

**Brief Report of the Settlement of Accounts (Consolidated, Japanese Standard) for
the 2nd Quarter of the Year Ending March 31, 2013**

November 8, 2012

Listed company name: NEXT Co., Ltd. Listed exchange market: Tokyo Stock Exchange
Code Number: 2120 URL: <http://www.next-group.jp/>
Representative : (Position) President and CEO
(Name) Takashi Inoue
Contact person : (Position) Director and General Manager of administration
(Name) Kokichi Hamaya TEL: (03) 5783-3603
Scheduled date of quarterly securities report submission: November 8, 2012
Scheduled date of dividend payment commencement: -
Preparation of supplementary explanatory documents for the settlement of accounts: Yes
Settlement of accounts presentation meeting: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the Second quarter of the year ending March 31, 2013 (From April 1, 2012 to September 30, 2012)

(1) Consolidated operational results (cumulative)

(Percentages indicate increase or decrease from the same period a year ago.)

	Sales		Operating profit		Current profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q of FY2013	5,500	14.1	942	274.6	921	244.7	525	604.3
2Q of FY2012	4,820	(12.6)	251	(81.1)	267	(79.9)	74	(91.7)

(Note) Comprehensive income 2Q of FY2013 524 million yen 645.3% 2Q of FY2012 70 million yen (92.2%)

	Net profit per share	Fully-diluted income per share
	Yen	Yen
2Q of FY2013	27 99	27 94
2Q of FY2012	3 98	3 98

(2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
2Q of FY2013	10,687	8,940	83.6
FY2012	10,119	8,477	83.8

(Reference) Shareholders'equity 2Q of FY2013 8,934 million yen FY2013 8,477 million yen

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of year	Total
	Yen	Yen	Yen	Yen	Yen
FY 03/2012	—	0 00	—	3 70	3 70
FY 03/2013	—	0 00	—	—	—
FY 03/2013 (Forecast)	—	—	—	1 70	1 70

(Note) Change from the latest dividend forecast: No

3. Forecast of consolidated performance for FY 03/2013 (From April 1, 2012 to March 31, 2013)

(For the full year, the percentage indicates an increase or decrease from the previous financial year.
For the quarter, the percentage indicates an increase or decrease from the quarter a year ago.)

	Sales		Operating profit		Current profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	10,332	0.1	535	(43.8)	447	(54.4)	215	(53.8)	11 47

(Note) Change from the latest consolidated results forecast: No

Notes:

(1) Change in material subsidiaries during the period : No

(2) Application of specific accounting methods for producing : No

quarterly consolidated financial statements

(3) Change in accounting policies, change in accounting estimates and correction of errors

- 1) Change in accounting policies concerning amendments in accounting standards : Yes
- 2) Change in accounting policies other than that mentioned in 1) : No
- 3) Change in accounting estimates : Yes
- 4) Correction of errors : No

(Note) The Company changed its depreciation and amortization method effective from the quarter under review, making it "difficult to distinguish accounting policy change from accounting estimate change." For details, please see "(1) Change in Accounting Policies, Change in Accounting Estimates and Correction of Errors" in "2. Matters Related to Summary Information (Notes)" shown on Page 4 of the Attachment.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury stock)	2Q of FY2013	18,781,200 shares	FY 03/2012	18,770,000 shares
2) Number of treasury stocks at the end of the period	2Q of FY2013	12,030 shares	FY 03/2012	12,000 shares
3) Average number of shares during the period (quarterly cumulative period)	2Q of FY2013	18,761,420 shares	2Q of FY2012	18,755,735 shares

• The Company conducted a 100-to-1 stock split for its common stock effective October 1, 2011. The numbers of shares shown above were calculated on the assumption that this stock split had been implemented on April 1, 2010

- Statement on the status of quarterly review procedure implementation
 - This Quarterly Brief Report of the Settlement of Accounts is not subject to a quarterly financial statement review under the Financial Instruments and Exchange Act, and such review had been completed as of the date of releasing the Quarterly Brief Report of the Settlement of Accounts concerned.
- Statement on the appropriate use of business forecast and other notes
 - The forward-looking statements contained in this document concerning the Company's business forecast are based on information currently available to the Company and on a certain set of assumptions which it believes to be reasonable. Actual results may differ materially from those forecast due to various factors. For assumptions used for the business forecast and cautionary notes regarding the use of the business forecast, please see "Qualitative Information on Consolidated Business Forecast" shown on Page 3 of the Brief Report of the Settlement of Accounts for the 2nd Quarter of the year ending March 2013 (Attachment).
 - NEXT is scheduled to hold an investor presentation meeting as shown below. The presentation materials handed out at the meeting, a video recording thereof and the main part of the Q&A session will be posted on the Company's IR website immediately after holding the investor presentation meeting.
 - Friday, November 12, 2012: The financial results presentation meeting for institutional investors and analysts
 - In addition to the above-mentioned presentation meeting, NEXT continues to hold business and results presentation meetings for retail investors, as required. For the presentation meeting's schedule, please see our IR website.

Contents of the Attachment:

1. Qualitative Information on Quarterly Financial Results	
(1) Qualitative Information on Consolidated Results of Operations	P. 2
(2) Qualitative Information on Consolidated Financial Conditions	P. 3
(3) Qualitative Information on Consolidated Business Forecast.....	P. 3
2. Matters Related to Summary Information (Notes)	
(1) Change in Accounting Policies, Change in Accounting Estimates and Correction of Errors.....	P. 4
3. Quarterly Consolidated Financial Statements	
(1) Consolidated Balance Sheet.....	P. 5
(2) Consolidated Statement of Income and Consolidated Comprehensive Statement of Income [Cumulative]	
Consolidated Statement of Income	P. 7
Consolidated Comprehensive Statement of Income	P. 8
(3) Consolidated Cash Flow Statement.....	P. 9
(4) Notes Regarding Going Concern Assumptions	P.10
(5) Notes Regarding Any Material Change in the Amount of Shareholders' Equity	P.10

1. Qualitative Information on Quarterly Financial Results

(1) Qualitative Information on Consolidated Results of Operations

In its medium-term management plan, the NEXT Group specifies its aim of becoming a global company with a Database + Communication Concierge Service (DB + CCS), and accordingly, has been accumulating, sorting and integrating the flood of information circulating worldwide and providing optimal information through numerous devices to users.

Based on this strategy, in the real estate information services business, its main service line, the Company continued striving to achieve an increased number of property listings on "HOME'S," its residential/real estate information portal site ranked number one in Japan in terms of the number of properties posted online^(Note) while seeking to improve the portal site's usability. At the same time, we strove to boost website user inquiries through the efforts to raise the portal site's profile among consumers and boost the number of portal site users, based on the running of TV commercials and public transport advertisements.

Moreover, in order to provide real estate information services in the Republic of Indonesia, the Company in April 2012 made a local company its subsidiary, and launched in June 2012 the "Jakarta Real Estate Concierge Services" program, a service offering designed to assist Japanese company employees taking assignments in Jakarta in seeking accommodation in the country. In addition, starting from August 2012, the Company began to run RumahRumah, the real estate information portal site for local website users. In China, we decided to acquire shares in Next Property Media Holdings Limited ("NPM") (equity interest ratio: 39.0%) to make it our consolidated subsidiary as stated in our notice released on November 8, 2012 under the title "Notice Concerning the Additional Acquisition of Shares in Next Property Media Holdings Limited, the Holding Company for Real Estate Information Services in the People's Republic of China (Consolidation)" (this notice is hereafter referred to as the "Notice of the Decision to Make NPM a Subsidiary of NEXT").

In the "Others" business, "MONEYMO," the lifestyle and financial information website, had continued to miss its original operating projection since the February 2011 launch of its portal site. Thus, the Company decided to record 22,803 thousand yen in impairment of the entire value of the intangible noncurrent assets (software) relating to the "MONEYMO" services.

As a result, for the six months ended September 30, 2012 ("Six Months Ended September 30, 2012"), the Company posted consolidated sales of 5,500,292 thousand yen (increase of 14.1% year-on-year), operating profit of 942,501 thousand yen (increase of 274.6% year-on-year), ordinary profit of 921,005 thousand yen (increase of 244.7% year-on-year) and net profit of 525,174 thousand yen (increase of 604.3% year-on-year).

Note: For September 2012, the average total number of properties posted online stood at approximately 3.93 million, an increase of 20.4% compared with the same month a year ago.

The following are the sales and operating profit and loss by segment for the six months ended September 30, 2012.

(Unit: Thousand yen)

Segment name	Sales		Operating profit and loss	
	Amount	Year-on-year change (%)	Amount	Year-on-year change (%)
(1) Real estate information services	5,445,575	+14.0	1,140,241	+28.1
(2) Local community information services	12,981	(8.5)	(82,926)	(Note 2) —
(3) Others	41,735	+39.6	(114,812)	(Note 3) —

Notes:

1. Intersegment transactions were neither eliminated nor offset.
2. An operating loss of 430,611 thousand yen was recorded for the same period of the previous fiscal year.
3. An operating loss of 208,208 thousand yen was recorded for the same period of the previous fiscal year.

For more detailed information on the financial results, including the status of each segment and the following items, please see on the Company's IR website the "Report of Financial Results for the Six Months Ended September 30, 2012" released on November 8, 2012.

Reference URL: <http://www.next-group.jp/en/ir/financial.html>

<Main matters regarding account settlement explanatory information>

- Historical operating profit (loss): Causes of increase and decrease in main expenses and the historical ratios of main expenses to sales
- Historical sales by category of service: Historical sales on a more detailed basis than the segment basis and causes of increases and decreases
- Status of the business performance forecast: Progress of sales by service category and the main expenses against the business forecast
- Topics: Main approaches by segment
- Quarterly data: Income statement (simplified version), sales by category of service, and profit & loss by segment
- Collection of external statistical data: Number of condominiums put on sale, prices of condominiums, number of new housing starts, number of inter-prefectural migrants, population and the number of households

(2) Qualitative Information on Consolidated Financial Conditions

(Assets)

The balance of current assets as of September 30, 2012 stood at 7,885,620 thousand yen, an increase of 629,733 thousand yen from the end of the previous consolidated fiscal year ("previous year end"). This increase was primarily due to an increase of 700,347 thousand yen in cash and deposits, an increase of 28,405 thousand yen in prepaid expenses, a decrease of 67,839 thousand yen in accounts receivable-trade, and a decrease of 41,394 thousand yen in accounts receivable-other.

The balance of noncurrent assets as of September 30, 2012 stood at 2,802,002 thousand yen, a decrease of 61,285 thousand yen from the previous year end. This decrease was primarily due to a decrease of 67,638 thousand yen in property, plant and equipment owing to depreciation, a decrease of 36,563 thousand yen in investment securities resulting from sale of investment securities, and an increase of 38,879 thousand yen in intangible noncurrent assets due to software development.

As a result of the above, total assets as of September 30, 2012 amounted to 10,687,622 thousand yen, representing an increase of 568,448 thousand yen from the previous year end.

(Liabilities)

The balance of current liabilities as of September 30, 2012 stood at 1,505,176 thousand yen, an increase of 105,301 thousand yen from the previous year end. This increase was primarily due to an increase of 83,266 thousand yen in accrued corporate taxes, an increase of 11,641 thousand yen in accrued expenses, and an increase of 10,800 thousand yen in accrued consumption taxes.

The balance of noncurrent liabilities as of September 30, 2012 stood at 242,234 thousand yen, an increase of 681 thousand yen from the previous year end. This increase was primarily due to an increase of 1,982 thousand yen in asset retirement obligations and a decrease of 1,300 thousand yen in deferred tax liabilities.

As a result of the above, total liabilities as of September 30, 2012 amounted to 1,747,410 thousand yen, representing an increase of 105,983 thousand yen from the previous year end.

(Net assets)

The balance of net assets as of September 30, 2012 stood at 8,940,212 thousand yen, an increase of 462,465 thousand yen from the previous year end. This increase was primarily due to an increase of 525,174 thousand yen in retained earnings owing to net income and a decrease of 69,404 thousand yen in retained earnings as a result of the payment of dividends.

(3) Qualitative Information on Consolidated Business Forecast

Shown below is the progress as of September 30, 2012 against the consolidated business forecast for the year ending March 31, 2013.

(Unit: Million yen)

	Six months ended September 30, 2012	Business forecast for FY 03/2013 (released on May 9, 2012)	Progress against the business forecast for FY 03/2013
Sales	5,500	10,332	53.2%
Real estate information services	5,445	10,175	53.5%
Local community information services	12	49	26.2%
Others	41	107	38.6%
Operating profit	942	535	176.0%
Ordinary profit	921	447	205.7%
Net profit	525	215	244.0%

Note: Intersegment transactions were eliminated or offset.

As shown above, sales for the six months ended September 30, 2012 represented 53.2% of the sales forecast for the year ending March 31, 2013, pointing to strong progress. Operating profit, ordinary profit and net profit for the six months ended September 30, 2012 exceeded the forecasts for the year ending March 31, 2013, respectively.

Despite the above-mentioned developments, no change has been made to previously-released business forecasts for the year ending March 31, 2013. This is because of the fact that the Company plans to renovate the main service line "HOME'S Rental & Real Estate Trade" business on a step-by-step basis starting from October 2012 and that the second half of the fiscal year contains the industry's seasonal peak season, adding to business volatility, in addition to the fact that the timing of NPM becoming the Company's consolidated subsidiary ^(Note) has yet to be determined.

In the event of any business forecast revision becoming necessary in view of the Company's business performance after the renovation of the "HOME'S Rental & Real Estate Trade" business and of the effects of NPM becoming the Company's consolidated subsidiary, NEXT shall promptly disclose such revision.

(Note) For details, please see the "Notice of the Decision to Make NPM a Subsidiary of NEXT" released on November 8, 2012.

URL : http://www.next-group.jp/ir/news/pdf/121108_topics.pdf (Japanese)

2. Matters Related to Summary Information (Notes)

(1) Change in Accounting Policies, Change in Accounting Estimates and Correction of Errors

(Accounting policy change that is difficult to distinguish from accounting estimate change)

Effective from the first quarter of the fiscal year ending March 31, 2013, in response to the revision to the Corporate Tax Act, NEXT and its domestic consolidated subsidiaries began to apply the depreciation and amortization method conforming to the revised Corporate Tax Act to the property, plant and equipment acquired on or after April 1, 2012. This had only a minor effect on the financial statements for the consolidated cumulative second quarter of the fiscal year ending March 31, 2013.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(unit: thousand yen)

	As of March 31, 2011	As of September 30, 2012
Assets		
Current assets		
Cash and deposits	5,413,676	6,114,024
Accounts receivable-trade	1,252,009	1,184,170
Inventories	4,057	3,733
Deferred tax assets	113,386	115,018
Accounts receivable-other	291,287	249,892
Other	189,441	226,325
Allowance for doubtful accounts	△7,973	△7,545
Total current assets	7,255,886	7,885,620
Noncurrent assets		
Property, plant and equipment		
Buildings	649,556	649,556
Accumulated depreciation	△139,675	△182,573
Buildings, net	509,880	466,983
Tools, furniture and fixtures	680,143	675,814
Accumulated depreciation	△494,664	△515,076
Tools, furniture and fixtures, net	185,478	160,737
Total property, plant and equipment	695,359	627,721
Intangible assets		
Goodwill	173,390	151,716
Software	501,567	678,253
Software in progress	172,185	30,455
Other	7,737	33,335
Total intangible assets	854,881	893,760
Investments and other assets		
Investment securities	362,575	326,012
Bad debts	43,513	44,652
Deferred tax assets	81,211	93,559
Lease and guarantee deposits	852,899	849,971
Other	8,016	6,402
Allowance for doubtful accounts	△35,168	△40,076
Total investments and other assets	1,313,047	1,280,521
Total noncurrent assets	2,863,288	2,802,002
Total assets	10,119,174	10,687,622

(Unit: thousand yen)

	As of March 31, 2011	As of September 30, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	40,994	44,836
Accounts payable-other	672,619	674,671
Income taxes payable	310,792	394,058
Provision for bonuses	178,144	182,460
Provision for directors' bonuses	10,000	6,000
Other	187,324	203,149
Total current liabilities	<u>1,399,874</u>	<u>1,505,176</u>
Noncurrent liabilities		
Deferred tax liabilities	1,300	
Asset retirement obligations	240,252	242,234
Total noncurrent liabilities	<u>241,552</u>	<u>242,234</u>
Total liabilities	<u>1,641,427</u>	<u>1,747,410</u>
Net assets		
Shareholders' equity		
Capital stock	1,993,203	1,994,087
Capital surplus	2,536,403	2,537,288
Retained earnings	3,953,845	4,409,615
Treasury stock	△7,848	△7,858
Total shareholders' equity	<u>8,475,604</u>	<u>8,933,132</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,497	1,128
Foreign currency translation adjustment	△355	332
Total accumulated other comprehensive income	<u>2,141</u>	<u>1,460</u>
Minority interests	0	5,618
Total net assets	<u>8,477,747</u>	<u>8,940,212</u>
Total liabilities and net assets	<u>10,119,174</u>	<u>10,687,622</u>

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

(unit: thousand yen)

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2012
Consolidated quarterly statements of (comprehensive) income		
Net sales	4,820,283	5,500,292
Cost of sales	128,580	163,555
Gross profit	4,691,702	5,336,737
Selling, general and administrative expenses		
Advertising expenses	1,154,713	1,386,384
Provision of allowance for doubtful accounts	15,210	5,596
Salaries and allowances	1,155,415	1,032,981
Provision for bonuses	155,790	175,335
Provision for directors' bonuses	5,000	6,000
Depreciation	243,831	194,812
Amortization of goodwill	26,673	23,963
Other	1,683,435	1,569,161
Total selling, general and administrative expenses	4,440,069	4,394,235
Operating income	251,632	942,501
Non-operating income		
Interest income	1,714	2,900
Dividends income	1,092	1,654
Gain on bad debts recovered	242	1,642
Interest on refund	10,204	
Other	2,549	661
Total non-operating income	15,803	6,858
Non-operating expenses		
Equity in losses of affiliates		15,274
Loss on retirement of noncurrent assets	40	13,076
Other	181	2
Total non-operating expenses	221	28,354
Ordinary income	267,214	921,005
Extraordinary loss		
Loss on sales of investment securities	-	9,020
Impairment loss	113,500	22,803
Total extraordinary losses	113,500	31,823
Income before income taxes and minority interests	153,713	889,181
Income taxes-current	31,224	378,503
Income taxes-deferred	47,922	△14,495
Total income taxes	79,146	364,007
Income before minority interests	74,567	525,174
Minority interests in loss	-	0
Net income	74,567	525,174

(Unit: thousand yen)

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2012
Consolidated quarterly statements of comprehensive income		
Income before minority interests	74,567	525,174
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ4,191	Δ1,368
Foreign currency translation adjustment	-	687
Total other comprehensive income	Δ4,191	Δ681
Comprehensive income	70,376	524,493
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	70,376	524,493
Comprehensive income attributable to minority interests	-	△0

(3) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Six Months Ended September 30, 2011	Six Months Ended September 30, 2012
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	153,713	889,181
Depreciation and amortization	244,248	195,683
Amortization of goodwill	26,673	23,963
Impairment loss	113,500	22,803
Increase (decrease) in provision for bonuses	△188,580	4,315
Increase (decrease) in provision for directors' bonuses	5,000	△4,000
Increase (decrease) in allowance for doubtful accounts	13,100	4,479
Interest and dividends income	△1,490	△3,690
Equity in (earnings) losses of affiliates		15,274
Interest income on securities	△1,316	△864
Loss (gain) on sales of investment securities		9,020
Loss on retirement of noncurrent assets	40	13,076
Decrease (increase) in notes and accounts receivable-trade	148,238	110,453
Decrease (increase) in inventories	1,052	324
Increase (decrease) in notes and accounts payable-trade	△11,666	3,842
Increase (decrease) in accounts payable-other	△302,137	3,522
Other, net	45,452	△19,624
Subtotal	245,830	1,267,763
Interest and dividends income received	2,531	4,580
Income taxes (paid) refund	347,519	△293,920
Net cash provided by (used in) operating activities	595,881	978,423
Net cash provided by (used in) investing activities		
Payments into time deposits	△2,000,000	△605
Purchase of investment securities	△735	△864
Proceeds from sales of investment securities		10,980
Purchase of property, plant and equipment	△30,808	△22,872
Purchase of intangible assets	△147,400	△206,318
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation		4,723
Payments for lease and guarantee deposits	△331	△308
Proceeds from collection of lease and guarantee deposits	1,366	3,238
Net cash provided by (used in) investing activities	△2,177,909	△212,028
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	1,662	1,768
Cash dividends paid	△109,643	△69,186
Purchase of treasury stock		△10
Net cash provided by (used in) financing activities	△107,980	△67,428
Effect of exchange rate change on cash and cash equivalents		776
Net increase (decrease) in cash and cash equivalents	△1,690,008	699,742
Cash and cash equivalents at beginning of period	4,707,564	3,413,078
Cash and cash equivalents at end of period	3,017,555	4,112,820

(4) Notes Regarding Ongoing Concern

No relevant matters exist.

(5) Significant matters that constitute the basis for the preparation of the consolidated financial statements

No relevant matters exist.