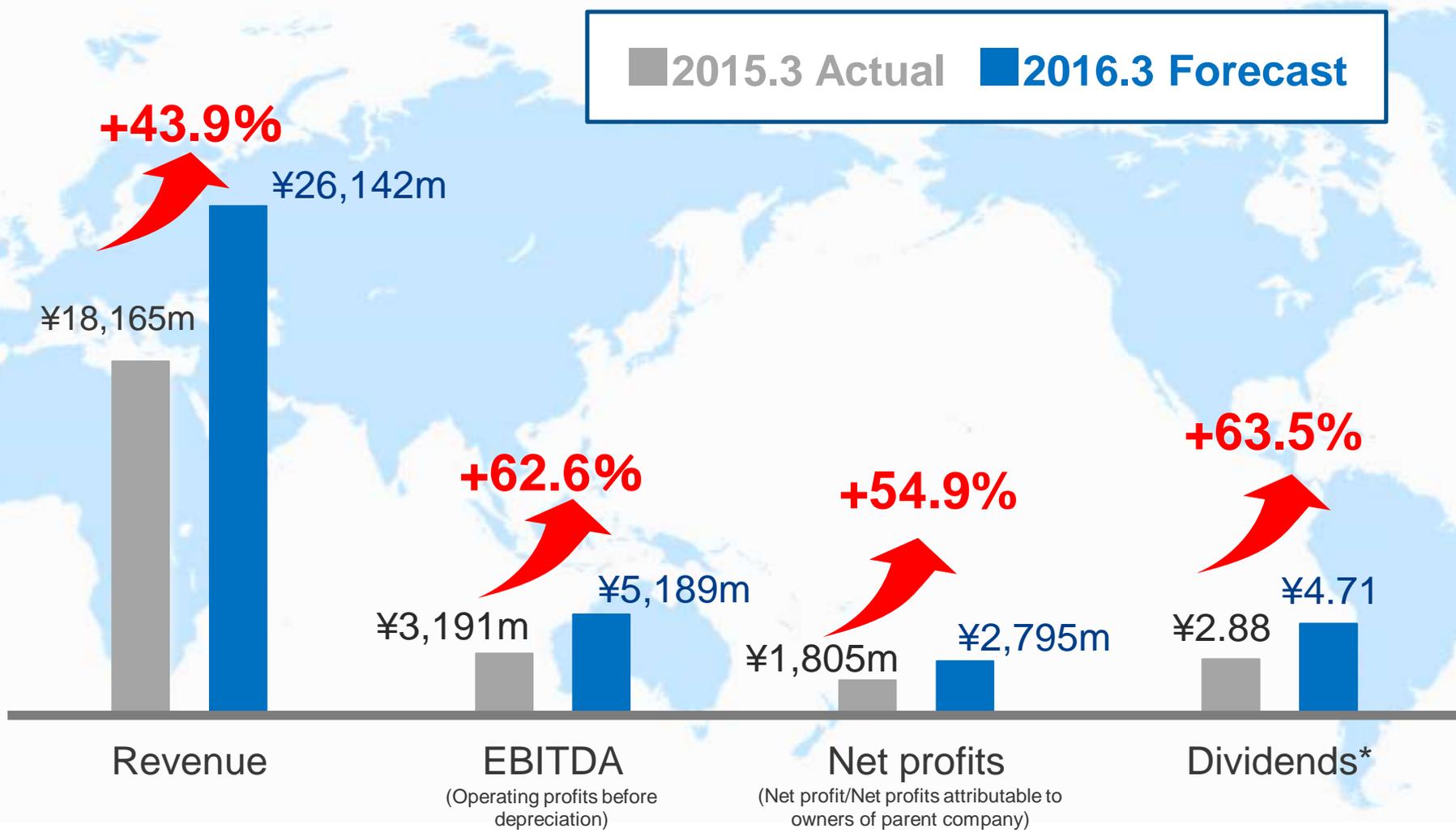


- > Dividend payout ratio for the year ended March 31, 2015 was computed on the basis of net profit that excluded the effects of Trovit's financial results and of goodwill amortization resulting from NEXT's acquisition of all Trovit shares." Thus, the resultant payout ratio was 24.3%.
- > For the year ending March 31, 2016, the Company expects to pay dividends by making calculations on the basis of net profit attributable to parent company owners under IFRS standards (payout ratio of 20%).
- > Net profit for the year ending March 31, 2016 was revised down by 0.9% to 2,795 million yen as part of the full-year performance forecast revision resulting from the AXELION acquisition.
- > The Company issued new shares of stock through a third-party share allotment to Rakuten, Inc. This brought the total number of shares outstanding to 118,789,100 shares, an increase of 5,797,100 shares (5.1%).
- > Starting from the year ended March 31, 2014, per-share dividend was rounded to the second decimal place for calculation with a dividend payout ratio of 20% as the standard.
- > NEXT intends to raise the dividend payout ratio, going forward, in consideration of total capital, investment projections and growth rates, among other factors.
- > Effective June 1, 2015, NEXT conducted a two-for-one stock split for each share of its common stock. Accordingly, per-share dividend for the previous year was calculated by adjusting for the effect of this stock split.

Business Plan for Year Ending March 2016

POINT

Significant sales and profits growth in the year ending March 2016; dividends also projected to increase 63.5%



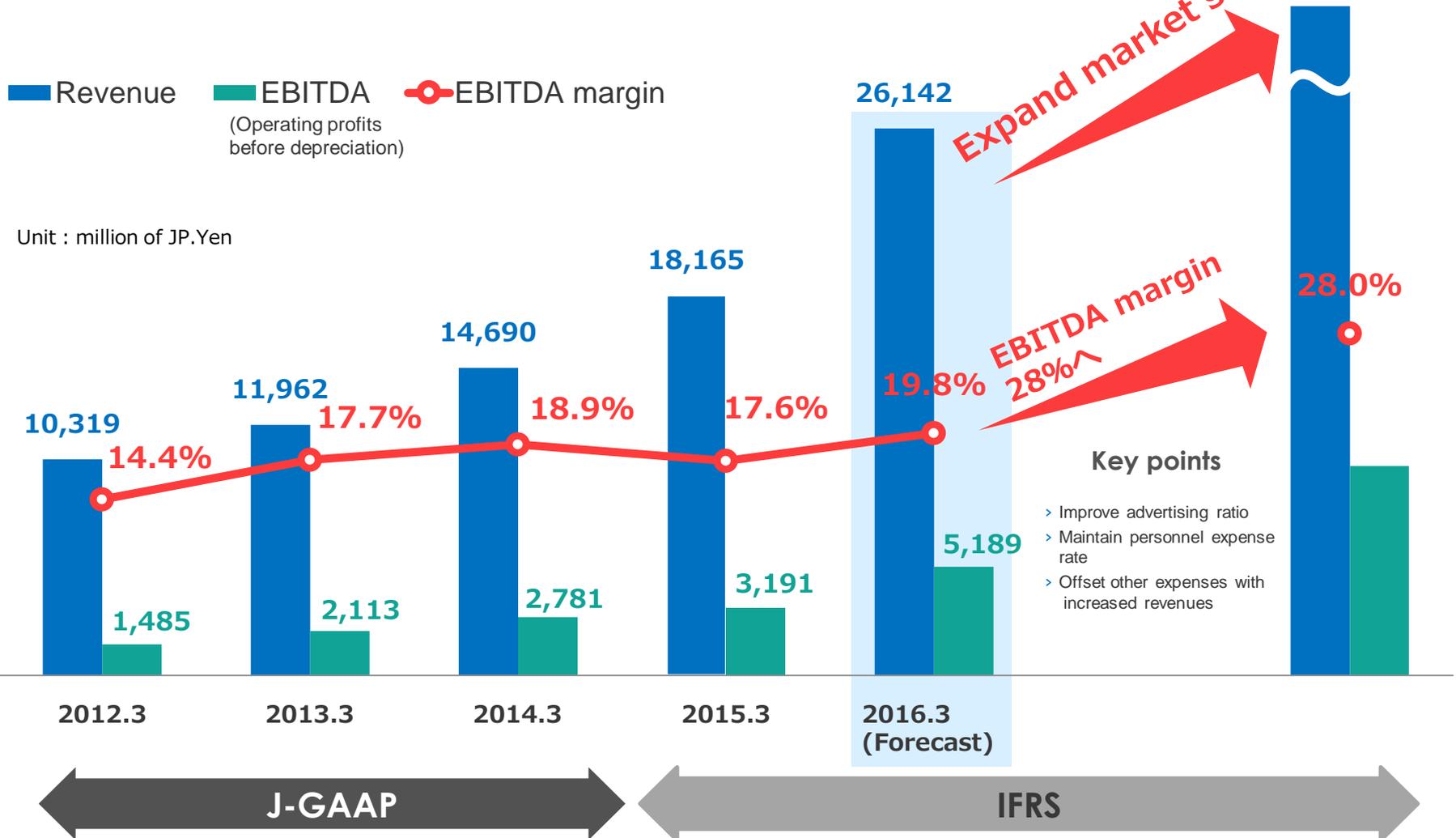
Note: Figures for the previous term are based on IFRS.

* A two-for-one stock split on shares of common stock is scheduled for June 1, 2015.

* Calculated accounting for the impact of the stock split

Medium- and Long-Term Growth Outlook

POINT Establish NEXT as No. 1 in market share for users of online relocation services and aim for EBITDA margin of 28%.



Inquiries Regarding IR Data

 official account on Twitter



 https://twitter.com/Next_2120_IR

 Official Facebook page



 <http://www.facebook.com/next.group.jp>

Contact us

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Fax: +81-3-5783-3737

E-mail: ir@next-group.jp

Website <http://www.next-group.jp/> (Japanese)
<http://www.next-group.jp/en/> (English)

Guide to IR News

We provide monthly performance data and timely disclosure data in good time!

Please send a blank e-mail to the following e-mail address.

Blank e-mail: touroku@next-group.jp

Reference

Corporate Data

Company Name	NEXT Co., Ltd. (TSE 1st section: 2120)	
Representative	Takashi Inoue, President and CEO	
History	March, 1997	Established (Fiscal year ending March 31)
	October, 2006	Listed in Tokyo Stock Exchange, Mother's Section
	March, 2010	March 12th, listed on TSE 1st Section
Capital	3,999 million yen	
Stock Issued	118,789,100株 (including 73,636 shares of treasury stock)	
Consolidated Number of Employees	803 persons (including 86 temporary employees, 134 overseas)	
Major Shareholders	NEXT directors, Rakuten, Inc. (20.0%)	
Major Subsidiaries () stake	Renters Co. (100%) ,fiscal year ends March 31	
	Trovit Search, S.L. (100%), fiscal year ends December 31	
	AXELION Co. (60%) ,fiscal year ends March 31	

As of the end of July 2015

President's Profile



Takashi Inoue,
President and CEO

	Career History
April, 1991	Joined Recruit COSMOS Co., Ltd. Responsible for condominium sales and circulated property brokering.
July, 1991	Temporarily dispatched to the Recruit General Personnel Business Department. This move was later made permanent. Primarily engaged in new graduate hiring, mid-career hiring, and personnel service corporate sales.
July, 1995	Left Recruit. Founded NEXT HOME Co., Ltd., which later became NEXT Co., Ltd., and started business operations.
March, 1997	Founded NEXT, Co., Ltd., and appointed President and CEO (current position).
March, 2014	Founded incorporate foundation Next Wisdom Foundation, and assumed the post of Representative Director
April, 2014	Becomes President and International Business Division Manager (present post)

■ The Founding of the Company

While working at Recruit COSMOS (now COSMOS INITIA), he had a young couple as his clients. He showed them a property that they were very interested in, and decided immediately to purchase. However, their loan application was rejected, and they were crestfallen. Inoue, seeing this, determined to find another property that would satisfy their desires, so he began showing them various properties, regardless of whether the properties were handled by Recruit COSMOS.

Eventually, the couple signed a contract for a condominium that Inoue had shown them, but which was handled by another company. Inoue was scolded by his manager, but this did not detract from his strong desire to keep bringing smiles to peoples' faces, as he had to the faces of the young couple.

At the time, access to real estate property information was relatively closed, and even for Inoue, part of the real estate industry, obtaining information on properties was both time and labor intensive. In 1997, Inoue founded NEXT, Co., Ltd., as a way to change the real estate system itself and its "asymmetry of information", in which general customers, for whom obtaining property information required even more of an investment in time and effort, had to pick properties from only a limited selection of data.

Mission statement and management philosophy

Company Credo

Altruism

Our priority is making people happy.
Everyone in the world:
Consumers, Clients, Coworkers, Family, and so on...
First and foremost, make someone happy.
Before you realize it, you'll be happy too.
That is altruism.



Corporate Philosophy

Our corporate philosophy is
to “create a society where everyone can attain
'comfort' and 'happiness' through continuing innovations”.





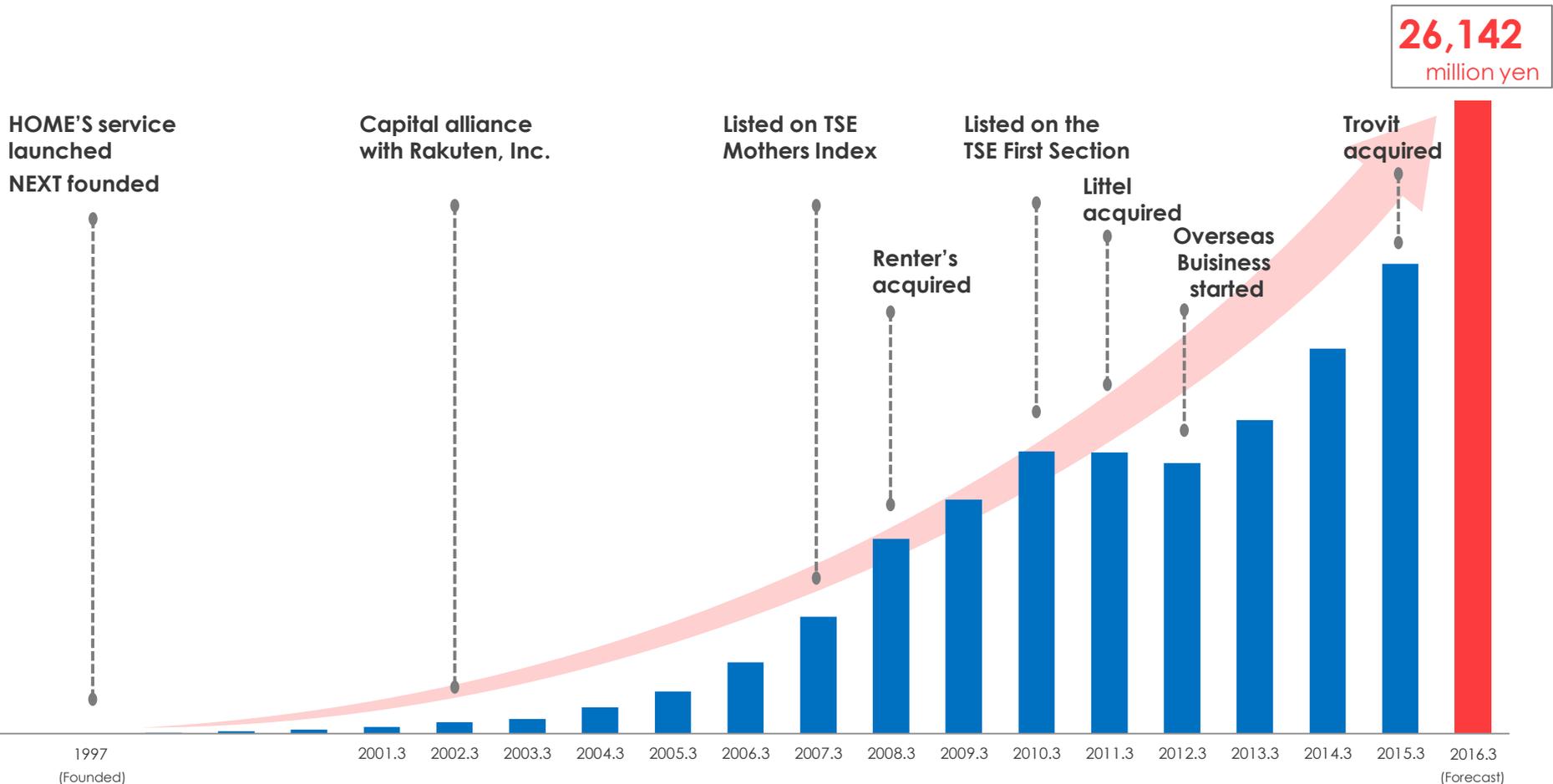
Designing Delightful Encounters



History

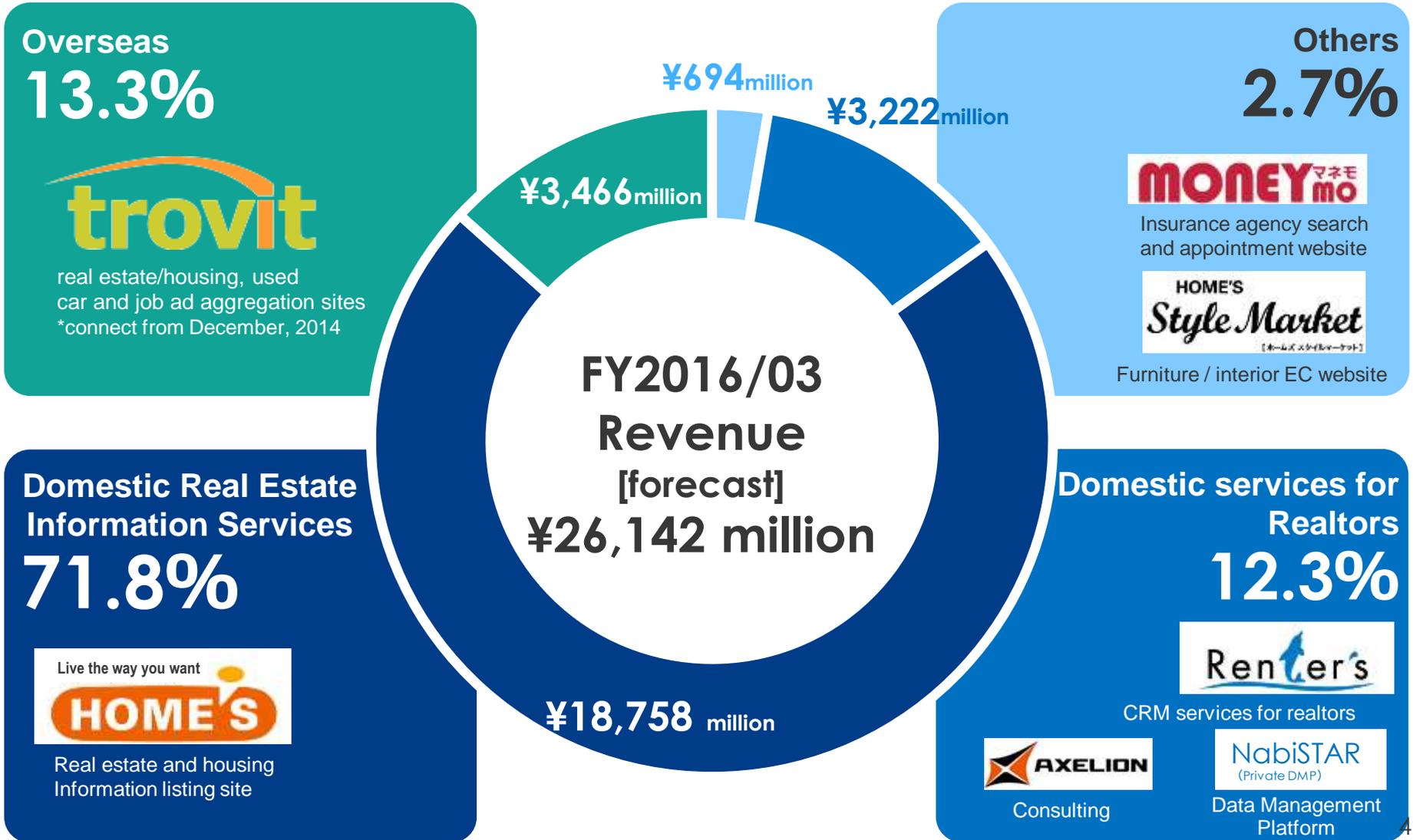
POINT

Structural reform is ushering in the second stage of growth.
In the fiscal year Ending March 31, 2015, NEXT has been implementing strategic investment programs, including M&A activities
The Company's existing businesses posted record high sales and profit

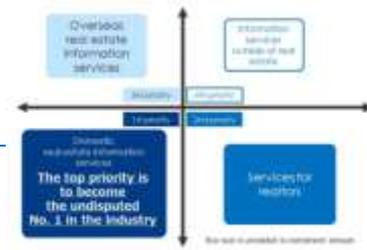


Sales by Service

POINT Domestic Real estate information service business accounts for most of the sales, the profit by the main force

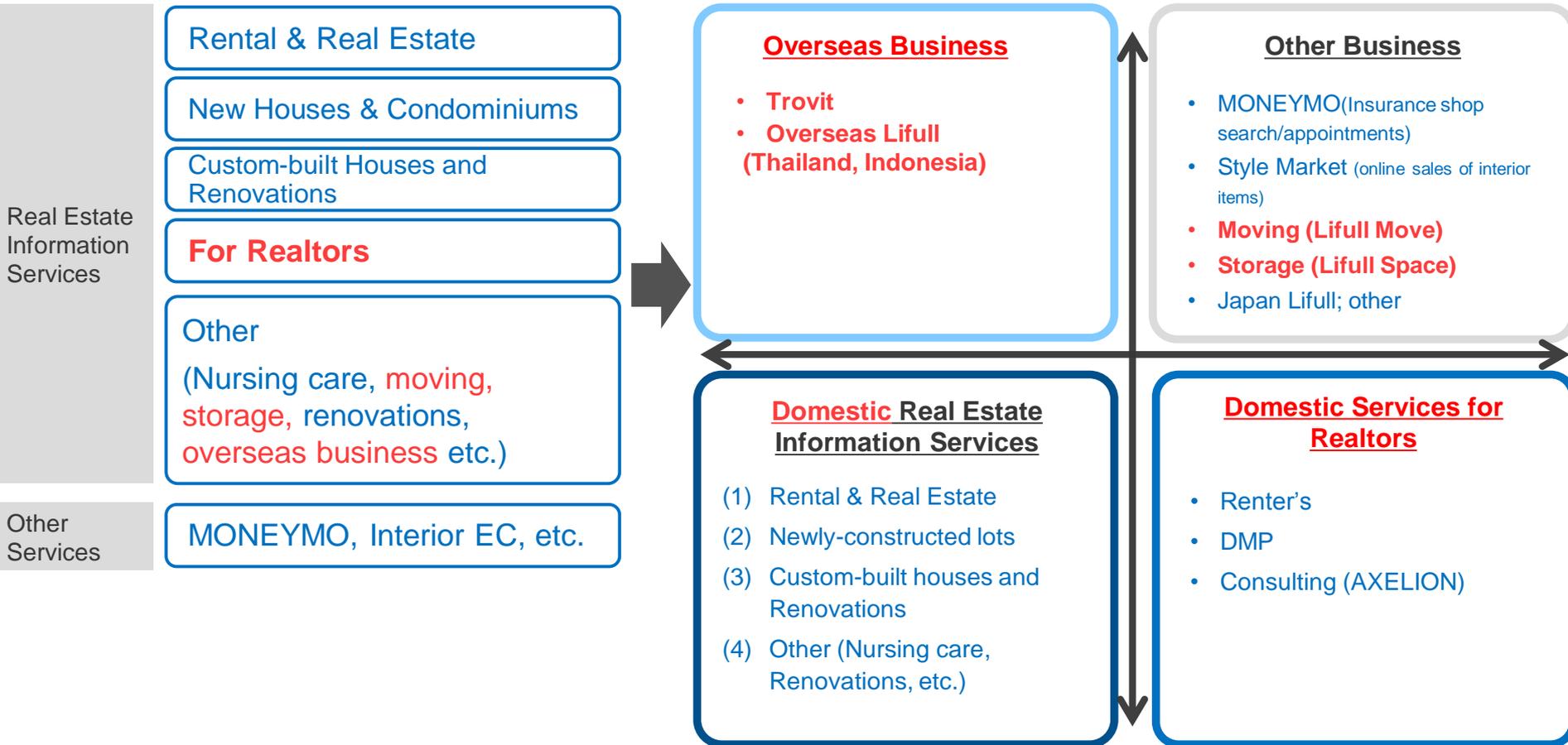


Segment Changes (Revisit)



POINT

Disclosure segments for sales changed to match investment segments in business strategy



Note: "Trovit Japan" is included as part of the overseas business.

Trend of Operating P/L (Quarterly)

← [J-GAAP]

[IFRS] →

Quarterly consolidated statements of income

Unit : million yen	FY2014/03				FY2015/03				FY2016/03
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Revenue	3,398	3,454	3,556	4,281	3,852	3,897	4,318	6,096	5,457
Domestic Real Estate Information Services	3,160	3,214	3,307	3,964	3,524	3,584	3,756	4,737	4,167
Rental & Real Estate	1,818	1,845	1,889	2,422	2,102	2,161	2,361	3,126	2,648
New ly-constructed lots	1,021	1,027	1,096	1,178	1,084	1,087	1,107	1,258	1,207
Custom-built houses and Renovations	256	266	240	268	230	224	166	196	169
Others	63	75	69	95	107	110	121	155	141
Domestic Services for Realtors	136	153	174	174	206	223	230	248	242
Overseas	10	5	4	8	14	5	244	938	904
Others	90	80	81	133	107	84	121	172	144
Cost of sales	102	104	129	136	108	126	153	194	141
SG&A	2,433	2,798	2,635	4,050	2,934	3,240	3,189	5,067	4,250
Personnel expenses	806	973	848	1,155	1,001	998	1,083	1,356	1,366
Advertising expense	774	952	906	1,862	1,114	1,328	960	2,538	1,524
Operating expense	84	95	117	176	126	170	201	220	220
Other SG&A	637	654	670	764	692	743	944	951	950
EBITDA	994	684	894	197	808	530	975	834	1,267
Depreciation/amortization cost	131	122	92	91	87	88	120	161	214
Operating profit	862	550	791	95	720	442	854	672	1,052
Net profit	516	309	455	54	430	282	559	523	694
EBITDA margin	29.3%	19.8%	25.1%	4.6%	21.0%	13.6%	22.6%	13.7%	23.2%

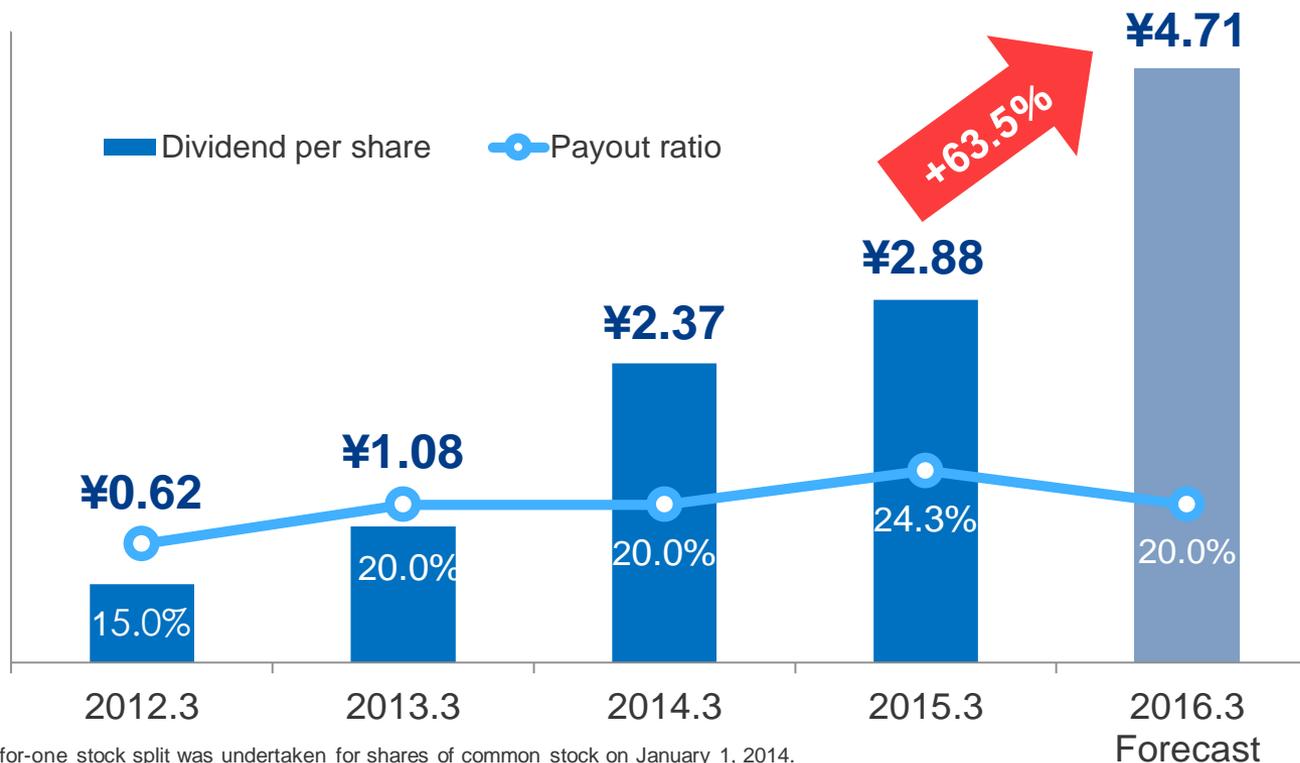
Quarterly consolidated segment profit and loss

Unit: million yen	FY2015/03				FY2016/03
	1 Q	2 Q	3 Q	4 Q	1 Q
Domestic Real Estate Information Services	741	486	934	566	860
Domestic Services for Realtors	6	14	-6	-37	2
Overseas	-23	-37	-24	200	214
Others	-3	-20	-42	-33	-20
Elimination of inter-segment	2	2	2	3	8
Segment profit	723	445	864	699	1,065

Dividend Forecast

POINT

Maintain payout ratio of 20%; dividend forecasted to increase



* A three-for-one stock split was undertaken for shares of common stock on January 1, 2014.

* A two-for-one stock split was undertaken for shares of common stock on June 1, 2015.

* In connection with this stock split, the dividend figures calculated for past years account for the impact of the split.

CHECK!

- > Beginning the year ended March 2014, per-share dividend figures are rounded to two decimal places based on a payout ratio of 20%.
- > Regular dividends fluctuate depending on consolidated net profits (payout ratio of 20%).
- > In the year ended March 2015, the dividend was calculated based on net profits exclusive of the impact of Trovit's results and goodwill amortization associated with acquisition of Trovit shares. The resulting payout ratio was 24.3%.
- > The Company is adopting IFRS standards from the year ending March 2016. We plan to pay a dividend calculated based on net profits attributable to owners of the parent company, as per IFRS.
- > The payout ratio will increase in the future based on net assets, investment projections, growth rates, and other factors.
- > The Company issued new shares of stock through a third-party share allotment to Rakuten, Inc. This brought the total number of shares outstanding to 118,789,100 shares, an increase of 5,797,100 shares (5.1%).

The situation of the overseas competitor

POINT

Moving to achieve even higher peaks based on the goal of becoming a world-class company

Unit : billion yen

Market cap
642.5

[Rightmove,UK]	
Sales	32.3
EBITDA	23.8
Net profit	18.6

ended December, 2014

[NEXT,JP]	
Sales	26.1
EBITDA	5.1
Net profit	2.7

ended March, 2016 [forecast]

[Zillow,US]	
Sales	40.4
EBITDA	6.1
Net profit	▲5.4

ended December, 2014

Market cap
580.7

Market cap
109.9

Market cap
195.5

Market cap
348.6

[Recruit Sumai Company, JP]	
Sales	83.9

ended March, 2015

[Zoopla,UK]	
Sales	15.5
EBITDA	7.6
Net profit	5.1

ended December, 2014

[Soufun,CN]	
Sales	87.2
EBITDA	41.3
Net profit	31.4

ended December, 2014

Market cap
511.2

[REA group,AU]	
Sales	39.6
EBITDA	20.4
Net profit	13.5

ended June, 2014

Note1 Calculated from the IR materials of each company presentation

Note2 The stock of July 31, 2015

Note3 Exchange rate \$1=124.09 yen, GBP1=193.61yen, AUD1= 90.65yen



Our business model

Domestic Real estate information services



Real estate / housing information listing site 『HOME'S』

<http://www.homes.co.jp/>

“HOME'S” is the **No.1** real estate and housing information listing site in Japan, specialized for the Internet.

Besides the quantity of information, we established screening team to improve information accuracy.

Continued to step up our efforts to meet smart device-related needs, catering for a variety of needs.



The iOS and Android applications by the HOME'S website



HOME'S application for visually-impaired persons



Property visit note application



HOME'S check-in application



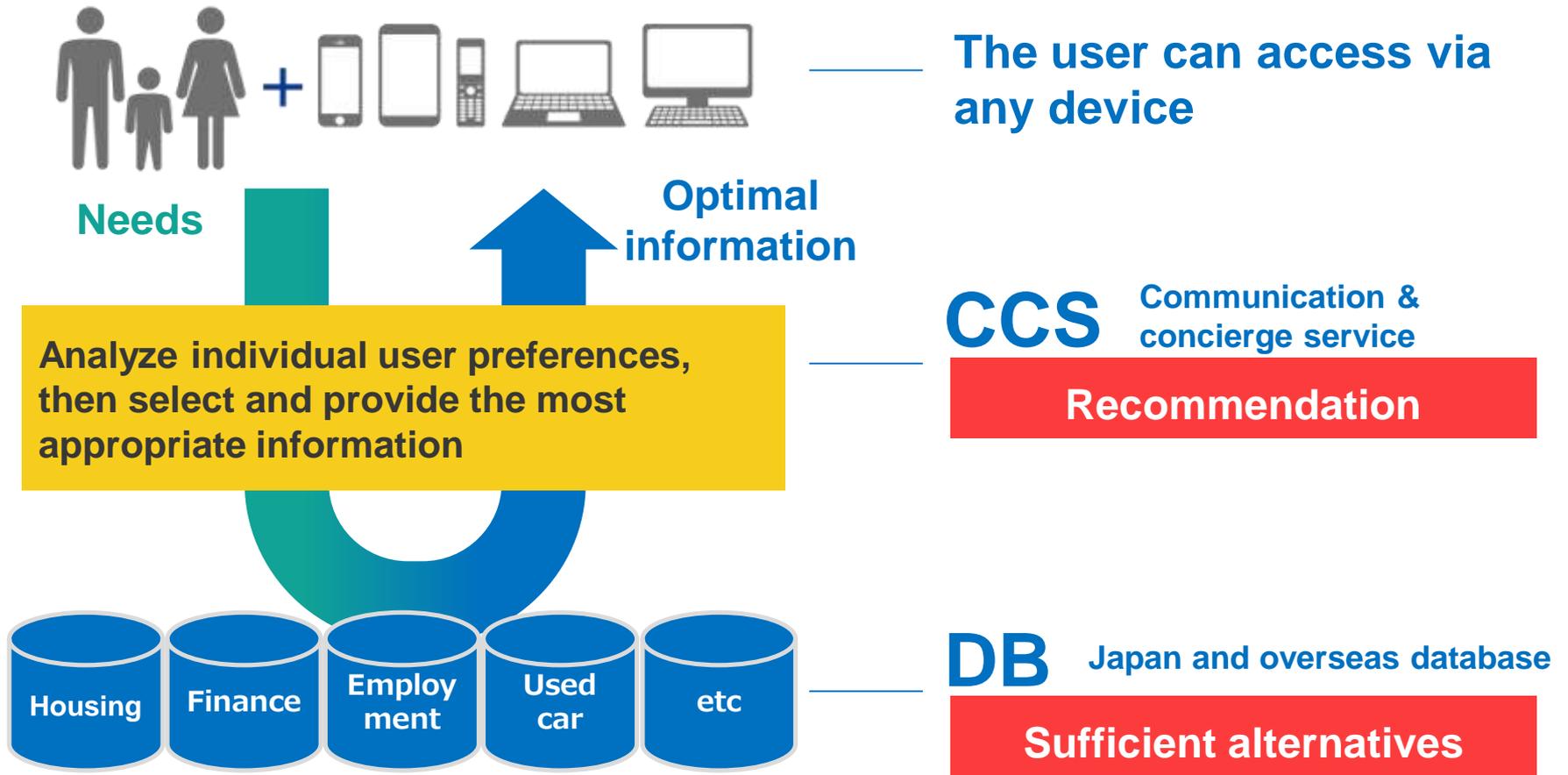
You can see a 360-degree view of properties with images that make the scene more alive.

↓ Samples of 360-degree panoramic images

<https://theta360.com/s/46j>

<http://goo.gl/E3KGRl>

Action to provide the information that the user wants from enormous information



Difference between the pay-per-posting-based and pay-per-inquiry-based billing structure models

POINT

With the pay-per-inquiry-based billing structure model, advertising spending leads directly to growing sales

Pay-per-inquiry-based billing structure model



Leads directly to growing sales
Helps expand the business at an accelerated pace

Pay-per-posting-based billing structure model



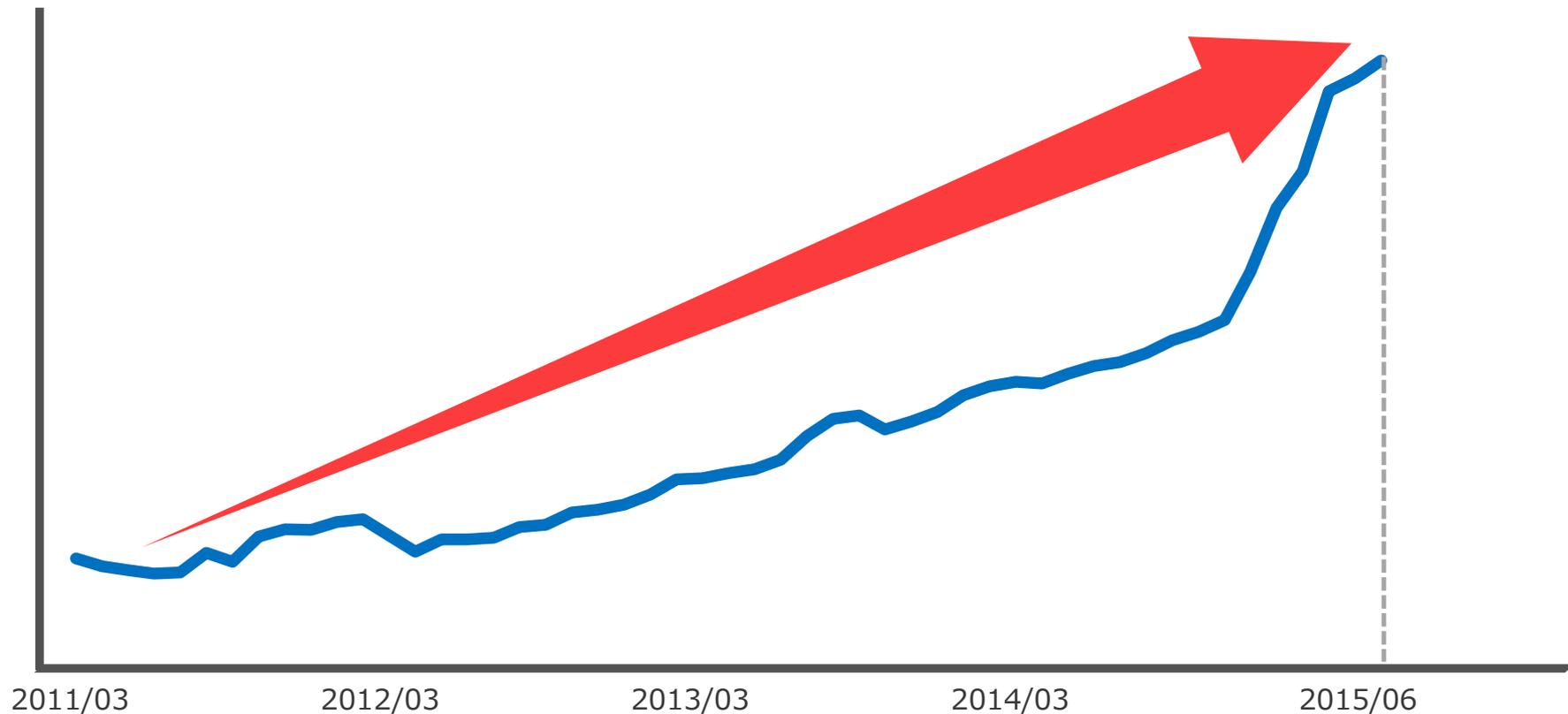
To grow sales requires negotiating on raising the posting fee

Trends at Affiliated Stores

Numbers of affiliated stores
increased dramatically

Record High
15,892 Stores

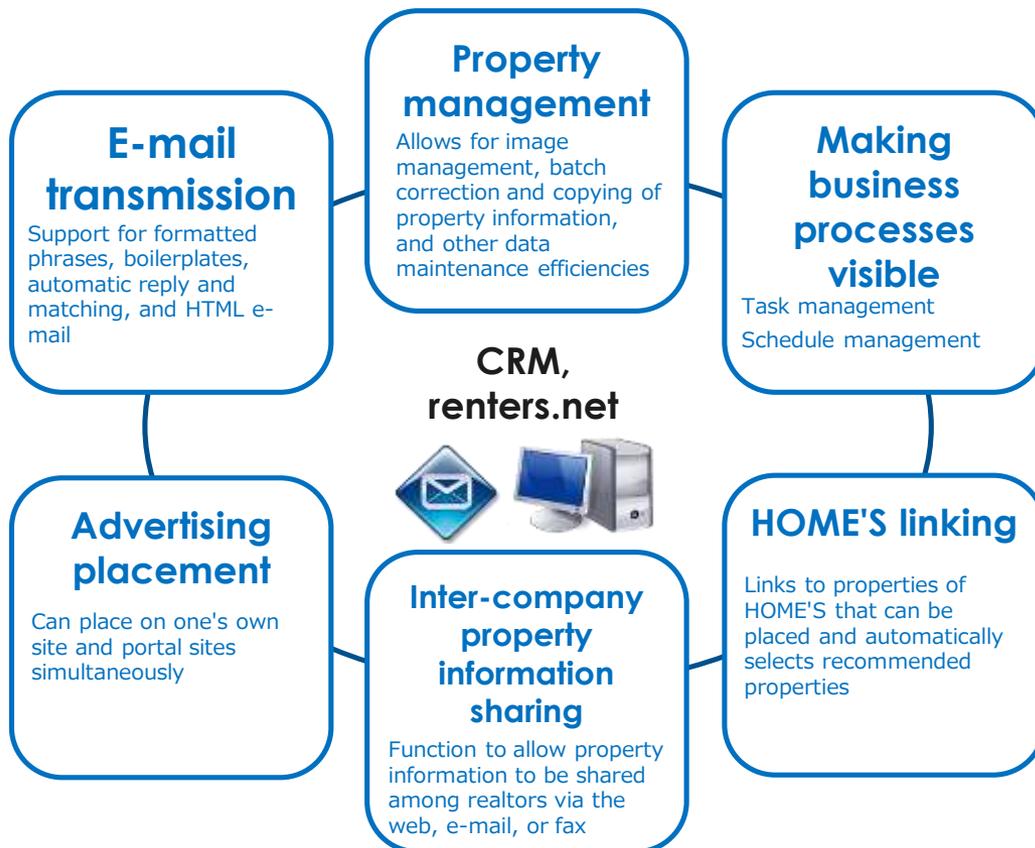
[Number of Affiliated Stores]



Services for Real Estate Industry

CRM services for realtors

A business support service provided by NEXT subsidiary Renters for rental property realtors. The service provides CRM, batch conversion of property information, and functions for management companies, systematizes complex property management processes and prevents customer support from being the domain of only a few individuals, **effectively streamlining realtors' business.**



Website creation service 「Annex」

Annex is a "next-generation homepage service" that allows even users without specialized expertise to easily build **websites for realtors**. Users utilize high-quality templates to simply and affordably build websites **for PCs and smartphones**.

The service involves a one-time registration fee of 50,000 yen and a monthly fee starting at 10,000 yen.

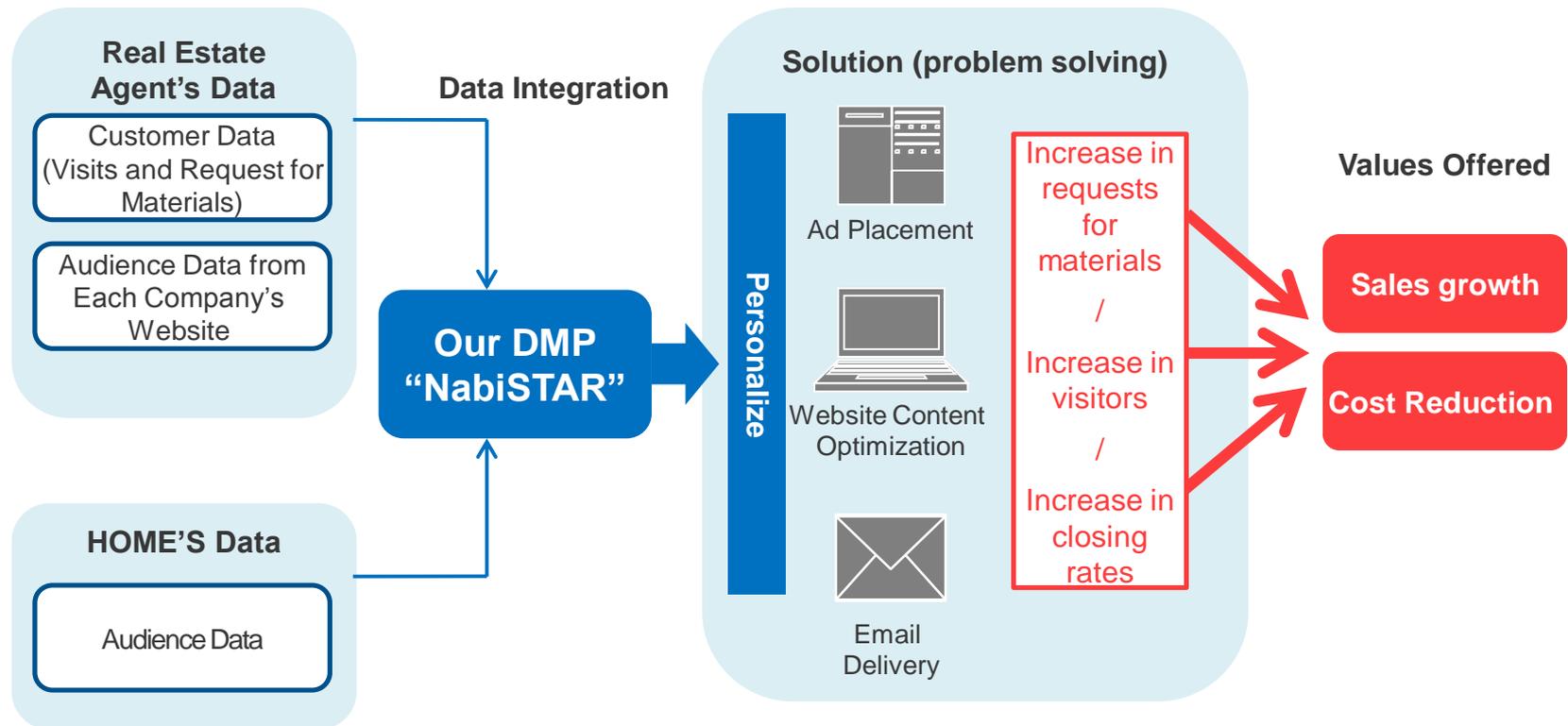


- No technical expertise needed
- Inexpensive
- Smartphone supported

DMP service 「NabiSTAR」

POINT Launch industry-specific DMP* services targeting real estate agents. Optimize the effect of customers' web ads, thereby helping them increase closing rates and sales.

* DMP = Data Management Platform



Advertising Planning and Consulting



Company profile

- > **Company name** : AXELION
- > **Founded** : October 2005
- > **Number of employees** : 67
- > **Principal business activities:** Advertising planning
 - : Advertising agency service
 - : Consulting service
 - : Website planning, development, designing, maintenance, administration and operation services
- > **Share acquisition date** : May 29, 2015

Overseas business



One of the world's largest aggregator sites 「Trovit」

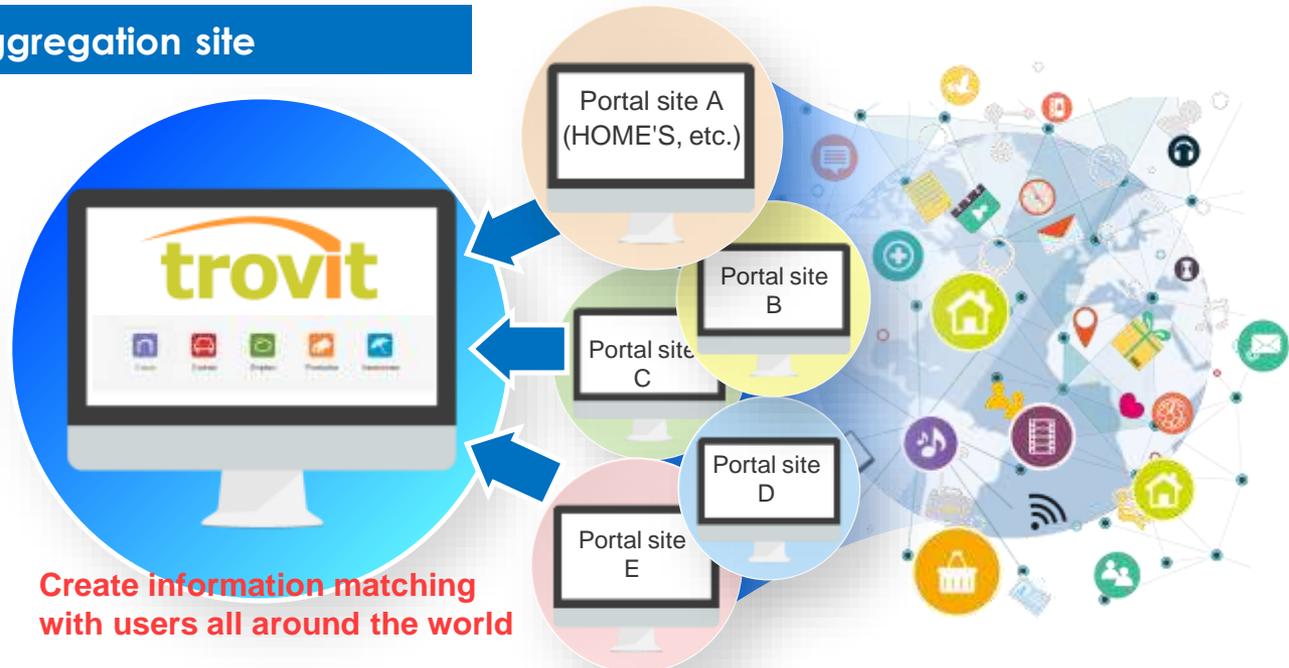
<http://www.trovit.co.uk/>

- Offers real estate/housing, used car and job ad information.
- Entered three countries this year, and now it offers services in 46 countries.

Image of aggregation site



Users all around
the world



NEXT Group service area from 4 to 46 countries



aggregator model

Arab Emirates	France	Netherlands	Spain
Argentina	Germany	New Zealand	Sweden
Australia	Hong Kong	Nigeria	Switzerland
Austria	Hungary	Pakistan	Taiwan
Belgium	India	Peru	Thailand
Brazil	Indonesia	Philippines	Turkey
Canada	Ireland	Poland	UK
Chile	Italy	Portugal	US
Columbia	Japan	Romania	Ukraine
Czech Republic	Malaysia	Russia	Venezuela
Denmark	Mexico	Singapore	
Ecuador	Morocco	South Africa	

Portal model

- Indonesia
- Japan
- Taiwan
- Thailand

Other business

Insurance agency search and appointment website
“ MONEYMO ”



Furniture/interior EC website
“ HOME'S Style Market ”



HOME'S move



HOME'S Strage room



Other “ Lifull ” services



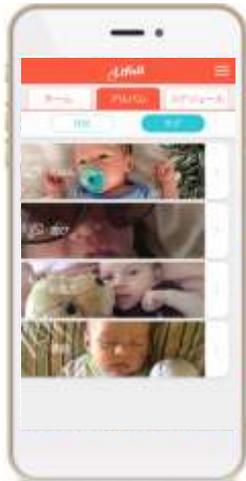
Established Two New Lifull Brand Subsidiaries

Under the “Lifull” brand, **NEXT** will create service offerings that will fill (“Full”) people’s lifestyles and lives (“Life”)



Lifull FaM

application that helps communication between couple



Main functions

- > Share photos of children in married couples. App automatically create an album
- > By registering the schedule of child-rearing, and also notified partners
- > You can exchange messages using the stamp
- > You can press the "thank you" button, and express gratitude in the best shot of once a month



Lifull Traveling

application that helps communication between tourists from abroad and local citizens



Main functions

- > To be registered as a traveler
- > To be registered as a local (people living in the travel destination)
- > Traveler and locally can interact on the app
- > Registers mutual assessments