



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

Earnings Presentation [IFRS]

Third Quarter of the year ending March 31, 2016
(April to December 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

Positive growth in revenues and profits y/y

Cumulative (Apr-Dec) Revenue **up 50.6%** y/y

EBITDA **up 55.3%**, Net profit **up 51.5%** y/y

Initiatives underway to vitalize the entire industry

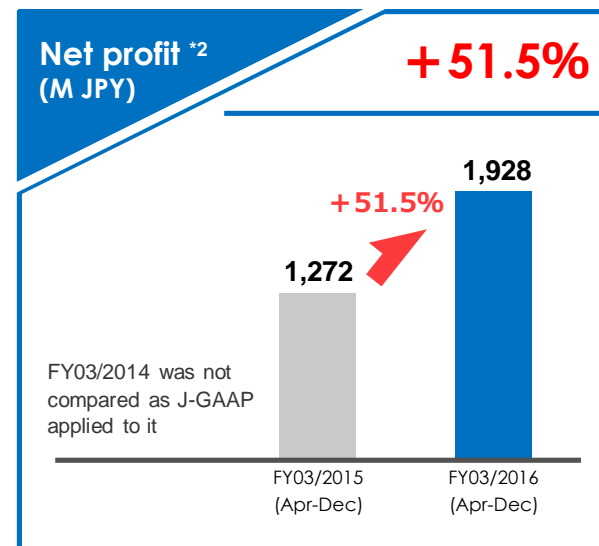
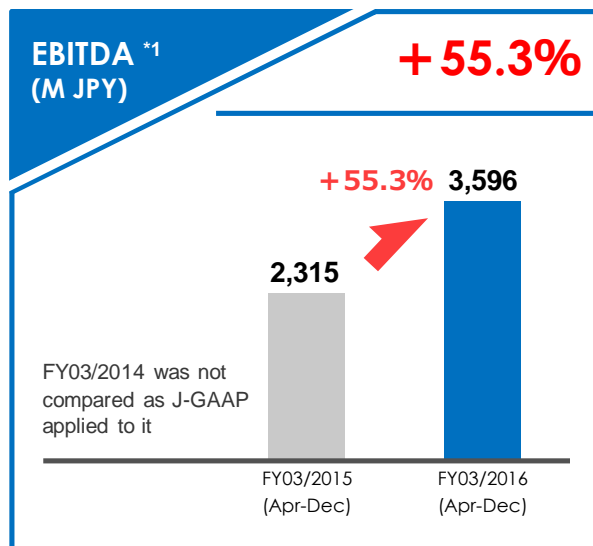
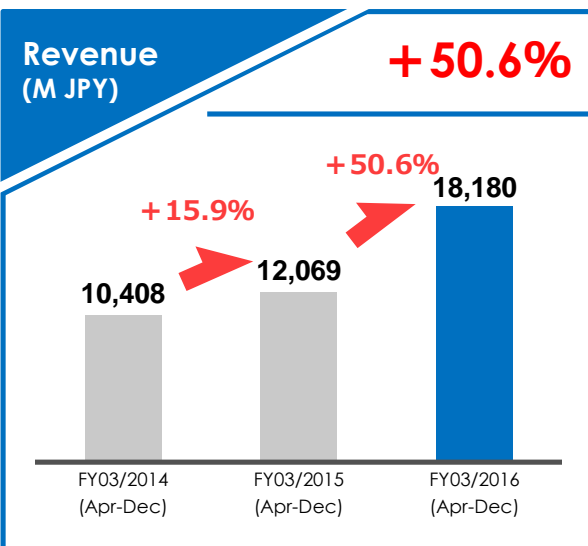
formed a capital alliance with **JG Marketing** in Jan 2016 to establish a **Real Estate Investment Platform**

HOME'S PriceMap to be upgraded
(reference rent to be listed)

Establish **Lifull Bizas**, NEXT Group's shared-service center, in Kochi to **streamline back-office operation for our continuous growth**

Highlights for Financial Results for 3Q of the Year Ending March 31, 2016

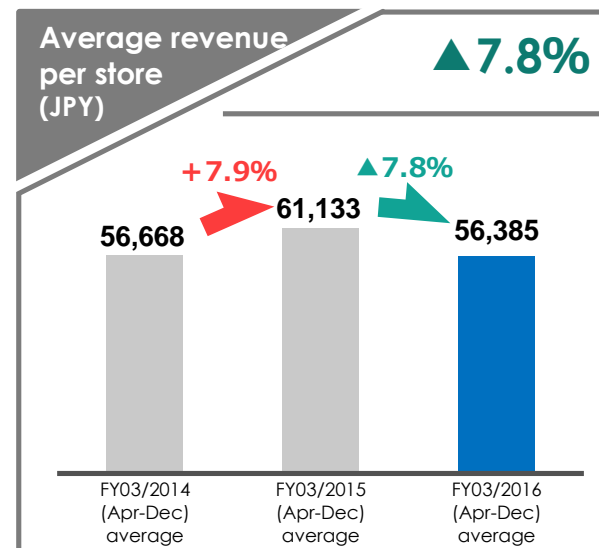
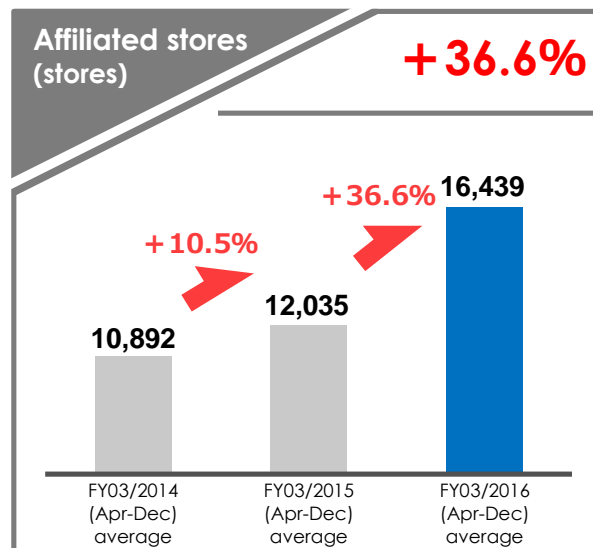
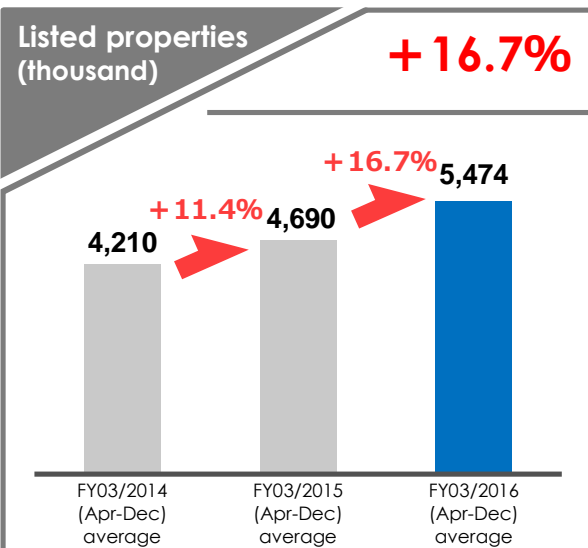
◆ Earnings Trends (Consolidated)



*1 profit before depreciation

*2 Profit for the year attributable to owners of the parent

◆ Rental & Real Estate Trade : Reference data



Simplified Income Statement

Financial Results for 3Q of FY03/2016

POINT

Revenue up 50.6%, EBITDA up 55.3%, and quarterly net profit up 51.5% y/y for significant earnings growth

Unit : M.JPY		[Cumulative] FY2015/03 (Apr-Dec)	[Cumulative] FY2016/03 (Apr-Dec)	Change	Rate of Change		[Quarter] FY2015/03 (Oct-Dec)	[Quarter] FY2016/03 (Oct-Dec)	Rate of Change
Revenue		12,069	18,180	+6,111	+50.6%	*1	4,318	6,280	+45.4%
Cost of sales		388	1,476	+1,087	+280.0%	*2	153	597	+289.2%
SG&A (excluding depreciation and amortization)		9,349	13,019	+3,669	+39.2%		3,180	4,343	+36.6%
	Personnel expenses	3,083	4,380	+1,297	+42.1%	*3	1,083	1,535	+41.6%
	Advertising expenses	3,402	5,054	+1,651	+48.5%	*4	960	1,527	+59.1%
	Operating expenses	498	759	+260	+52.3%	*5	201	305	+51.3%
	Other costs	2,364	2,825	+460	+19.5%		934	975	+4.4%
Other revenues and expenses		▲ 15	▲ 112	▲ 97	—		▲ 9	▲ 33	—
EBITDA		2,315	3,596	+1,280	+55.3%		975	1,306	+31.3%
Net profit *		1,272	1,928	+655	+51.5%		559	693	+24.0%
EBITDA margin		19.2%	19.8%	+0.6p	—		22.6%	20.8%	▲1.8p
Depreciation		297	658	+361	+121.5%	*6	120	230	+90.3%

* Net profit for the year attributable to owners of the parent

*1 Sales grown at double digits or higher rates in all segments

*2 Cost increase due to the start of consolidation of Lifull MP, etc., which mainly handles consulting services and advertising agency services for real estate developers

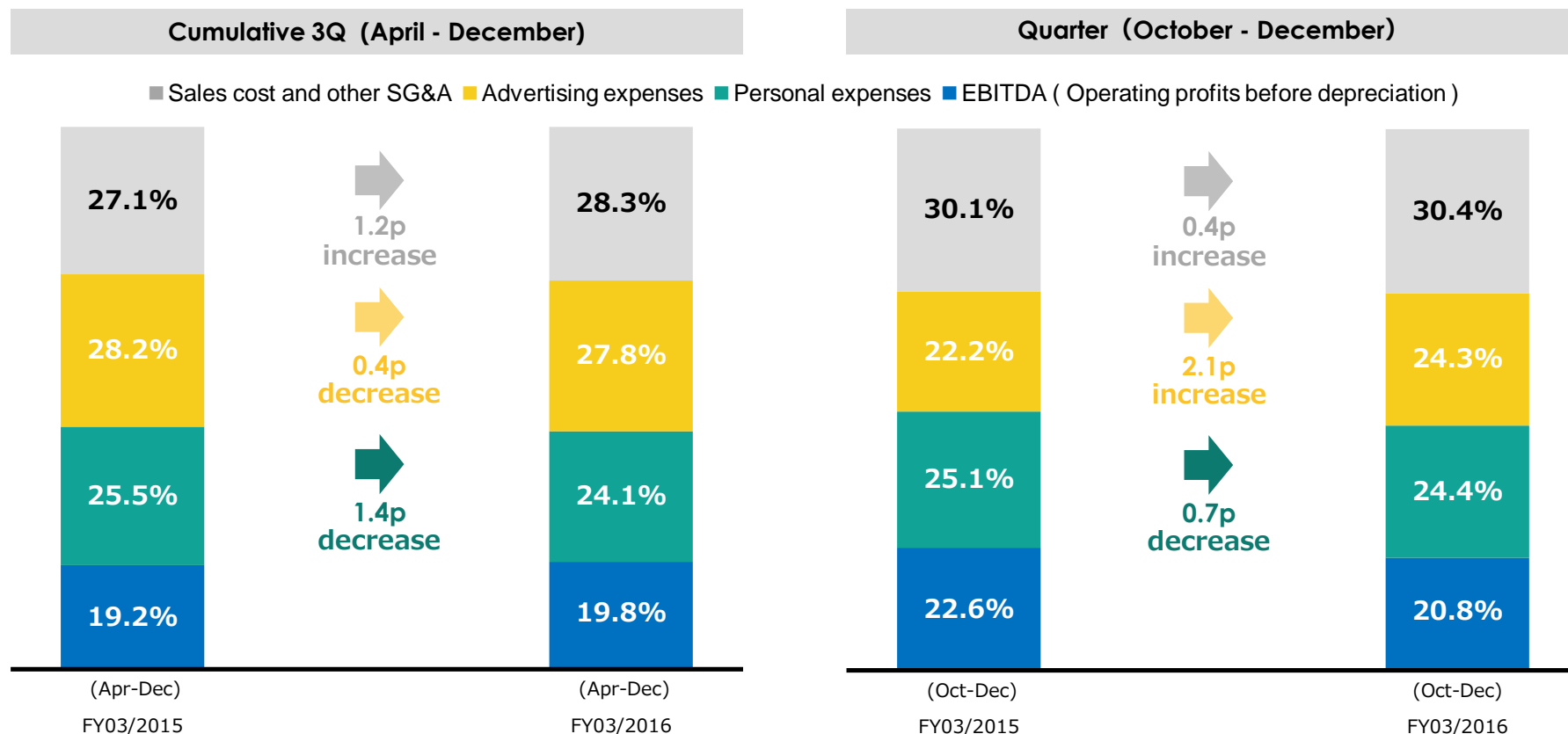
*3 Increase of 245 employees due to the company's acquisition of Trovit and Lifull MP

*4 Increase in advertising expenses due to the placement of new TV commercials and the start of the consolidation of Trovit

*5 Mainly an increase in agency sales service fees and campaign costs

*6 Increase resulting from the amortization of intangible fixed assets (PPA) belonging to Trovit and an overhaul of the internal backbone IT system, etc.

POINT Cumulative EBITDA to sales ratio for the 3Q growing 0.6 points to 19.8%



[Costs and other SGA expenses] : Costs increased due to the consolidation of Lifull MP, along with an increase in system usage fees resulting from the expansion of new services and an increase in IFRS transition-induced expenses and in expenses for the replacement of the backbone IT systems.

[Advertising expenses] : NEXT continued with its advertising programs focusing on strategic branding promotions aimed at achieving rapid gains in user share. The advertising expenses-to-sales ratio declined by 0.4 points, while the company aims to attain an EBITDA margin of 28%.

[Personnel expenses] : The average number of consolidated employees for the 3Q (Apr to Dec) rose to 878, up from 633 a year ago. Due to higher revenues and increased productivity, the personnel expenses-to-sales ratio improved for the quarter under review.

POINT

In addition to the growth in existing businesses, due to the growth in investment effects including M&As, double-digit sales growth posted for all segments

Unit : M.JPY	[Cumulative] FY2015/03 (Apr-Dec)	[Cumulative] FY2016/03 (Apr-Dec)	Change	Rate of Change		[Quarter] FY2015/03 (Oct-Dec)	[Quarter] FY2016/03 (Oct-Dec)	Rate of Change
Revenue	12,069	18,180	+6,111	+50.6%		4,318	6,280	+45.4%
Domestic Real Estate Information Services	10,863	12,919	+2,055	+18.9%		3,756	4,440	+18.2%
Rental & Real Estate	6,624	8,338	+1,714	+25.9%	*1	2,362	2,914	+23.4%
New Houses & Condominiums	3,279	3,525	+246	+7.5%	*2*5	1,107	1,153	+4.2%
Custom-Built Homes & Renovations	621	570	▲50	▲8.2%	*3	166	197	+18.5%
Others	337	483	+145	+43.1%	*4	121	176	+45.8%
Domestic services for Realtors	660	2,181	+1,521	+230.4%	*5	230	889	+286.8%
Overseas	264	2,641	+2,376	+898.7%	*6	243	796	+227.0%
Others	280	438	+157	+56.1%	*7	88	154	+73.6%

- *1 The website traffic and the number of inquiries have increased. Thanks to the efforts we made to further enhance our promotional and sales activities, the number of affiliated stores has also shown a net increase by 3,140, and now reached 17,584 between Apr and Dec.
- *2 Total number of condos sold in the metropolitan and Kinki areas between Apr and Dec fell 9.9% on a y/y basis. Under the situation, the number of condos and single family houses listed on HOME'S declined by 0.6% and 3.3% respectively. But the revenue increased by 7.5% thanks to the sales effort we made.
- *3 Custom-Built Homes and renovation business is now on a recovery trend. Since Sep the business performance has been positive compared to the same period last year. Order house website was renewed in Oct.
- *4 The number of information listed on HOME'S Nursing Care increased by about 40% y/y. HOME'S Renovation website was renewed in Dec.
- *5 The revenue increased significantly thanks to Lifull MP, a newly consolidated subsidiary since Jun 2015. In the Brief Report of the Settlement of Accounts, revenue generated by newly-built condos is posted as Lifull MP (Domestic services for Realtors) revenue with some exceptions in accordance with the exclusive agency contract we concluded with Lifull MP.
- *6 The revenue increased significantly thanks to Trovit, a newly consolidated subsidiary since Dec 2014.
- *7 Lifull FinTech and Lifull Space performed well.

Full-year performance forecast and progress Financial Results for 3Q of FY03/2016

Operating profit and loss

Unit : M.JPY	[Forecast] FY03/2016 (Apr - Mar)	[Actual] FY03/2016 (Apr - Dec)	Difference	Achievem ent rate
Revenue	26,142	18,180	▲7,961	69.5%
Cost of sales	2,236	1,476	▲ 760	66.0%
SG&A (excluding depreciation and amortization)	18,735	13,019	▲ 5,715	69.5%
Personnel expenses	6,170	4,380	▲ 1,789	71.0%
Advertising expenses	7,338	5,054	▲ 2,284	68.9%
Operating expenses	1,211	759	▲ 452	62.6%
Other costs	4,014	2,825	▲ 1,188	70.4%
Other revenues and expenses	▲24	▲ 88	▲63	—
EBITDA	5,146	3,596	▲ 1,550	69.4%
Net profit *	2,795	1,928	▲ 867	69.0%
EBITDA margin	19.7%	19.8%	+0.1p	—

* Net profit for the year attributable to owners of the parent

Sales by service category

Unit : M.JPY	[Forecast] FY03/2016 (Apr - Mar)	[Actual] FY03/2016 (Apr - Dec)	Difference	Achievem ent rate
Revenue	26,142	18,180	▲7,961	69.5%
Real Estate Information Services	18,758	12,919	▲5,839	68.9%
Rental & Real Estate	12,561	8,338	▲4,222	66.4%
New Houses & Condominiums	4,790	3,525	▲1,264	73.6%
Custom-Built Homes & Renovations	835	570	▲264	68.3%
Others	571	483	▲88	84.6%
Domestic services for Realtors	3,222	2,181	▲1,041	67.7%
Overseas	3,466	2,641	▲825	76.2%
Other Businesses	694	438	▲256	63.1%

【Revenue】

Trends in revenue was generally in line with full-year plans.

【Profit】

Trends in profit was generally in line with full-year plans.

Incurred additional expenses including the expenses associated with Lifull Bizas establishment.

In a mid-to-long-term perspective, Lifull Bizas will make a positive contribution to our profit by improving the operational efficiency.

POINT

Significant growth in domestic and overseas businesses

Unit : M.JPY	[Cumulative] FY2015/03 (Apr-Dec)	[Cumulative] FY2016/03 (Apr-Dec)	Change	Rate of Change	[Quarter] FY2015/03 (Oct-Dec)	[Quarter] FY2016/03 (Oct-Dec)	Rate of Change
Domestic Real Estate Information Services	2,162	2,475	+312	+14.4%	934	1,016	+8.8%
Domestic services for Realtors	14	51	+36	+249.0%	▲6	25	—
Overseas	▲85	481	+566	—	▲24	47	— ※
Others	▲66	▲40	+26	—	▲42	▲7	—
Inter-segment transactions	8	57	+49	+605.3%	2	28	+851.9%
Consolidated Operating Profits	2,033	3,025	+992	+48.8%	864	1,109	+28.4%

- Rate of change columns are left blank for the items we posted negative figure either in previous or current FY.
- Overseas profit/loss includes profits generated by and losses incurred by Trovit (Spain), Lifull Thailand and Lifull Indonesia and costs incurred by NEXT International Business Division.

※ Bonuses to the subsidiary companies' employees are posted as one-time expense in December.

Status of the statement of financial positions and goodwill

Financial Results for 3Q of FY03/2016

POINT Liabilities significantly decreased due to a repayment of debt through a capital increase.

Unit : M.JPY	Previous year-end Mar. 31, 2015	[Current quarter-end] Dec. 31, 2015	Change	Rate of Change
Assets	22,592	23,911	+1,318	+5.8% *6
Current assets	8,758	9,501	+743	+8.5%
Fixed assets	13,833	14,409	+575	+4.2%
Liabilities	11,738	7,181	▲4,557	▲38.8%
Current liabilities	11,169	4,462	▲6,706	▲60.0%
Long-term liabilities	569	2,718	+2,148	+377.3%
Net assets	10,853	16,729	+5,876	+54.1%
Net assets per share	95.86	139.12	+43.26	+45.1%

Major Factors Resulting in Changes

Increase in cash and deposits	+1,660	Increase in current assets	
Decrease in other financial assets	▲975	Decrease in current assets	
Increase in goodwill	+352	Increase in illiquid assets	*1, 2
Increase in software	+698	Increase in illiquid assets	*3
Decrease in the software suspense account	▲632	Decrease in illiquid assets	*3
Decrease in short-term borrowing	▲6,007	Decrease in current liabilities	*4
Decrease in accounts payable-other	▲794	Decrease in current liabilities	
Increase in long-term borrowing	+1,984	Increase in illiquid liabilities	*4
Increase in capital stock	+1,999	Increase in net assets	*5
Increase in capital surplus	+1,987	Increase in net assets	*5
Increase in retained earnings	+1,063	Increase in net assets	
Increase in foreign currency translation adjustment	+101	Increase in net assets	*1
Increase in minority interests	+184	Increase in net assets	

* 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 previous term were calculated by dividing net assets by the total number of shares outstanding after the stock split.

*1 Foreign exchange difference for goodwill, etc.

*2 251 million yen increase of goodwill following the acquisition of Lifull MP.

*3 Due to the development of services for realtors such as HOME'S PRO Property Distribution and an overhaul of NEXT's internal backbone IT system.

*4 A result of refinancing from short-term borrowing to long-term borrowing.

*5 A result of procuring about 4 billion yen through a third-party share allotment to Rakuten, Inc. in July.

*6 Goodwill of 86 million yen for Little, 9,179 million yen for Trovit, and 251 million yen for Lifull MP. PPA of Lifull MP 276 million yen.

POINT Cash and cash equivalents for the first half grew by 1.6 billion yen to 5.9 billion yen.

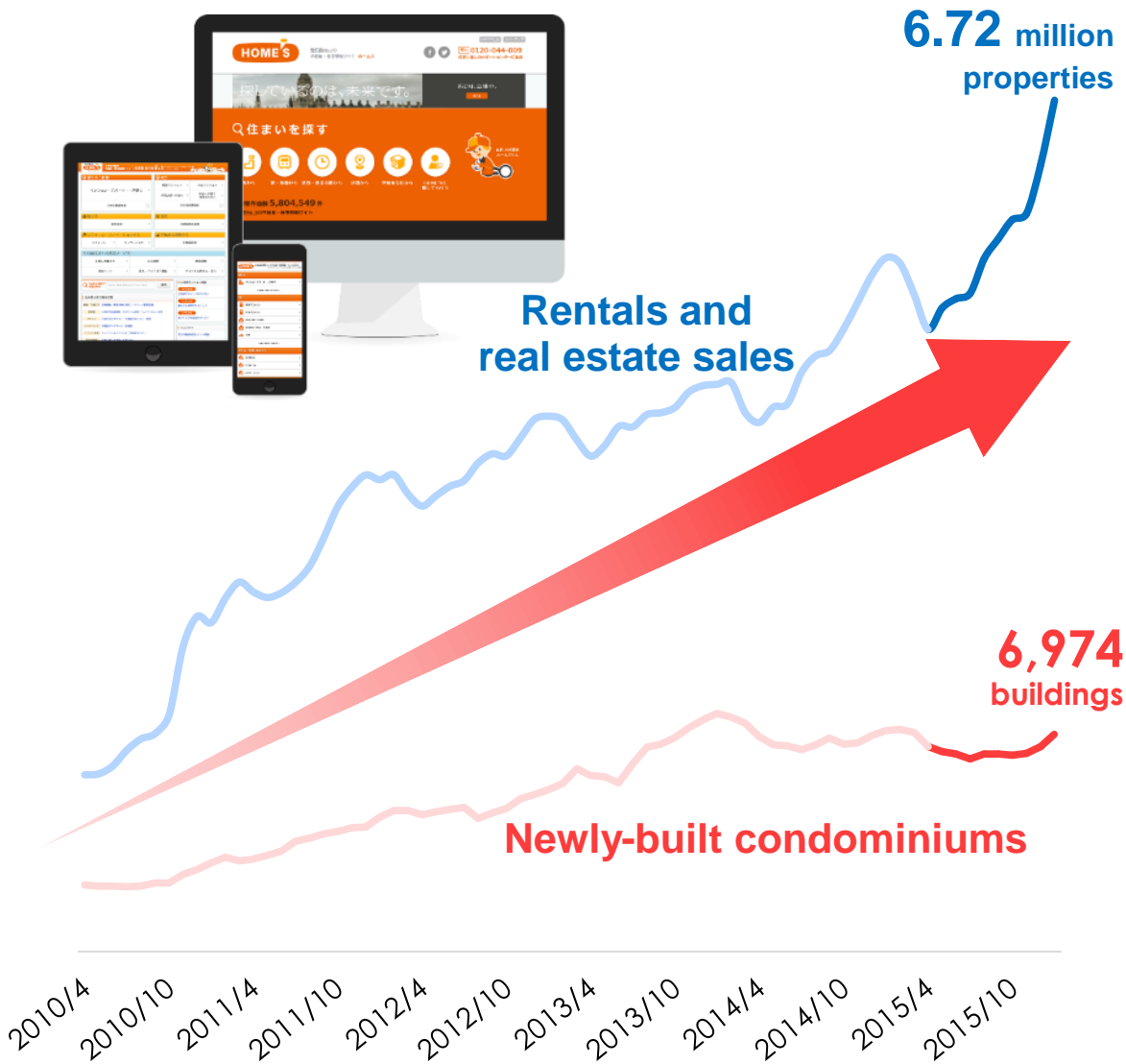
Unit : M.JPY	FY03/2015 (Apr-Dec)	FY03/2016 (Apr-Dec)	Change	Main items	FY03/2015 (Apr-Dec)	FY03/2016 (Apr-Dec)
Operating cash flow	532	1,717	+1,185	Income before income taxes Depreciation Increase/decrease in accounts receivable - trade and other short-term claims Increase/decrease in accounts payable - trade and other short-term claims Tax	2,019 297 199 ▲ 606 ▲ 1,066	2,958 660 289 ▲ 1,104 ▲ 1,121
Investing cash flow	▲ 12,711	320	+13,032	Outlays for the provision of time deposits Income from time deposit withdrawals Outlays for the acquisition of property, plants, and equipment Outlays for the acquisition of intangible fixed assets Outlays for the acquisition of subsidiary company shares	▲ 1,000 — — ▲ 705 ▲ 10,935	▲ 27 — 1,001 ▲ 458 ▲ 132
Financing cash flow	6,734	▲ 365	▲ 7,099	Income from borrowing Outlays for the repayment of short-term borrowing Income from stock issue Dividend payments	7,000 — 1 ▲ 267	3,000 ▲ 7,000 3,982 ▲ 347
Change in cash and cash equivalents	▲ 5,445	1,660	+7,106			
Balance of cash of cash equivalents	2,997	5,928	+2,931	Acquired all shares in Trovit for an amount equivalent to approx. 11.5 billion yen in November 2014; cash and cash equivalents of 5.9 billion yen as of December 31, 2015		

Topics

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

POINT

Total number of properties listed on HOME'S has exceeded 6.7 millions, taking another step forward to carry all information available in the market.



Comparison with major websites

(*1)

6.43 million properties

2.37 million properties

1.82 million properties

Company A

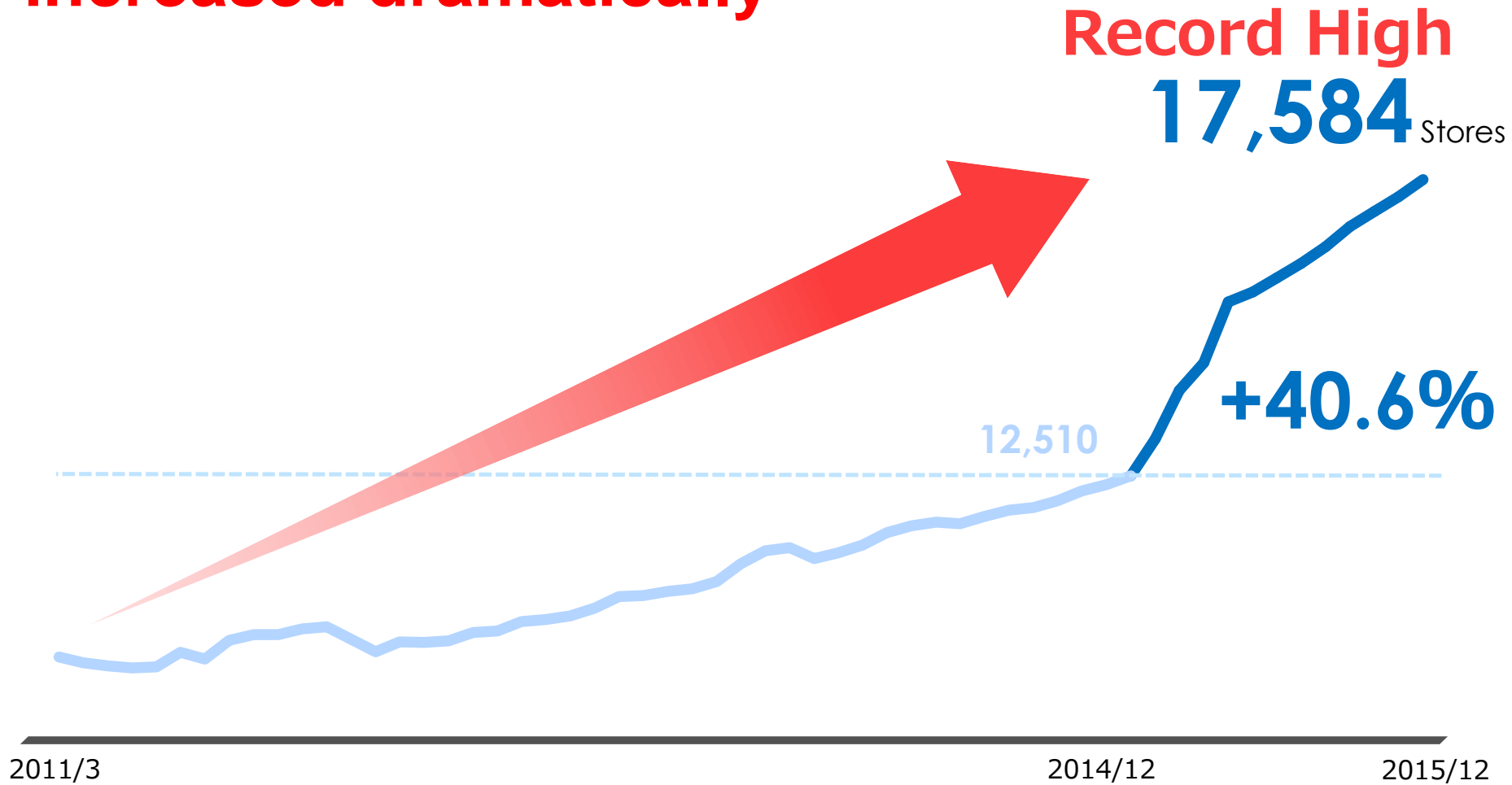
Company B

Company C

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

Trends at Affiliated Stores

Numbers of affiliated stores
increased dramatically



Promotional Activities

POINT Have raised the recognition effectively trough well-balanced media-mix



Promotional activities in the year ending Mar 31, 2016

events



campaigns



Business Strategies

NEXT Group Mid-to-long Term Growth Strategy Roadmap



NEXT Co., Ltd.

Global Platform

- **World-wide Property DB**

Market Expansion

- **Real Estate Investment Platform**
(HOME'S Real Estate Investment)
(Investment-type Cloud Funding)

Market Vitalization

- **use development**
(day-care center, small-size nursing center, etc...)
(initiatives for sharing economy and local area development, etc...)
- Make **Online property transaction** available
(provide a system to explain important contractual matter via website)

Transform the Industry

HOME'S

- **Carry all information available in the market and establish a transparent evaluation process**
(property info, pricing, asset info, performance evaluation, realtor rating)
- **Provide support** to improve realtors' operational efficiency

Realestate × **Technology**
= **“ReTech”**

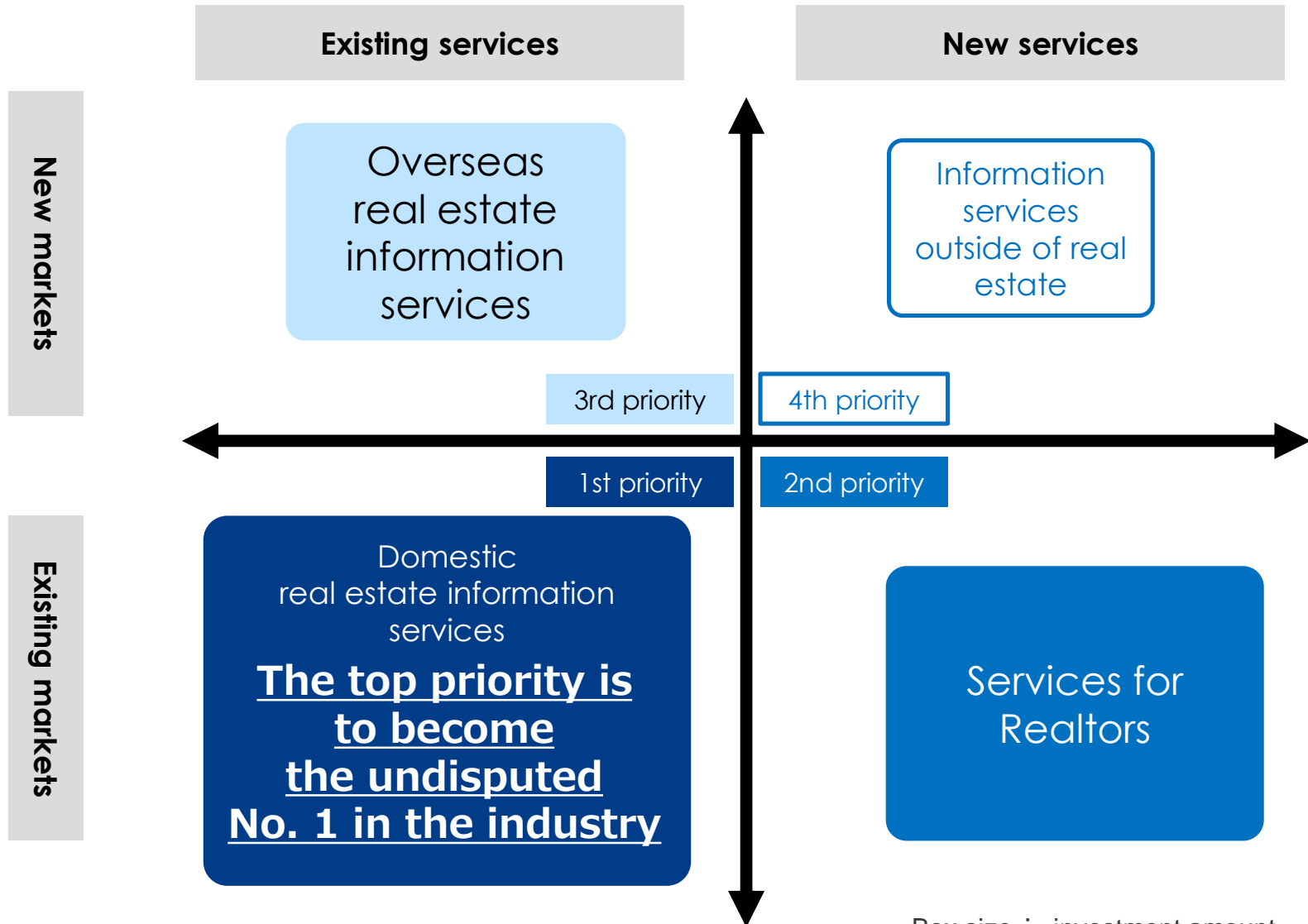
**We aim to change
the real estate industry**

Building a platform

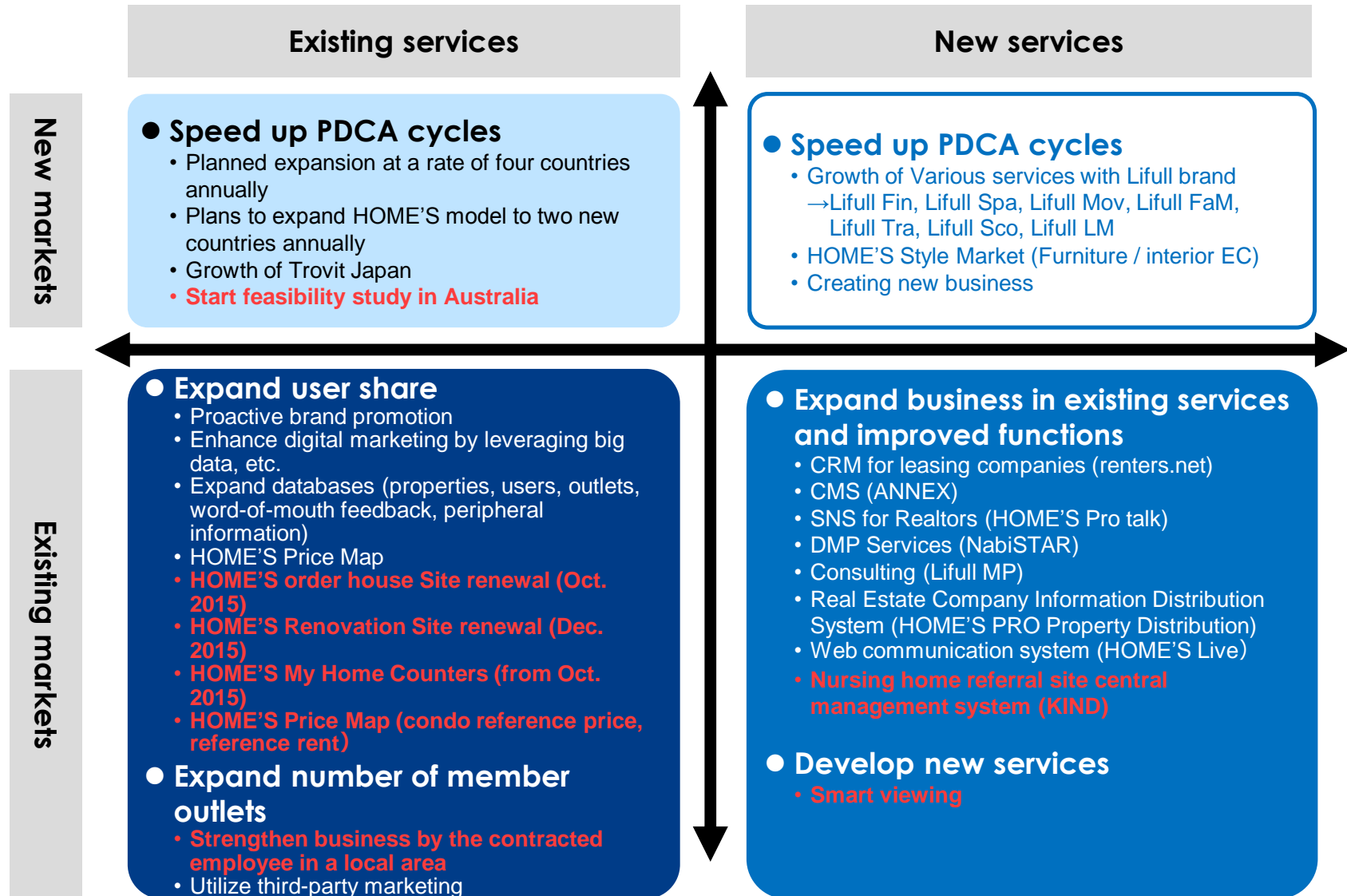
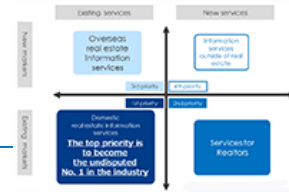


Investment Outlook

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



Investment Outlook



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

Seminar

HOME'S app

Smart Viewing

HOME'S Price Map

condo tours for comparison app

New house/
condo assurance

Sale price simulator

Check-in app
(forO2O)

New equipment
assurance

HOME'S Style Market

insurance
broker

Correspondence to
foreign language

Interests, needs
Comparisons, considerations

Inquiries, Store visits

Completion of
contract

Relocation

Renovation

Insurance

Sales, Real estate
investment

Matching

Consultation
counter

Real Estate Portal
"HOME'S"

O2O tracking
Store visit/site visit
campaigns

Comparison of the home
loan

HOME'S
Relocation

HOME'S
Renovation

MONEYMO

Real estate
sales inspection

HOME'S real
estate investment

Management, building,
the stocking

Acquire customers,
Information, follow-up

Completion of
contract

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

Brokerage services, Real
estate investment

Correspondence to
foreign language

Easy copy tool
for agents

Property
Distribution

ANNEX

Smart
viewing

Credit

Owner CRM

Deposit
management

Renter's Net

"My Room" insurance

SNS

Tie-in ads

Room VR

HOME'S LIVE

Floor plan
preparation

GRID VRICK

DMP

Concierge

Online contract

Collection
services

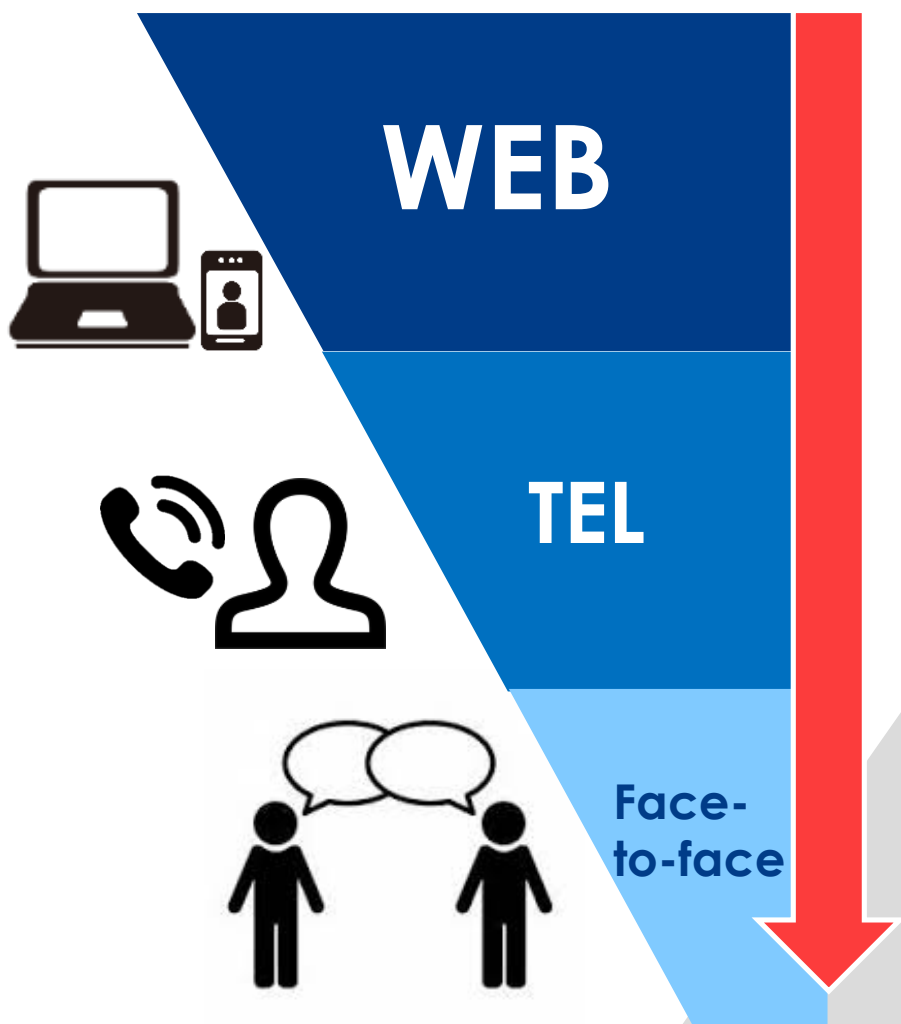
Anonymous surveys, seminars

Credit card settlement

Ad consulting

HOME'S Omni-channel Strategy

POINT Establish more direct contact with users and serve as their concierge to provide a better house-hunting environment



HOME'S



相談無料
お電話相談窓口
住まい探しのサポートセンター

通話無料 **0120-044-009**
受付時間 9時～19時 (土日祝日 9時～18時)

HOME'Sのプロが中立の立場でメールや電話で無料でアドバイスいたします。どうぞお気軽にご相談下さい。



※Oct 2015: Opened a consultation counter as a trial

Technology × House finding

POINT

Developed new services utilizing cutting-edge technologies, making user's house-finding experience more convenient and enjoyable



GRID VRICK

Coming soon

Furniture layout and brightness simulation system



- Virtual 3D furniture layout available using LEGO(R) blocks, etc
- Images available with different furniture/interior decoration
- Simulation available with specific season and time of day
- You can also virtually walk through the simulated room

Smart key

Smart preview system

Coming soon



- Make a preview reservation
- smart-key delivery via internet
- Preview with the smart-key

HOME'S PriceMap to be Upgraded

POINT Bring transparency to reference prices of 160 thousand condos and 1.5 million houses in the metropolitan area

Coverage expansion plan

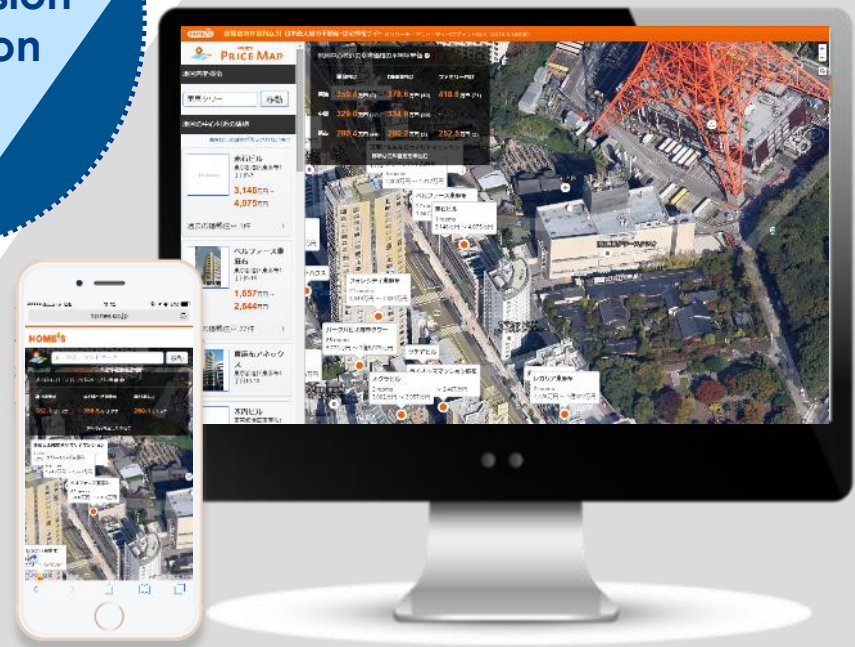
Now planning

this spring

Area expansion
Monetization

Reference prices
for rent
(metropolitan area)

Condos
reference prices
for transactions
(metropolitan area)



<http://www.homes.co.jp/price-map/>

Initiatives for market expansion

a business model to **solicit investment** and **bring profit from idle properties** needs to be established



Use
development

remodeling
renovation
interior
attract customers

Financing
needs

monetization



Accommodation,
Café, etc...

Formed a **capital alliance** with **JG Marketing**, a cloud funding company, in Jan 2016



Real estate
information
platform



Investment
platform

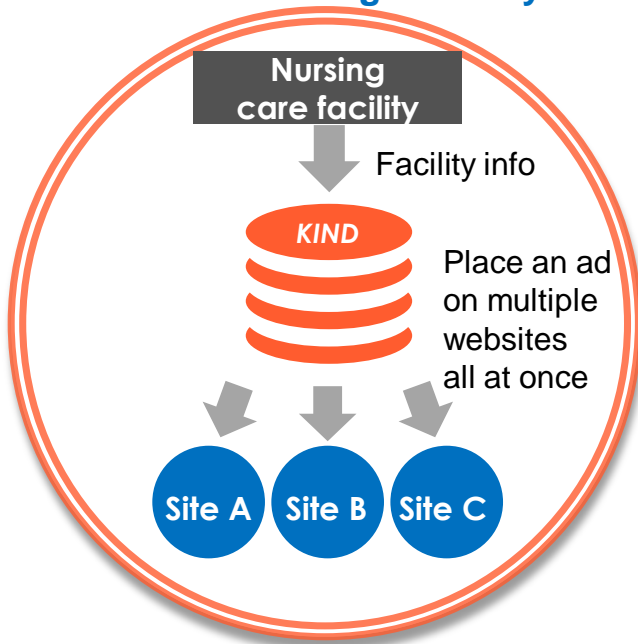


**Expand the market by establishing
a real estate investment platform**

Our new services

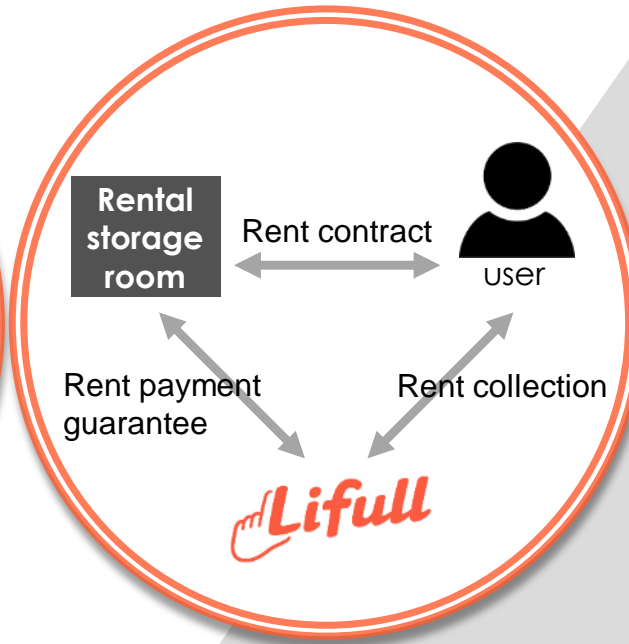
Released in Jan

Nursing care facility
referral website
consolidated management system



Released in Feb

Rent payment guarantee
for rental storage rooms



Coming soon

Lifull FinTech
insurance agency

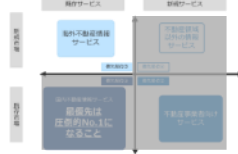


place an ad on multiple websites
all at once utilizing a conversion
function
avoid placing a wrong data with
a function to check the content

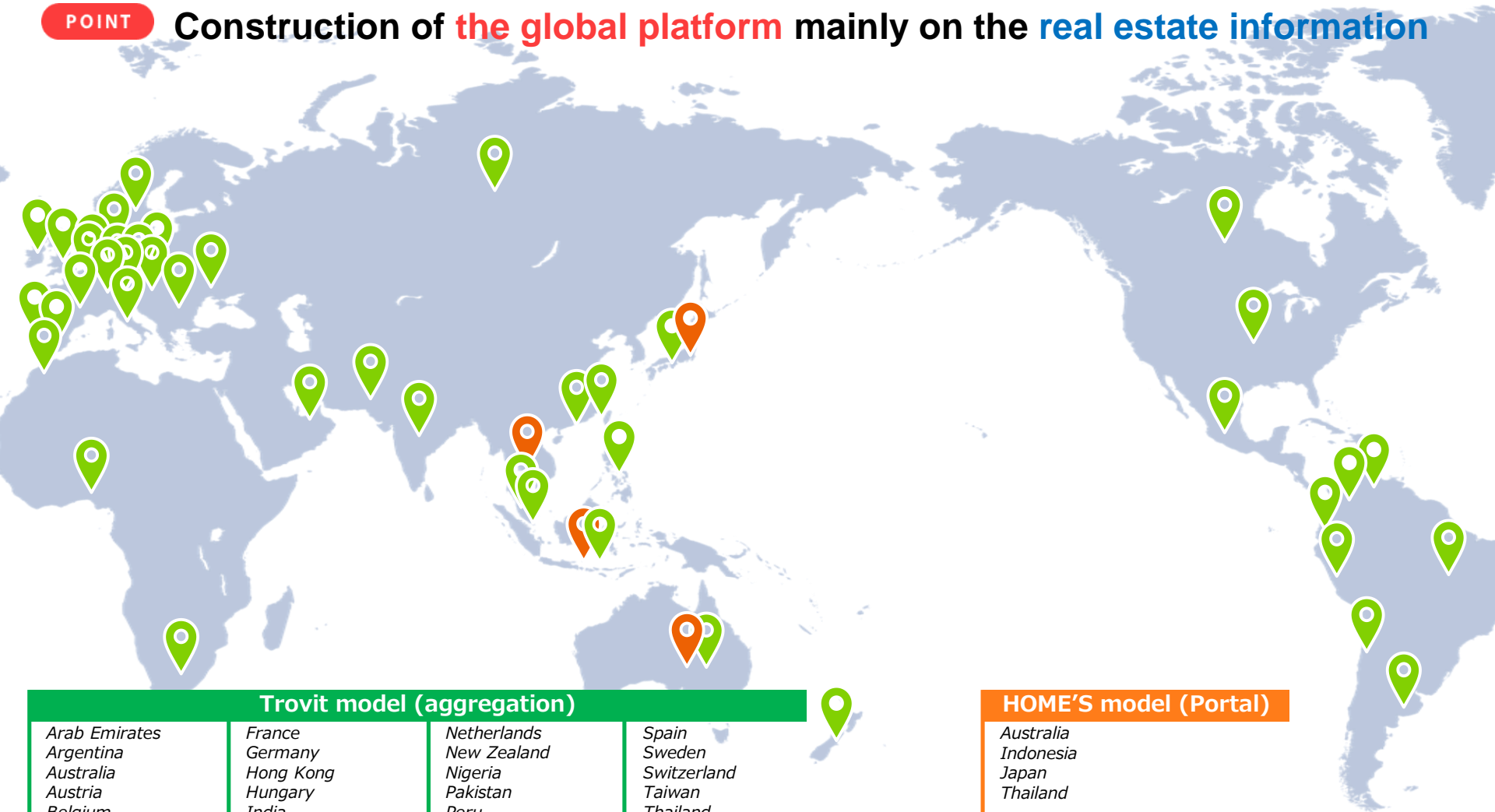
In addition to provide rental
storage room information, has
started to provide services to
the business operators

Will start operating an
insurance agency
in addition to provide insurance
agency search service

NEXT Group service area from 4 to 46 countries



POINT Construction of **the global platform** mainly on the **real estate information**



Trovit model (aggregation)

Arab Emirates
Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
Columbia
Czech Republic
Denmark
Ecuador

France
Germany
Hong Kong
Hungary
India
Indonesia
Ireland
Italy
Japan
Malaysia
Mexico
Morocco

Netherlands
New Zealand
Nigeria
Pakistan
Peru
Philippines
Poland
Portugal
Romania
Russia
Singapore
South Africa

Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
UK
US
Ukraine
Venezuela

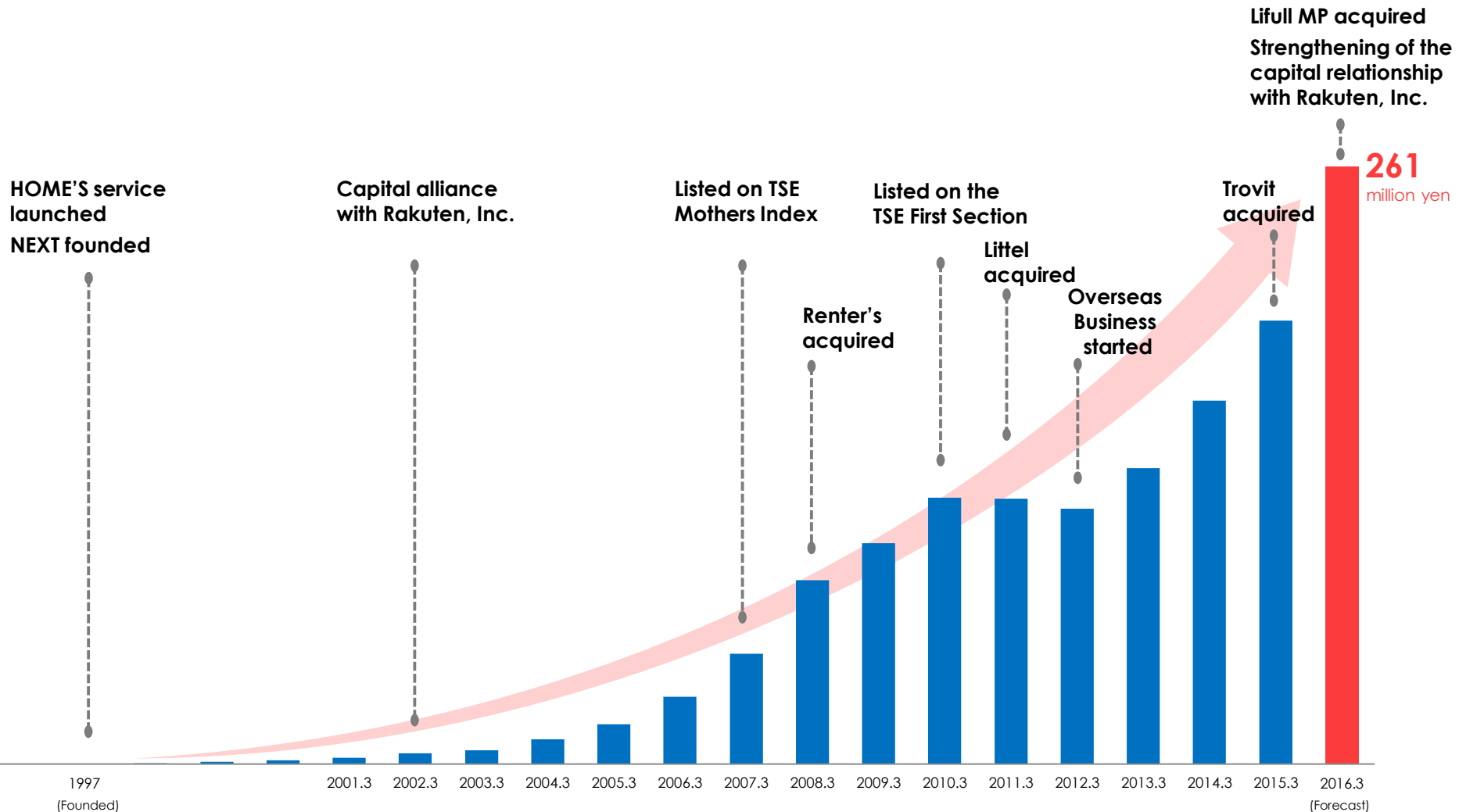
HOME'S model (Portal)

Australia
Indonesia
Japan
Thailand

History

POINT

Revenue spreads smoothly and updates a record high



Streamline the back-office operation to expand the Group's business scale

POINT

Establish Lifull Bizas in Kochi prefecture

Company profile

- > **Company name** : Lifull Bizas
- > **Capital** : 40 million yen
- > **Address** : 1-8 Ekimae, Kochi-city,
Kochi prefecture
- > **Number of employee** : about 30
- > **Beginning of operation** : April 1st, 2016



Shared service center for **NEXT Group**

Improve productivity of the back-office operation to enable **the whole Group to further grow and be competitive in the global market.**

Human resource investment

POINT Continuously invest in human resource, the source of our competitiveness

To be **「the number one company」**

people want to work with, we are undertaking the following initiatives

To share vision



Internal drinking party
All-hands meeting

To vitalize the organization



Award program
Company trip
Company clubs

To provide opportunity to try and grow



New business proposal program
Company university
Creator's Day

To support various workstyle



Support to working mothers/fathers
Side job permit system
Work-at-home system

*Selected as
「health and productivity」
stock in 2016*

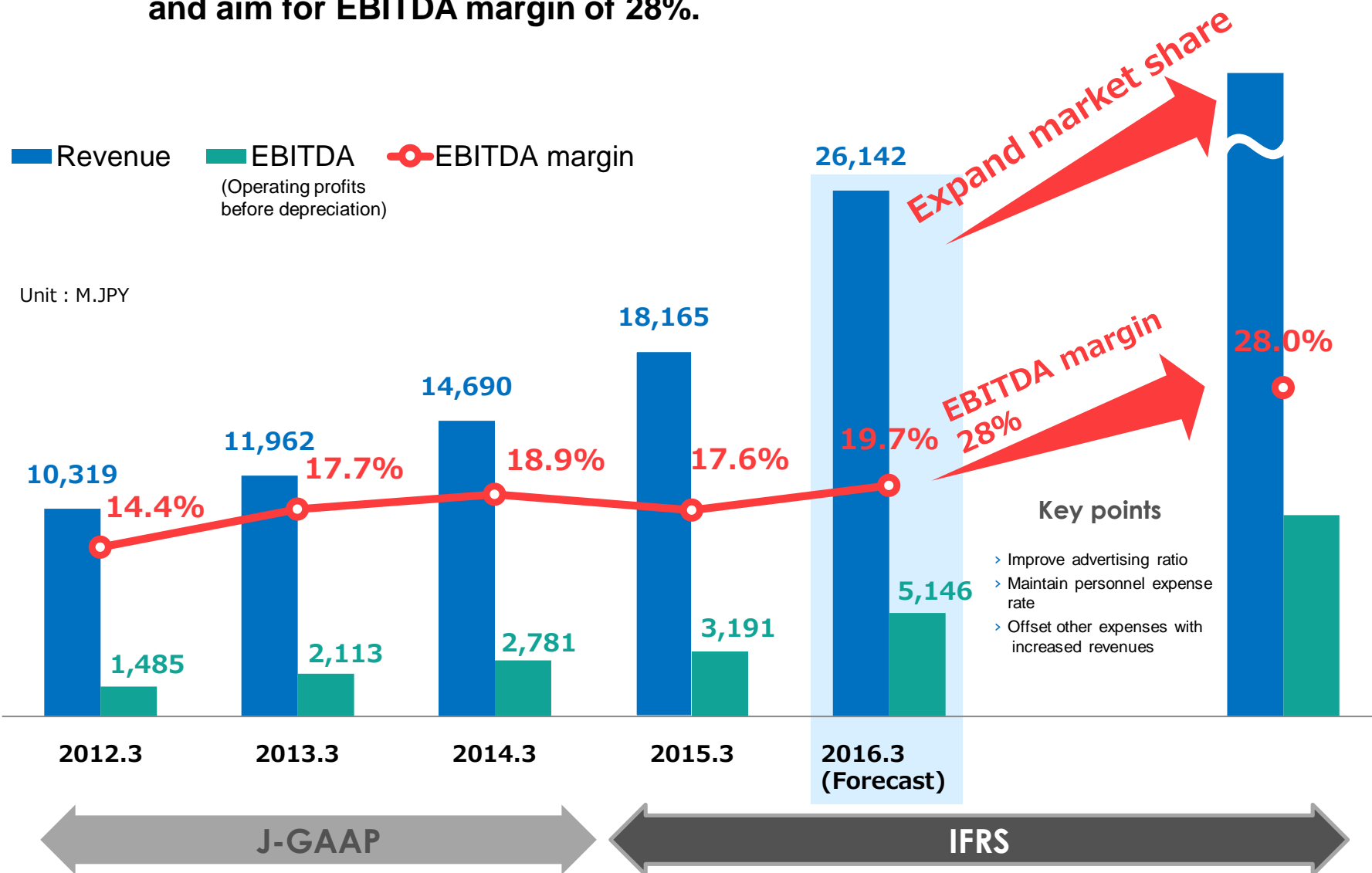


*Received 「Great Place To Work」
award for six consecutive years*



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%.



**We want to provide information
that perfectly suits your needs.**



Reference

Corporate Data

Company Name	NEXT Co., Ltd. (TSE 1st section: 2120)
Representative	Takashi Inoue, President and CEO
History	March 12, 1997 Established (Fiscal year ending March 31) October 31, 2006 Listed in Tokyo Stock Exchange, Mother's Section March 12, 2010 Listed on TSE 1st Section
Capital	3,999 million yen
Stock Issued	118,789,100 (including 73,636 shares of treasury stock)
Consolidated Number of Employees	909 persons (including 135 temporary employees, 138 overseas)
Major Shareholders	NEXT directors, Rakuten, Inc. (20%)
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 December 2015

President's Profile



	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.

Trend of Operating P/L (Quarterly)

【 J-GAAP 】

【 IFRS 】

Quarterly consolidated statements of income

Unit : M.JPY	FY2014/03				FY2015/03				FY2016/03		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Revenue	3,398	3,454	3,556	4,281	3,852	3,897	4,318	6,096	5,457	6,441	6,280
Domestic Real Estate Information Services	3,160	3,214	3,307	3,965	3,524	3,583	3,756	4,736	4,167	4,311	4,440
Rental & Existing home	1,818	1,845	1,889	2,422	2,102	2,161	2,362	3,126	2,648	2,776	2,914
New ly-constructed lots	1,021	1,027	1,096	1,178	1,083	1,087	1,107	1,258	1,207	1,165	1,153
Custom-built houses & Renovations	256	266	240	268	230	224	166	196	169	204	197
Others	63	75	81	95	107	109	121	155	141	165	176
Domestic Services for Realtors	136	153	174	174	206	223	230	248	242	1,049	889
Overseas	10	5	4	8	14	6	243	939	904	940	796
Others	90	80	69	132	107	84	88	172	144	139	154
Cost of sales	102	104	129	136	108	126	153	194	141	737	597
SG&A	2,290	2,665	2,532	3,948	2,932	3,237	3,180	5,041	4,036	4,640	4,343
Personnel expenses	806	973	848	1,155	1,001	998	1,083	1,356	1,366	1,479	1,535
Advertising expense	774	952	906	1,862	1,114	1,328	960	2,538	1,524	2,002	1,527
Operating expense	84	95	117	176	126	170	201	220	208	245	305
Other SG&A	626	643	660	753	690	739	934	925	937	912	975
Other revenues and expenses	0	0	0	0	-2	-3	-9	-26	-13	-65	-33
EBITDA	1,005	684	894	197	808	530	975	834	1,267	998	1,306
Depreciation/amortization cost	142	133	103	102	87	88	120	161	214	214	230
Operating profit	862	550	791	95	720	442	854	673	1,052	783	1,076
Net profit	516	309	455	54	430	282	559	523	682	552	693
EBITDA margin	29.6%	19.8%	25.2%	4.6%	21.0%	13.6%	22.6%	13.7%	23.2%	15.5%	20.8%

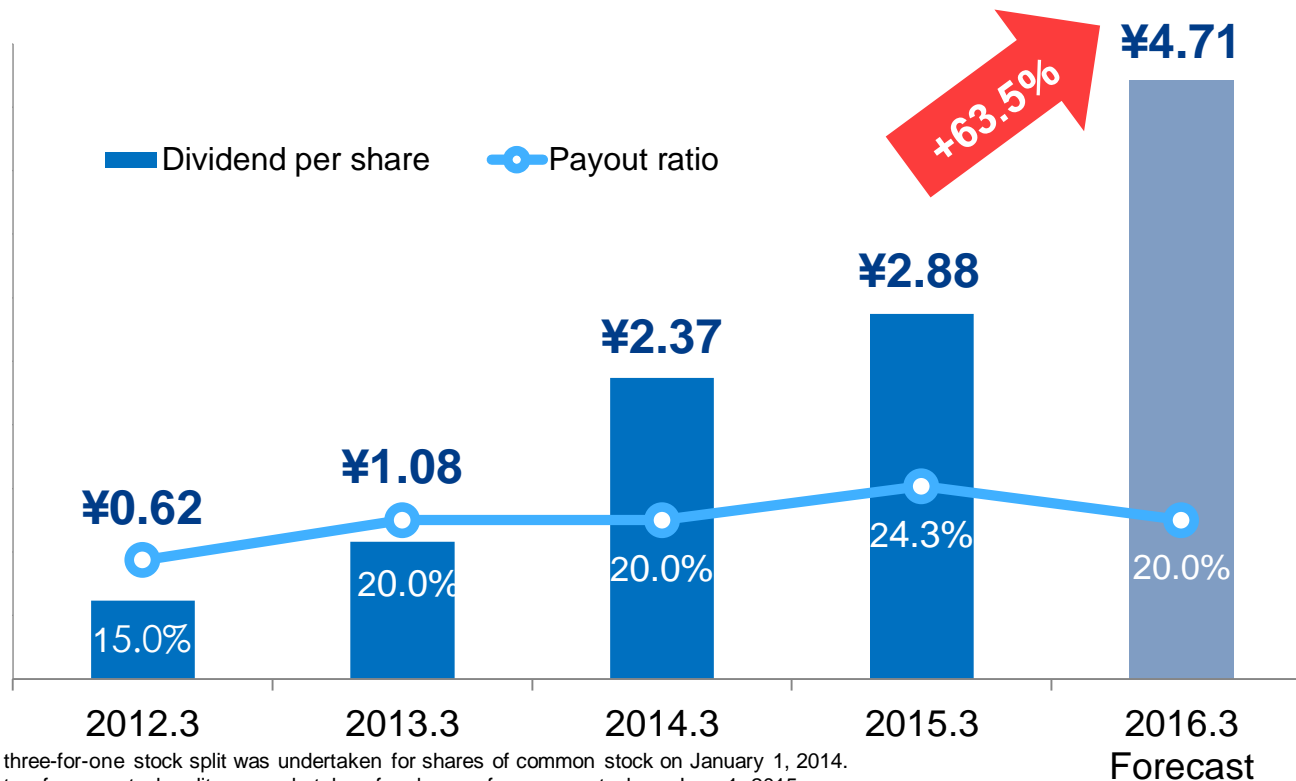
Quarterly consolidated segment profit and loss

Unit: M.JPY
Domestic Real Estate Information Services
Domestic Services for Realtors
Overseas
Others
Inter-segment transactions
Segment profit

FY2015/03				FY2016/03		
1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q
741	486	934	566	860	597	1,016
6	14	-6	-37	2	23	25
-23	-37	-24	200	214	220	47
-3	-20	-42	-33	-20	-12	-7
2	2	2	3	8	20	28
723	445	864	699	1,065	849	1,109

Dividends

POINT Dividend payout ratio: 20%; expect to increase for the FY03/2016



* 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!

- > Due to the transition period to IFRS, the dividend payout ratio for the FY03/2015 was computed on the basis of net profit that excluded the "effects of NEXT'S acquisition of Trovit." Thus, the resultant payout ratio was 24.3%.
- > For the FY03/2016, NEXT 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 FY03/2016 was revised down by 0.9% to 2.795 billion yen as part of the full-year performance forecast revision resulting from the Lifull MP acquisition.
- > NEXT issued new shares of stock through a third-party share allotment to Rakuten, Inc. This resulted in an increase of 5,797,100 outstanding shares (5.1%).
- > NEXT intends to raise the dividend payout ratio in the future in consideration of total capital, investment forecasts, 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, the per-share dividend for the previous year was calculated by adjusting for the effect of this stock split.

External Market Data (Monthly)

Reference data

Number of Apartments for sales (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Capital Region	45,602	56,478	44,913	3,125	3,337	9,389	1,679	2,598	4,457	2,286	3,495	3,503	4,785	2,610	2,430	2,921	3,496	6,189
YoY	2.5%	23.8%	-20.5%	-10.9%	-33.3%	13.9%	-8.1%	-2.0%	-4.0%	-7.6%	-18.7%	0.0%	13.3%	23.7%	-27.2%	-6.5%	4.8%	-34.1%
Kinki	23,266	24,691	18,814	1,427	1,975	1,638	1,314	1,905	2,019	1,189	1,920	1,755	1,258	969	1,798	1,223	1,696	1,884
YoY	15.1%	6.1%	-23.8%	1.6%	10.9%	-32.1%	84.8%	15.2%	9.3%	-2.7%	20.9%	3.8%	37.6%	-20.4%	-1.7%	-14.3%	-14.1%	15.0%

Trend of Price for Apartments (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

Unit : M.JPY	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Capital Region	4,540	4,929	5,060	4,560	5,224	5,022	4,455	5,696	5,186	5,305	4,812	5,815	5,953	5,872	5,393	5,364	6,328	5,457
YoY	-0.8%	8.6%	2.7%	-7.1%	5.2%	-5.9%	-3.9%	12.5%	-0.6%	9.5%	-6.7%	20.4%	7.6%	3.3%	13.2%	17.6%	21.1%	8.7%
Kinki	3,438	3,496	3,647	3,587	3,649	3,872	3,155	3,427	3,842	3,562	3,964	3,664	3,578	3,641	3,708	3,459	4,454	4,525
YoY	-1.1%	1.7%	4.7%	6.1%	1.4%	16.2%	-9.2%	1.4%	5.5%	3.8%	12.7%	-2.7%	-1.1%	-4.4%	-4.4%	-3.6%	22.1%	16.9%

New build properties (Monthly)

Source : Ministry of Land, Infrastructure, Transport and Tourism

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
House for Rent	318,521	356,263	362,191	33,628	32,655	32,478	26,856	25,672	30,243	30,603	28,208	35,600	33,977	33,470	34,092	32,757	33,505	33,735
YoY	11.4%	11.8%	1.7%	-4.1%	-7.4%	-8.9%	-10.3%	-7.5%	4.6%	-1.8%	2.8%	14.6%	18.7%	17.7%	13.3%	-2.6%	2.6%	3.9%
Apartment house	123,203	127,599	110,475	10,495	9,255	8,709	10,377	10,693	7,575	11,071	11,322	14,173	7,424	10,189	7,724	8,690	8,880	7,534
YoY	5.5%	3.6%	-13.4%	23.3%	2.4%	-10.5%	-13.1%	23.3%	-8.6%	24.4%	54.9%	82.8%	-17.6%	0.0%	-22.4%	-17.2%	-4.1%	-3.5%
House	122,590	134,888	125,421	10,146	10,602	10,763	9,511	9,630	9,887	9,893	9,148	11,160	10,587	10,768	10,351	10,030	11,471	11,188
YoY	5.0%	10.0%	-7.0%	-13.8%	-12.5%	-10.5%	-9.7%	-0.2%	-1.6%	7.9%	-8.8%	-2.9%	-2.7%	4.6%	1.0%	-1.1%	8.2%	3.9%
Owned house	311,589	354,772	285,270	24,245	24,462	23,725	20,282	20,813	21,352	23,294	22,542	26,643	25,396	25,245	25,219	24,830	25,310	22,440
YoY	2.0%	13.9%	-19.6%	-28.6%	-29.3%	-25.5%	-18.7%	-9.1%	-1.4%	-2.1%	1.1%	7.2%	8.0%	4.1%	2.4%	2.4%	3.5%	-5.4%

Internal migrants (Monthly)

Source : Ministry of Internal Affairs and Communications

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
people	5,018,166	5,015,571	5,207,599	380,316	304,779	336,902	319,754	350,058	967,388	764,296	360,121	370,989	374,787	377,467	394,589	406,352	337,321	351,431
YoY	-0.5%	-0.1%	3.8%	2.9%	-3.7%	4.1%	6.6%	6.6%	8.1%	2.0%	5.7%	15.6%	5.1%	7.2%	9.4%	6.8%	10.7%	4.3%

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
652.0

[Rightmove, UK]
Revenue 28.4
EBITDA 21.3
Net profit 16.6

ended December, 2014

[NEXT,JP]
Revenue 26.1
EBITDA 5.1
Net profit 2.8

ended March, 2016 [forecast]

Market cap
157.3

Market cap
438.8

[Zillow, US]
Revenue 39.5
EBITDA 6.0
Net profit ▲5.2

ended December, 2014

Market cap
153.3

[Zoopla, UK]
Revenue 13.8
EBITDA 6.8
Net profit 4.6

ended December, 2014

Market cap
311.5

[Soufun, CN]
Revenue 85.2
EBITDA 40.3
Net profit 30.6

ended December, 2014

[Recruit Sumai Company, JP]
Revenue 83.9

ended March, 2015

Market cap
590.6

[REA group, AU]
Revenue 44.8
EBITDA 24.5
Net profit 15.9

ended June, 2015

Note1 Calculated from the IR materials of each company presentation

Note2 The stock of February 1, 2016

Note3 Exchange rate \$1=121.24 yen, GBP1=172.95 yen, AUD1= 85.85yen

Our service

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



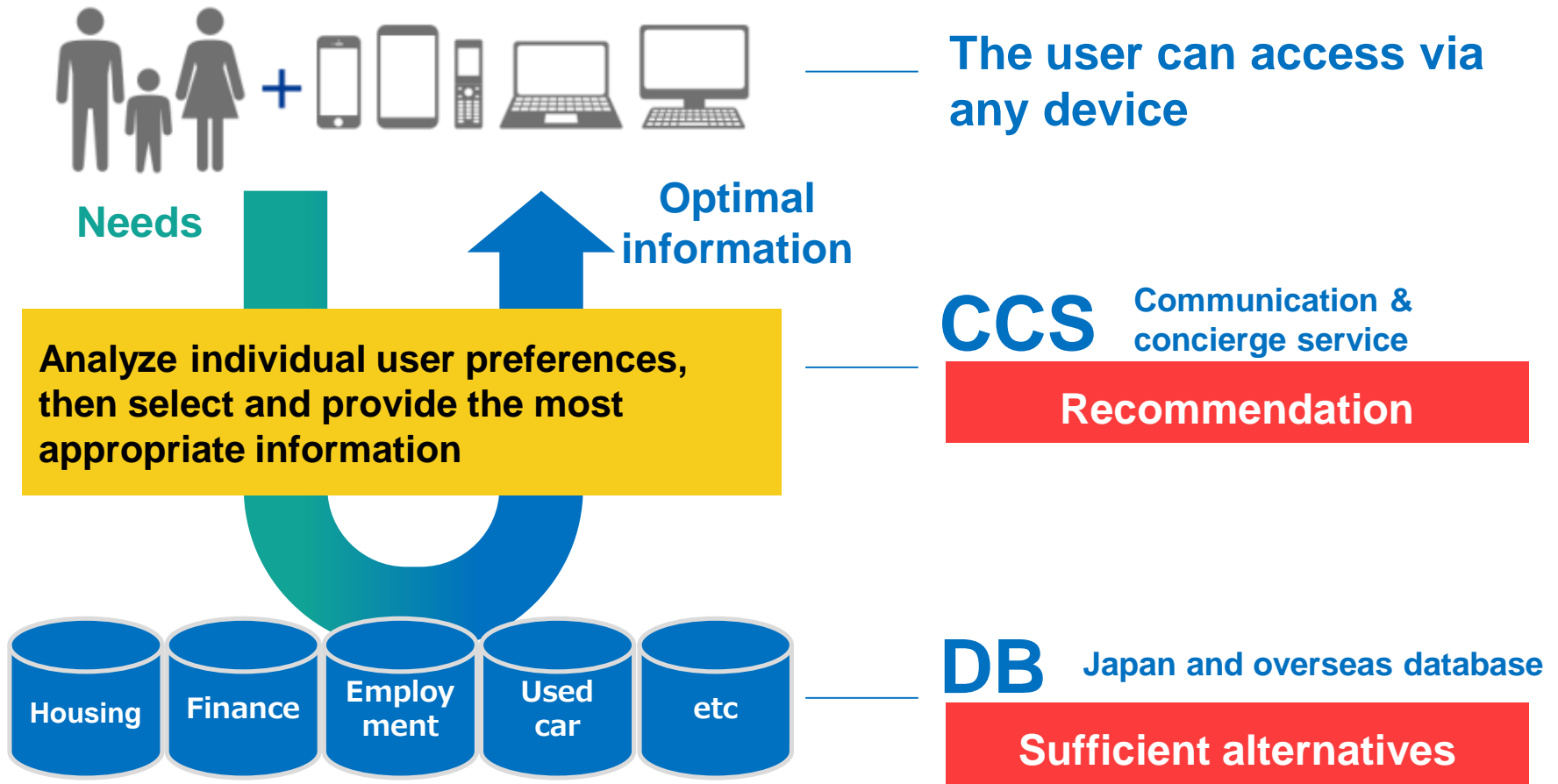
You can see a 360-degree view of properties with images that make the scene more alive.

↓ Samples of 360-degree panoramic images

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

<http://goo.gl/E3KGRI>

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



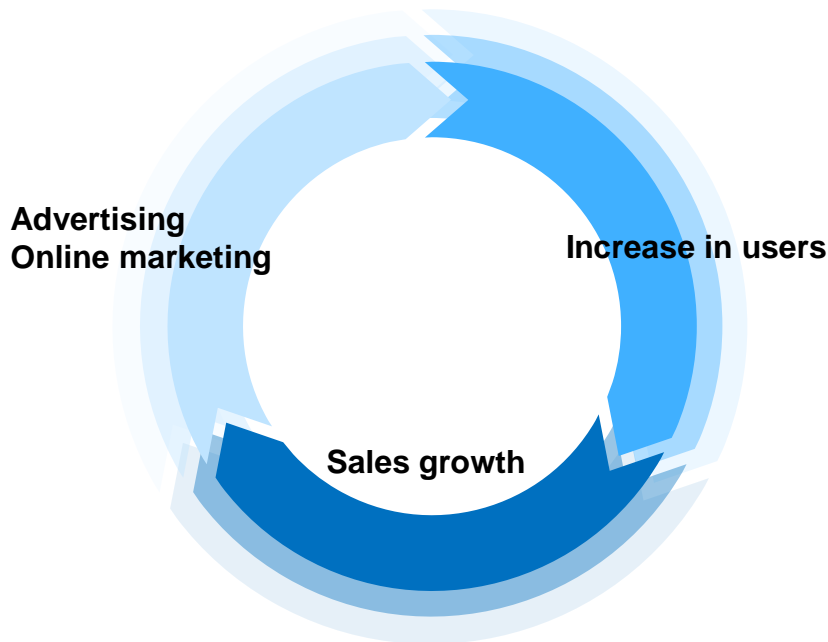
**Only HOME'S
applies an inquiry based charging system
among major Japanese real estate portal**



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

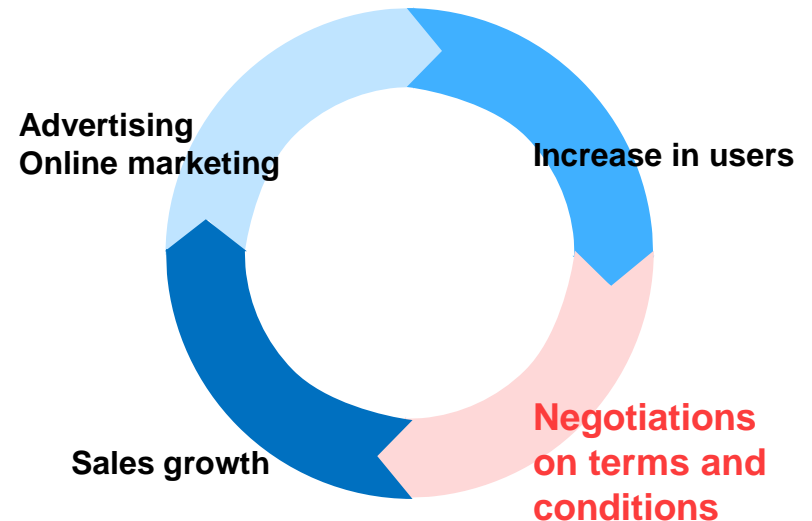
POINT With the pay-per-inquiry-based billing structure model, advertising spending leads directly to growing sales

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

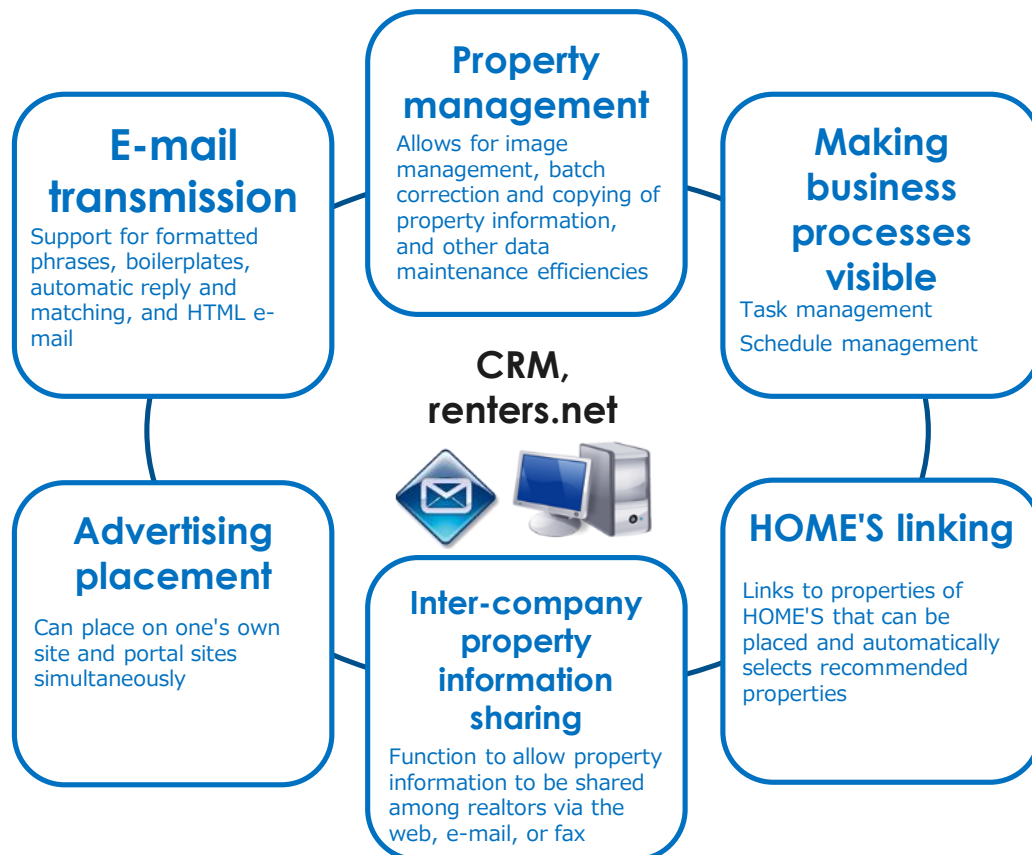


To grow sales requires negotiating on raising the posting fee

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

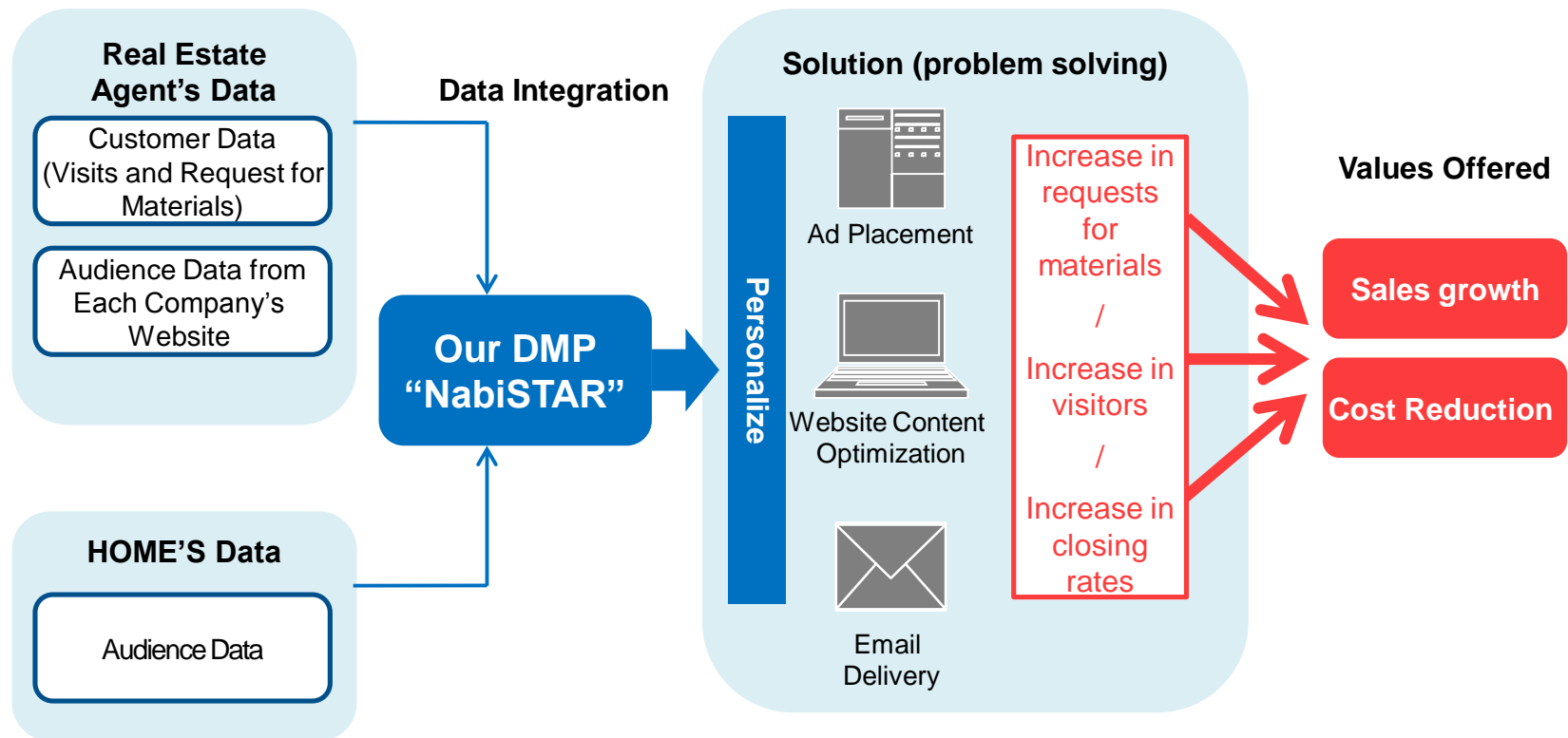
Inexpens
ive

Smart-
phone
support
ed

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



Overseas business

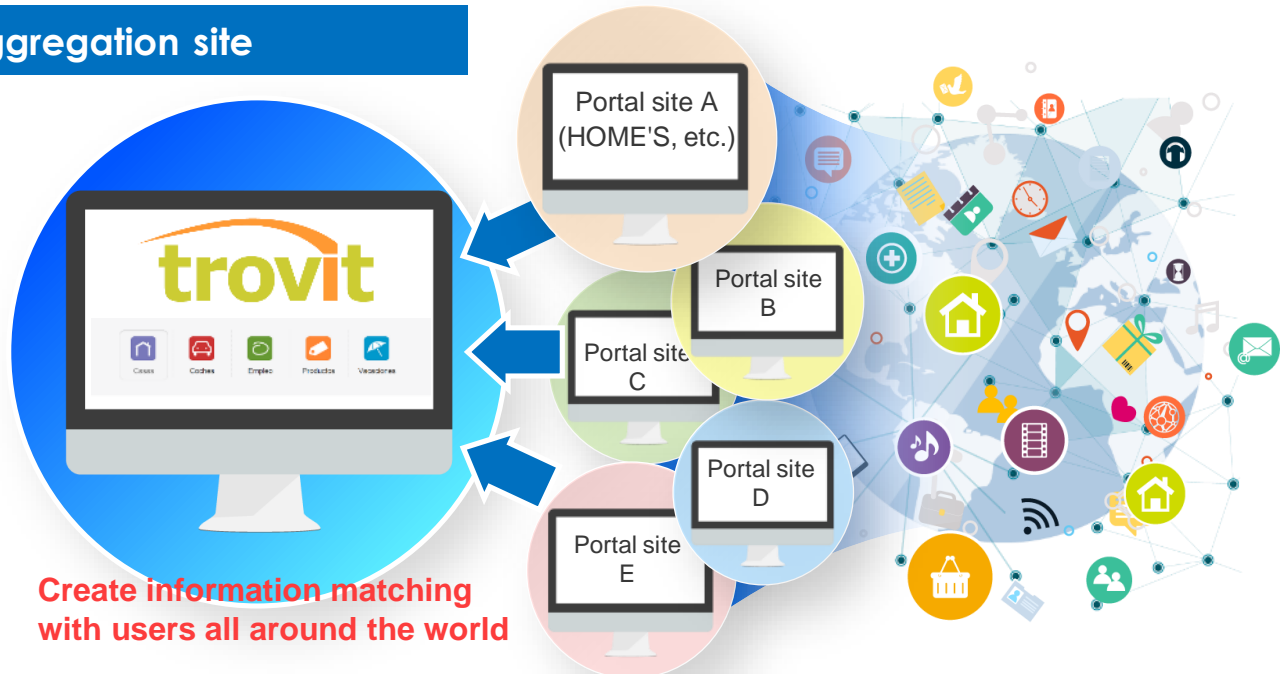


One of the world's largest aggregator sites 「Trovit」

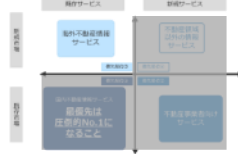
<http://www.trovit.co.uk/>

- 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



NEXT Group service area from 4 to 46 countries



Trovit model (aggregation)

Arab Emirates
Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
Columbia
Czech Republic
Denmark
Ecuador

France
Germany
Hong Kong
Hungary
India
Indonesia
Ireland
Italy
Japan
Malaysia
Mexico
Morocco

Netherlands
New Zealand
Nigeria
Pakistan
Peru
Philippines
Poland
Portugal
Romania
Russia
Singapore
South Africa

Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
UK
US
Ukraine
Venezuela

HOME'S model (Portal)

Australia
Indonesia
Japan
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



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

Lifull TraveRing



Provides **communication** services
between travelers from **overseas**
and **local** areas

Communication application



Main functions

- Registering as a traveler
- Registering as a local (resident of a foreign country)
- Travelers and locals communicating via the app
- Registering mutual evaluations

Launch a service to introduce carefully selected
hosts in Japan.

Feel "Japanese"



<https://travering.com/>



Develop into a platform that can be **used by the teams in the MLB, NPB, and BCL.**

Sports matching services for players and teams/corporations



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



Users register their play.



Lifull Scouting

Scouting



Pro contract



MLB/NPB/BCL teams

Inquiries Regarding IR



official account on Twitter



https://twitter.com/Next_2120_IR



Official Facebook page



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

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<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