



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

Earnings Presentation [IFRS]

Fiscal Year ended March 31, 2016
(April 2015 to March 2016)

The opinions and projections, etc. contained herein represent the judgment of NEXT Co., Ltd. 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

Achieved **record high** revenues and profits
on a full-year basis in FY2015

Consolidate revenue **+41.5%**

EBITDA **+54.3%**, net income* **+48.7%**

*net income attributable to owners of the parent

Take initiatives to revitalize the whole real estate industry

HOME'S PriceMap has **evolved** (reference rent now available)

Added **booking function** to HOME'S PRO smart preview service

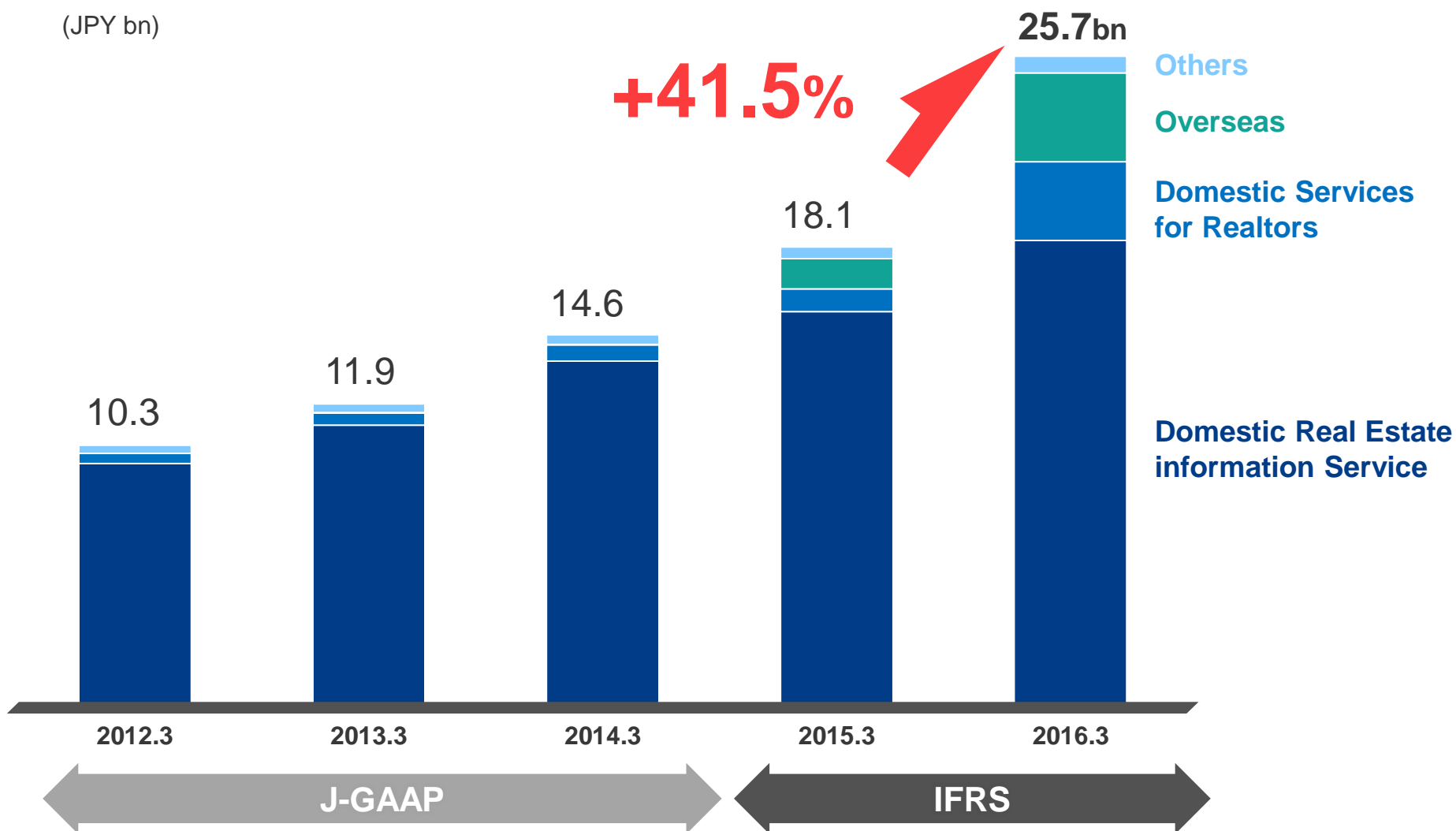
Working towards visualization of **building performance evaluation**

Planning to launch a platform dedicated to legal private lodging in June
as a trial to handle **Minpaku** (home-sharing) information as soon as it is approved

Trends in the Consolidated Revenue

POINT Group total growth has been accelerated through acquisition, etc., while existing businesses have continued to achieve high growth rate

(JPY bn)



FY2015 Review

Topics of FY2015



HOME'S original whack-a-mole box present campaign

Introduced IFRS Announced a ranking of horrible home-related-experience



Acquired Lifull MP Started to air new TV commercial series

Established 8 Lifull brand subsidiaries (Lifull SEN, MOV, FIN, SPA, SCO, LIV, BIZ)

Renewed the website of HOME'S custom home

Selected as TSE "Healthy and Productivity" stock for the first time Invested in US Zumper

Established Lifull BIZ in Kochi-city

Renewed HOME'S Renovation

Invested in JG Marketing **Ranked as the sixth "Great Place to Work"**

Significant Business Scale Expansion



by taking various initiatives



2016
健康経営銘柄
Health and Productivity



Published a real-estate e-magazine "My Dream" Formed a partnership with GooHome

Launched Trovit Japan HOME'S app started to support Apple Watch

Started to provide HOME'S PRO Property Distribution service

Started to provide to-do list for relocation

Launched Price Map β version

Started to operate Lifull Australia

Started to develop HOME'S LIVE

Partnered with NII and started to provide data for their research

Launched NabiSTAR Report β version

Launched "Kurashi Zukan" (Life-style diagnosis service)

Launched HOME'S Heyasaku! Opened Machi Match

Launched HOME'S PRO app

Launched KIND (nursing care center referral website)

Partnered with "Apa Navi"

Released Lifull Insurance

Launched HOME'S My Home Counter

Launched "Anshin Trunk Room Hosho" (rental storage room payment guarantee) service

HOME'S
PRO

Consolidated Results for FY2015

Simplified Income Statement

Consolidated Results for FY2015

POINT Achieved significant growth y/y: Revenue +41.5%, EBITDA +54.3% and net income* +48.7%

Unit: JPY mil	FY2014	FY2015	Change	Change %
Revenue	18,165	25,707	+7,542	+41.5%
Cost of sales	583	2,127	+1,544	+264.9%
SG&A (excluding depreciation and amortization)	14,391	18,625	+4,234	+29.4%
Personnel expenses	4,440	6,269	+1,829	+41.2%
Advertising expenses	5,941	7,345	+1,403	+23.6%
Operating expenses	718	1,016	+297	+41.4%
Other costs	3,290	3,993	+703	+21.4%
Other revenues and expenses	-41	-95	-54	-
EBITDA	3,149	4,859	+1,709	+54.3%
Net income*	1,796	2,670	+874	+48.7%
EBITDA margin	17.3%	18.9%	+1.6p	-
Depreciation	458	864	+405	+88.6%

FY2014 Q4 (Jan. – Mar.)	FY2015 Q4 (Jan. – Mar.)	Change %
6,096	7,527	+23.5%
194	651	+234.6%
5,041	5,605	+11.2%
1,356	1,888	+39.2%
2,538	2,291	-9.8%
220	257	+16.8%
925	1,168	+26.3%
(26)	(7)	-
834	1,263	+51.4%
523	742	+41.7%
13.7%	16.8%	+3.1p
161	205	+27.7%

*1

*2

*3

*4

*5

*6

*7

*Net income attributable to owners of the parent

*1 Revenues have grown at double digits or higher rates in all segments.

*2 Cost of sales increased mainly due to the acquisition of Lifull MP, which provides consulting and advertising agency services for real estate developers.

*3 Annually averaged consolidated number of employees increase by 214 due to the acquisition of Trovit and Lifull MP, etc.

*4 Increased mainly due to the acquisition of Trovit. Controlled the domestic advertisement volume based on an effect measurement.

*5 Increased mainly due to sales proxy service fees and campaign costs.

*6 Additional costs incurred mainly due to the establishment of Lifull Bizas to improve back-office operational efficiency. Expected to make contribution to the company's profit in a mid-to-long term perspective.

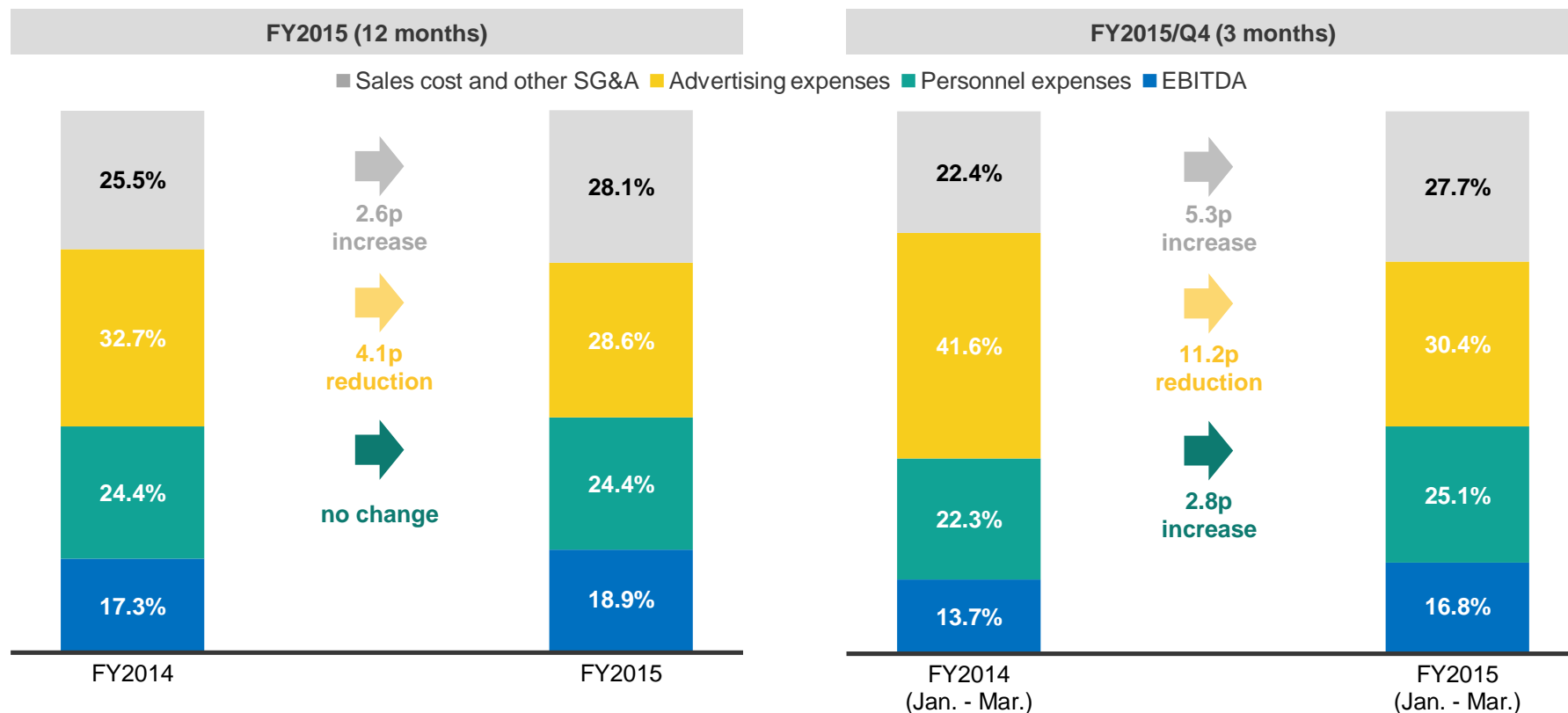
*7 Increased mainly due to an overhaul of the internal backbone IT system, and the amortization of intangible fixed assets (PPA) belonging to Lifull MP and Trovit.

Expenses-to-sales Ratios and EBITDA

Consolidated Results for FY2015

POINT

Ad expenses-to-sales ratio improved by controlling ad volume based on ad effectiveness measurement results



Sales cost and other SG&A expenses: Sales cost increased due to the acquisition of Lifull MP. Other SG&A expenses increased due to additional system usage fee associated with new service introduction and costs associated with transfer to IFRS and replacement of the backbone IT system.

Advertising expenses: Continued advertisement activities, especially focusing on strategic branding, to quickly gain more user share. Quarterly advertising expenses-to-sales ratio improved significantly by controlling the advertisement volume based on the results of advertising effectiveness measurement.

Personnel expenses: Personnel expense-to-sales ratio remained flat although the annually (Apr-Mar) averaged number of consolidated employees increased from 664 to 878 (FY2014 to FY2015) by increasing the revenue and the productivity. Bonus calculated based on the expected business performance on a full-year basis is included in 4Q expenses.

Segment Revenue

Consolidated Results for FY2015

POINT Double-digit growth achieved in all segments due to the growth of existing business led by the mainstay Domestic Real Estate Information Services and the investments including M&As.

Unit: JPY mil	FY2014	FY2015	Change	Change %		FY2014 Q4 (Jan. – Mar.)	FY2015 Q4 (Jan. – Mar.)	Change %
Revenue	18,165	25,707	+7,542	+41.5%		6,096	7,527	+23.5%
Domestic Real Estate Information Services	15,600	18,417	+2,816	+18.1%		4,736	5,498	+16.1%
Rental & Real Estate	9,751	12,066	+2,314	+23.7%	*1	3,126	3,727	+19.2%
New Houses & Condominiums	4,537	4,788	+250	+5.5%	*2 *5	1,258	1,262	+0.3%
Custom-Built Homes & Renovations	817	889	+72	+8.8%	*3	196	318	+62.6%
Others	493	672	+179	+36.4%	*4	155	189	+21.8%
Domestic services for Realtors	908	3,122	+2,213	+243.7%	*5	248	940	+278.1%
Overseas	1,203	3,507	+2,303	+191.4%	*6	939	865	-7.8%
Others	452	660	+208	+46.0%	*7	172	222	+29.5%

- *1 Both website traffic and number of inquiries increased. The number of affiliated stores also showed a net increase by 4,235 on a full-year basis (Apr-Mar) and reached 18,680 due to the efforts made to further enhance promotional and sales activities.
- *2 Condo prices in the metropolitan and Kinki areas increased by 10.4% y/y (Apr-Mar) and reached 56.17 million yen, while the number of condos sold decreased by 14.4%. Under such stagnant newly-built condo market environment, the number of condo information listed on HOME'S increased by 2.2% y/y.
- *3 Custom-Built Homes and Renovations business is recovering. Since Sep the business has been significantly performing better y/y. Order house website was renewed in Oct.
- *4 The number of information listed on HOME'S Nursing Care website increased by 40% y/y. HOME'S Renovation website was renewed in Dec.
- *5 Revenue increased significantly after acquiring Lifull MP in 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. DMP·CRM service made a double-digit growth.
- *6 Revenue increased significantly thanks to the acquisition of Trovit. 4Q revenue was -7.8% due to foreign exchange impact.
- *7 Lifull FinTech launched an insurance agency business. Both Lifull Space and an interior e-commerce "HOME'S Style Market" websites achieved triple digit growth.

Segment Income

Consolidated Results for FY2015

POINT

Significant growth both in the domestic and overseas businesses.

Unit: JPY mil	FY2014	FY2015	Change	Change %	FY2014 Q4 (Jan. – Mar.)	FY2015 Q4 (Jan. – Mar.)	Change %
Domestic Real Estate Information Services	2,729	3,540	+811	+29.7%	556	1,065	+88.2%
Domestic services for Realtors	-22	-7	+14	-	-37	-59	-
Overseas	114	550	+435	+379.5%	200	68	-
Others	-99	-80	+19	-	-33	-40	-
Inter-segment transactions	11	87	+76	+684.0%	3	30	+893.7%
Consolidated operating income	2,732	4,090	+1,357	+49.7%	669	1,064	+55.2%

*Percentage changes for the negative figures either in FY2014 or FY2015 are left blank.

Domestic Real Estate Information Services:

Overachieved the full-year target by making efforts in sales activities and cost reduction and by controlling ad volume based on ad effectiveness measurement results, etc.
Established Liful Bizas with the aim to improve back-office operational efficiency to achieve further growth.

Domestic services for Realtors:

Personnel cost has increased since personnel cost for development of new services, etc. shifted from software cost to personnel cost after completion of the development.

Overseas:

Overseas profit/loss includes profit generated by and losses incurred by Trovit (Spain), Lifull Thailand and Lifull Indonesia and costs incurred by NEXT International Business Division.
It also includes overseas subsidiary employees bonuses.

Others:

Established Lifull Scouting in Apr. Launched a sports matching service "Lifull Scouting" in July.
Established Lifull LiveMatch in Apr. Launched "Lifull LiveMatch", an app to find a company to join a live concert together, in Aug.
"Lococom" service was terminated in Mar 2015.

Statement of Financial Positions and Goodwill

Consolidated Results for FY2015

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

Unit: JPY mil	As of Mar 31, 2015	As of Mar 31, 2016	Change	Change %
Assets	22,592	25,265	+2,673	+11.8% *8
Current assets	8,758	10,970	+2,212	+25.3%
Fixed assets	13,833	14,294	+461	+3.3%
Liabilities	11,738	8,123	-3,615	30.8%
Current liabilities	11,169	5,991	-5,177	46.4%
Long-term liabilities	569	2,132	+1,562	+274.3%
Net assets	10,853	17,142	+6,288	+57.9%
Net assets per share	95.86	142.54	+46.68	+48.7%

Major factors resulting in changes			
Increase in cash and deposits	+2,357	Increase in current assets	
Increase in accounts receivable	+642	Increase in current assets	*1
Decrease in other financial assets	-973	Decrease in current assets	
Decrease in goodwill	-14	Decrease in current assets	*2*3
Increase in software	+674	Increase in fixed assets	*4
Decrease in software in progress	-560	Decrease in fixed assets	*4
Increase in investment securities	+171	Increase in fixed assets	*
Increase in accounts payable	+255	Increase in current liabilities	*1
Decrease in short-term borrowing	-6,029	Decrease in current liabilities	*6
Decrease in accounts payable-other	-429	Decrease in current liabilities	
Increase in income tax payable	+533	Increase in current liabilities	
Increase in reserve for bonuses	+303	Increase in current liabilities	*6
Increase in long-term borrowing	+1,455	Increase in long-term liabilities	*5
Increase in capital stock	+1,999	Increase in net assets	*8
Increase in capital surplus	+1,987	Increase in net assets	*8
Increase in retained earnings	+2,345	Increase in net assets	
Decrease in foreign currency translation adjustment	-243	Decrease in net assets	*3

*With Jun 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 Increased due to acquisition of Lifull MP.
- *2 JPY 251 million increase of goodwill following the acquisition of Lifull MP.
- *3 Foreign exchange translation difference for goodwill, etc.
- *4 Increased 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.
- *5 Decreased due to a refinancing from short-term to long-term borrowing.
- *6 A result of the Company overachieving the full-year operating profit target and acquiring Lifull MP.
- *7 Increased due to a financing about JPY 4 billion through a third-party share allotment to Rakuten in Jul.
- *8 Goodwill of JPY 86 million for Little, JPY 8,812 million for Trovit and JPY 251 million for Lifull MP. PPA of Lifull MP is JPY 270 million.

Statement of Cash Flow

Consolidated Results for FY2015

POINT

Cash and cash equivalent increased by JPY 2.3bn to JPY 6.6bn.

Unit: JPY mil	FY2014	FY2015	Change	Main items	FY2014	FY2015
Operating Cash flow	2,193	3,175	+981	Profit before taxes Depreciation and amortization Increase / decrease in accounts receivable-trade and other short-term claims Decrease in accounts payable-trade and other account payable Tax paid	2,656 459 -466 635 -1,064	4,018 866 -466 -480 -1,117
Investing cash flow	-13,051	93	+13,145	Outlays for provision of time deposits Income from time deposit withdrawals Payment for the acquisition of investment securities Payment for the acquisition of intangible asset Payment for the acquisition of subsidiary	-1,000 - -29 -1,022 -10,948	-27 1,001 -106 -661 -132
Financing cash flow	6,734	-868	-7,603	Proceeds from long-term loan Repayment of short-term loan Proceeds from issuance of shares Payment of dividends	7,000 - 2 -267	3,000 -7,000 3,982 -350
Cash and Cash equivalent	-4,175	2,357	+6,532			
Balance of cash and cash equivalent	4,268	6,625	+2,357	Acquired the shares of Trovit at JPY 11.5bn in November 2014. Cash and cash equivalent for FY2015 is JPY 7.1bn.		

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

Transform the Real Estate Industry



**We Aim to Transform the Real Estate Industry in Japan
by Real Estate × Technology = ReTech**

Covering Property Information

POINT

Total number of properties listed on HOME'S has exceeded 6.98 million, taking another step forward to carry all information available in the market.

6.98 mil
properties

**Rentals and
Real-estate Sales**

7,321
buildings

Newly-built Condos

Apr.
2010

Mar.
2015

Mar.
2016

Info coverage ratio^{*}
60%



^{*}Created by NEXT.
Ratio of the total vacant properties listed .

HOME'S PriceMap to be Upgraded

POINT

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

Now planning

The coverage area will be expanded

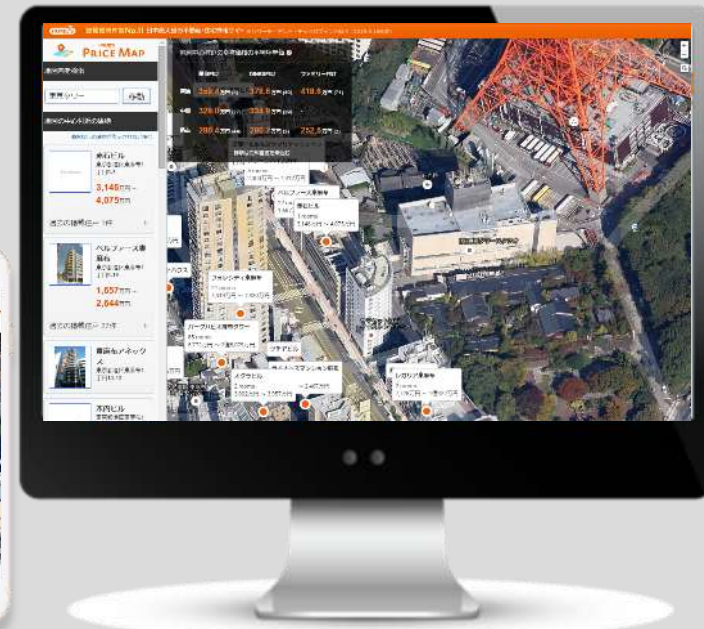
Launched in May

Area expansion

Reference prices
for rent
(metropolitan area)

Launched in
Oct 2015

Condos reference
prices for
transactions
(metropolitan area)

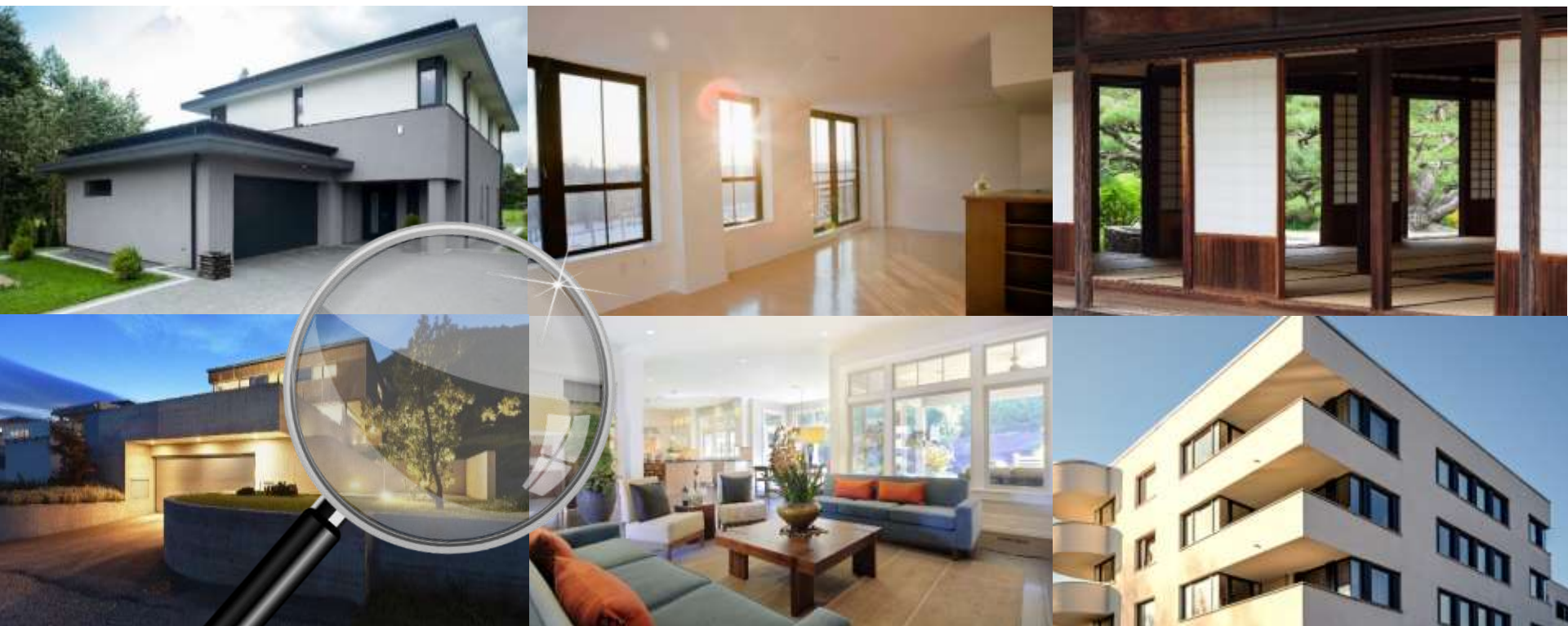


<http://www.homes.co.jp/price-map/>

Visualize the Results of Home Inspection

POINT

Started to get prepared for a potential revision of Building Lots and Buildings Transaction Business Act (a bill to promote home inspection was submitted).
Consider a system to visualize whether home inspection was conducted or not.



**Land
evaluation**

+

**Building
performance
evaluation**

=

Fair Value

Visualize Reputation of Realtors

Visualize realtors' reputation by using the HOME'S original rating system and sharing users' word-of-mouth



**Users'
word-of-mouth and
ratings**



HOME'S Hospitality Grand Prix

Realtors' hospitality ranking
based on the ratings given by
mystery shoppers



HOME'S Home Advisor certification system

Certify the realtors who meet NEXT
original screening standard



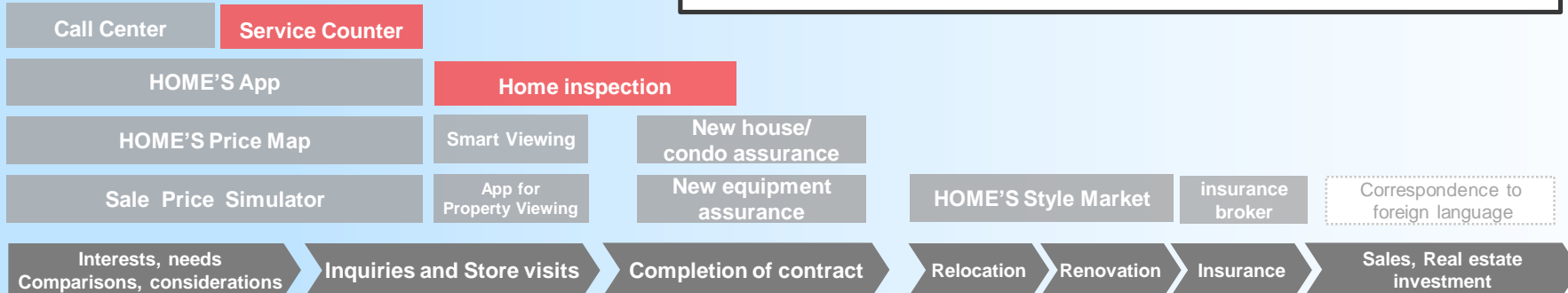
Basic Strategy for Real Estate Sector

POINT

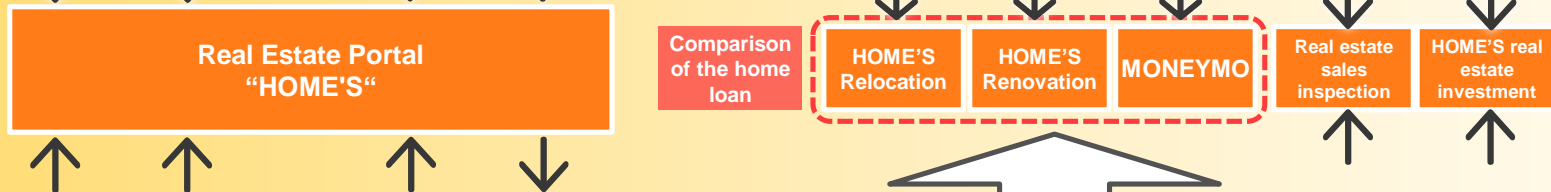
Provide a wide range of solutions for both users and companies

Services

Being provided
 Under development/in planning
 Not undertaken



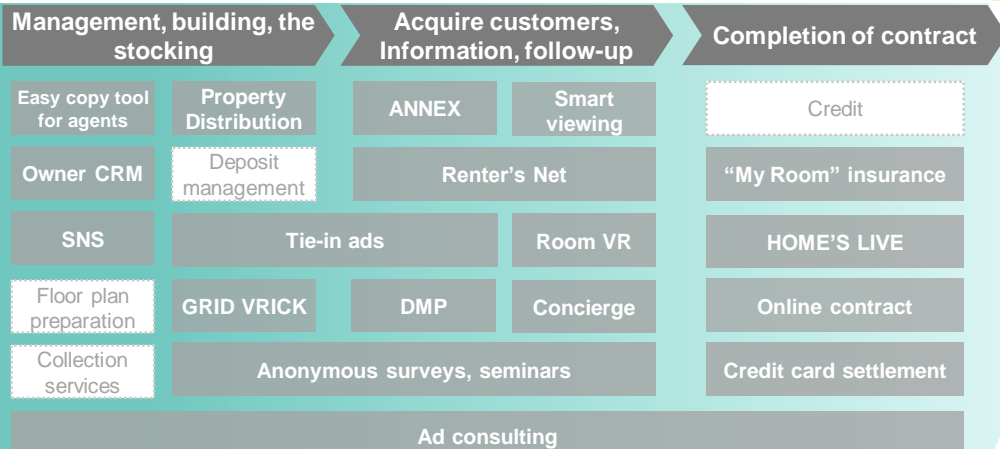
Matching



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

Brokerage services, Real estate investment
 Correspondence to foreign language

Administrative support



Technology × Home Hunting

POINT

Develop multiple services utilizing advanced technologies and provide support to make home hunting more convenient and exciting

Grid Vrick

Virtual 3D furniture layout available using blocks.

You can decorate the room with different furniture/interior.

Simulation available with specific season and time of day.

Virtual walk through is also available.



Virtual reality

You can virtually experience model apartments at your home.

All applicants will receive VR goggles as gifts.



Smart property viewing

Make a preview reservation on-line.

Smart-key delivery via internet.

Preview with the smart-key.



Explanation of Important Matters online

“HOME’S LIVE”

Explanation on important contractual matters provided on-line.

Recording function to keep records.

Support both tablet and smartphone.

According to a social experiment result conducted by the Construction and Transport Ministry, **more than half of the software used for the experiment (54.5%) was HOME’S’.**

(the number of realtors participated the experiment: 134)

The social experiment will end in a year



The Network of Affiliated Stores is Expanding

Number of affiliated stores exceeded **18,000**
The network for affiliated stores
is expanding

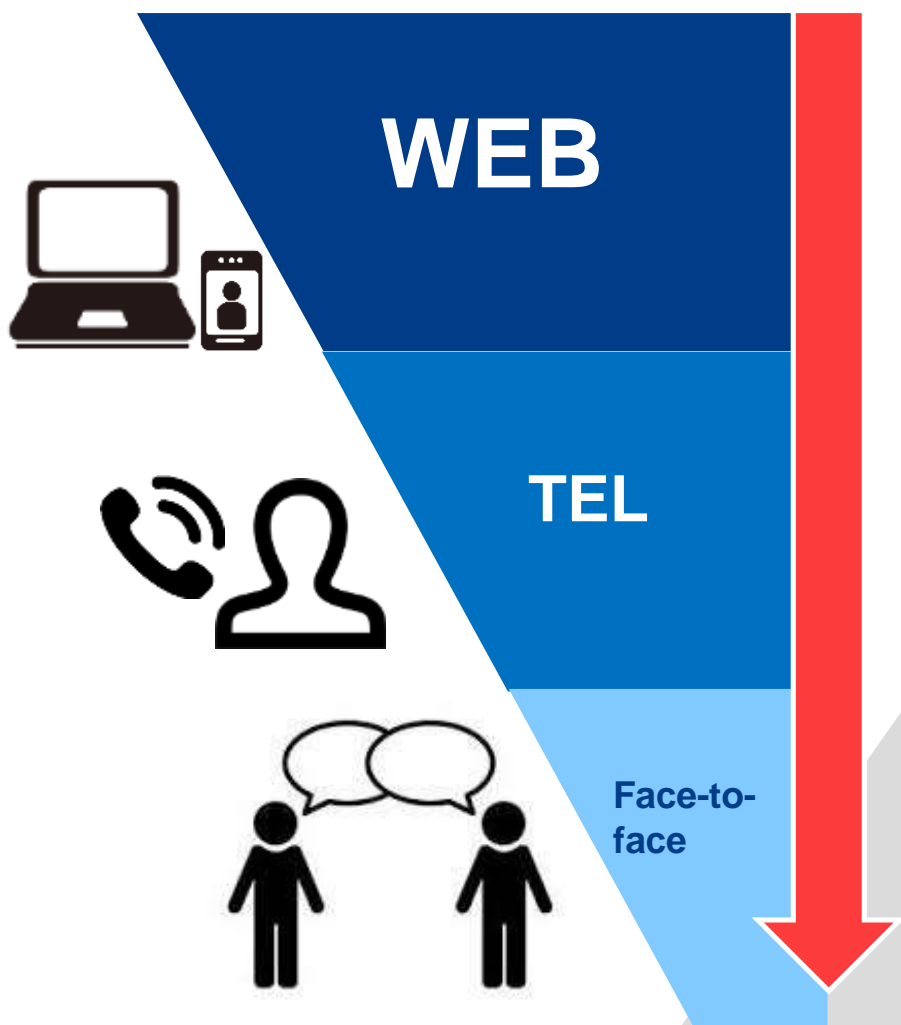
Target

40,000 stores



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



Enhance the Market



**We Aim to Enhance the Real Estate Market in Japan
by Use Development × ReTech**

Minpaku (Home-Sharing)

POINT

Start the trial run of the *Minpaku* (home-sharing) reservation service aiming at the legalization of Minpaku in Japan. Open the website* in June.



Start the trial run in June

Consultation center
for minpaku operators (host)
contact@lifull-stay.com



*The licensed accommodations only.

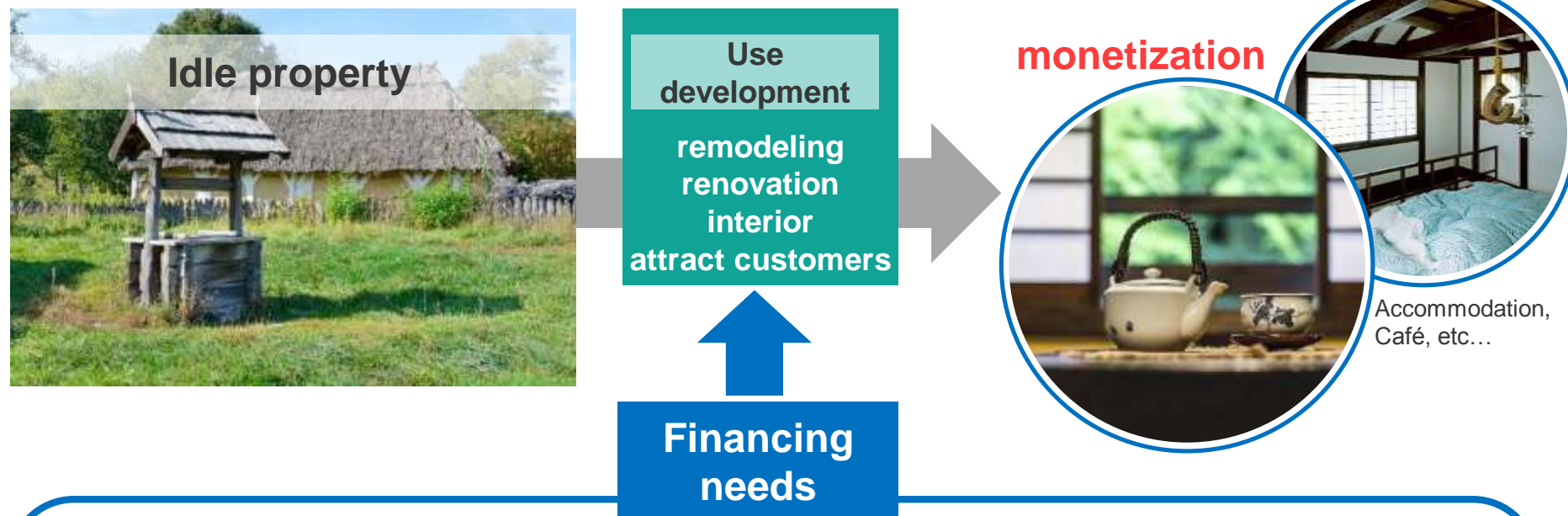
Market Expansion



**Expand the Real Estate Market in Japan
by Real Estate Investments**

Initiatives for Market Expansion

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



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



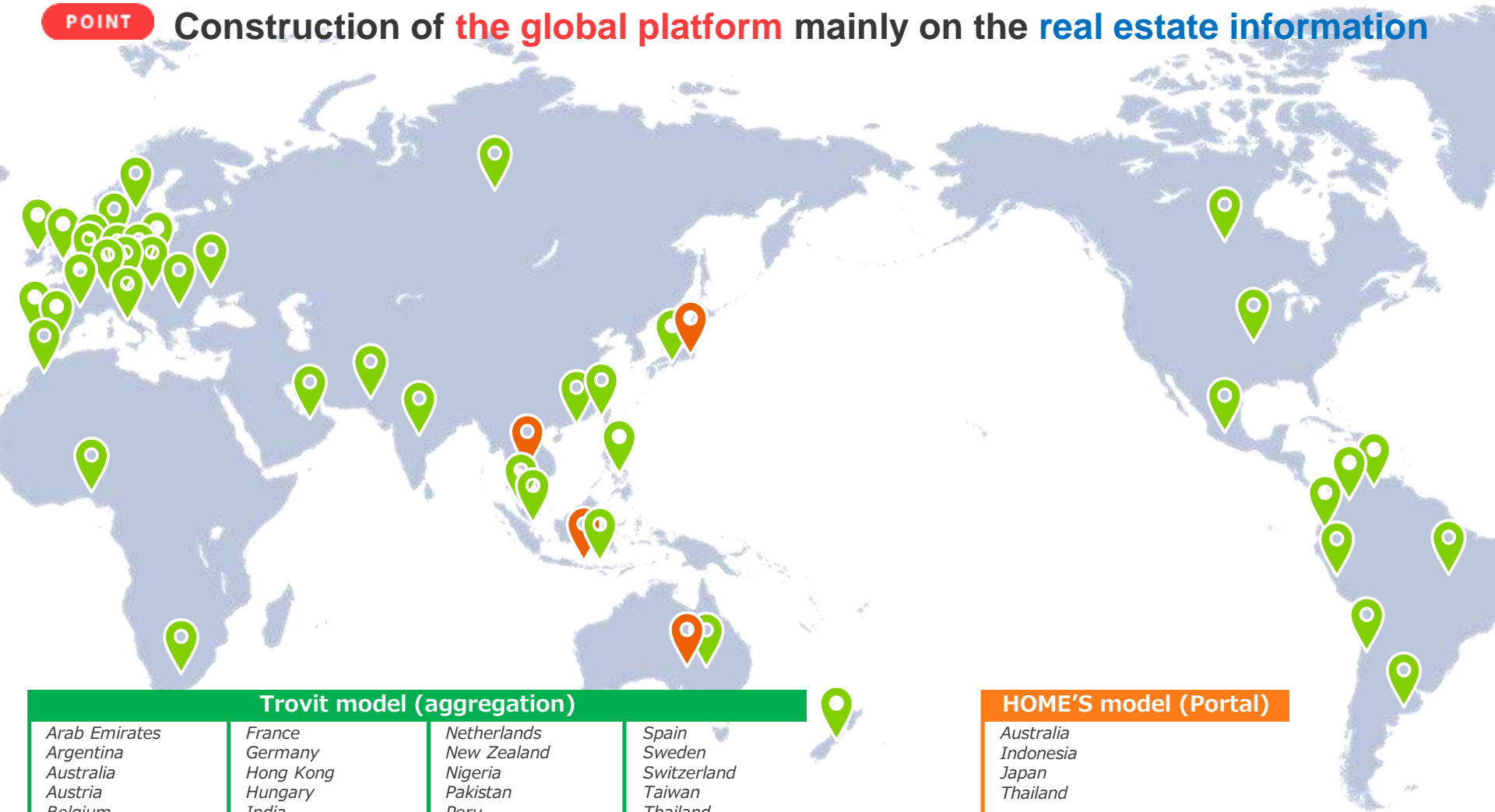
Global Platform



**Global Property Data Base –
Develop a Border-less Platform**

Toward the Global Platform

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

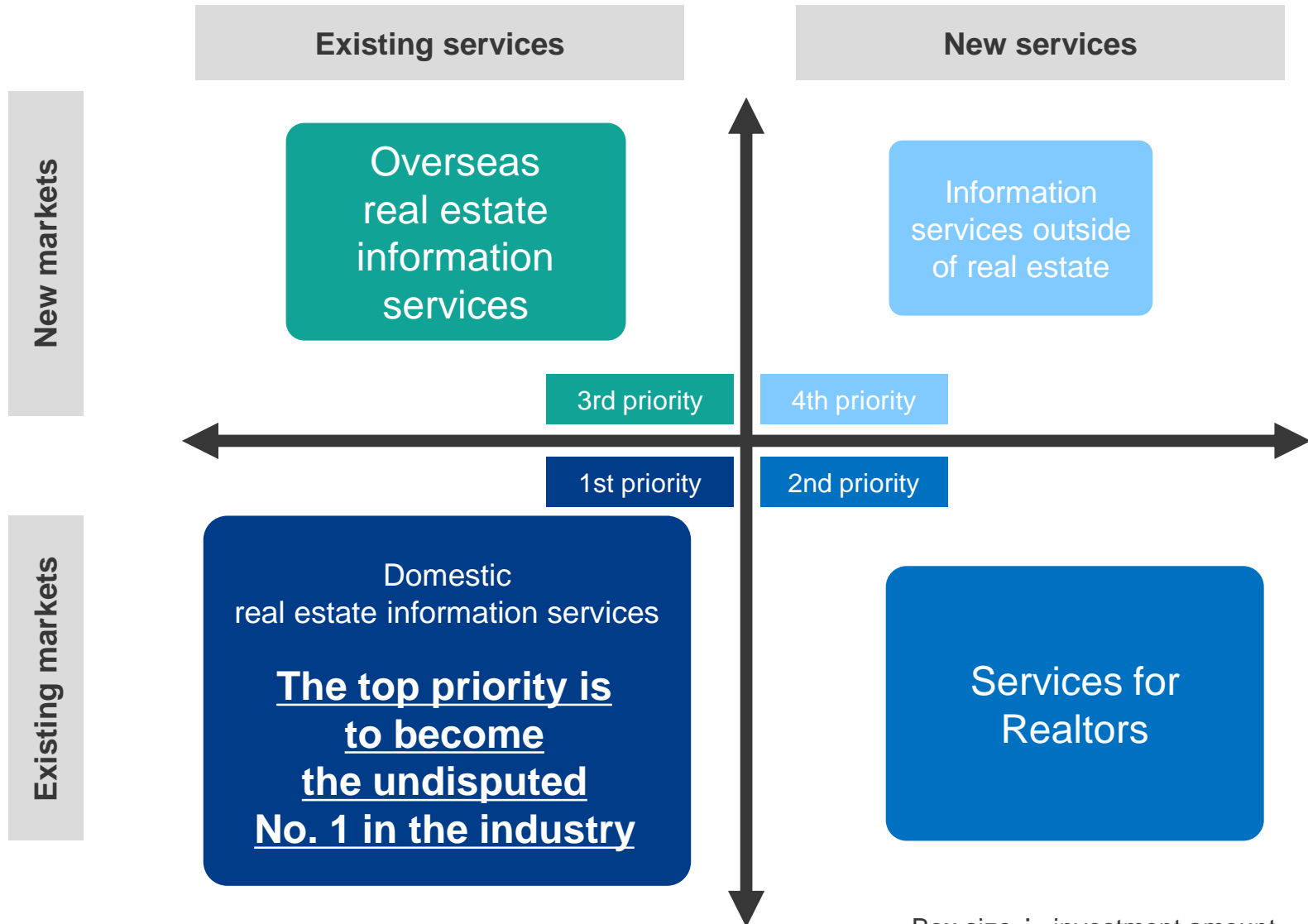
Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
UK
US
Ukraine
Venezuela

HOME'S model (Portal)

Australia
Indonesia
Japan
Thailand

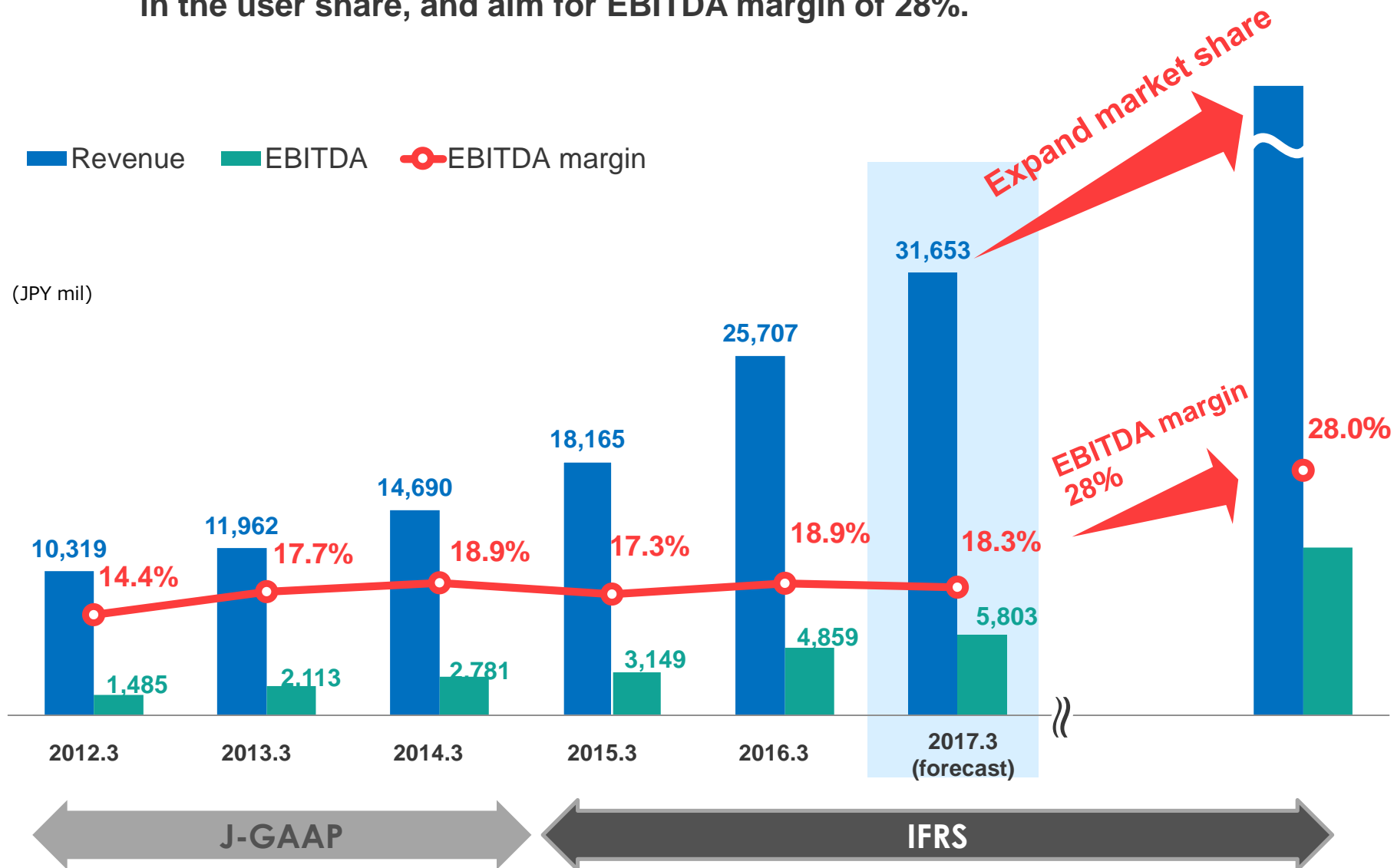
Investment Outlook

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



Medium- and Long-Term Growth Outlook

POINT Investment in the further growth to become the overwhelmingly No.1 in the user share, and aim for EBITDA margin of 28%.



Forecasts for FY2016

Forecasts for FY2016

POINT

Revenue expected to be increased by 23.1% to JPY 31.6bn. Forecast for EBITDA is JPY 5.8bn.

Simplified Income Statement

Unit: JPY mil	[Actual] FY2015 (IFRS)	[Forecast] FY2016 (IFRS)	Change	Change %
Revenue	25,707	31,653	+5,945	+23.1%
Cost of sales	2,127	3,514	+1,387	+65.2%
SG&A (excluding depreciation and amortization)	18,625	22,119	+3,494	+18.8%
Personnel expenses	6,269	7,476	+1,207	+19.3%
Advertising expenses	7,345	8,335	+989	+13.5%
Operating expenses	1,016	1,246	+230	+22.7%
Other costs	3,993	5,060	+1,066	+26.7%
Other revenues and expenses	-95)	-215)	-119	-
EBITDA	4,859	5,803	+944	+19.4%
Net income*	2,670	3,144	+473	+17.7%
EBITDA ratio	18.9%	18.3%	-0.6p	-

*Net income attributable to owners of the parent

Revenue by Service

Unit: JPY mil	[Actual] FY2015	[Forecast] FY2016	Change	Change %
Revenue	25,707	31,653	+5,945	+23.1%
Domestic Real Estate Information Service	18,417	21,548	+3,131	+17.0%
Rental & Real Estate	12,066	14,316	+2,250	+18.6%
New Houses & Condominiums	4,788	4,870	+82	+1.7%
Custom-Built Homes & Renovations	889	1,506	+616	+69.3%
Others	672	855	+182	+27.1%
Domestic services for Realtors	3,122	4,946	+1,824	+58.4%
Overseas	3,507	4,115	+607	+17.3%
Others	660	1,043	+382	+57.9%

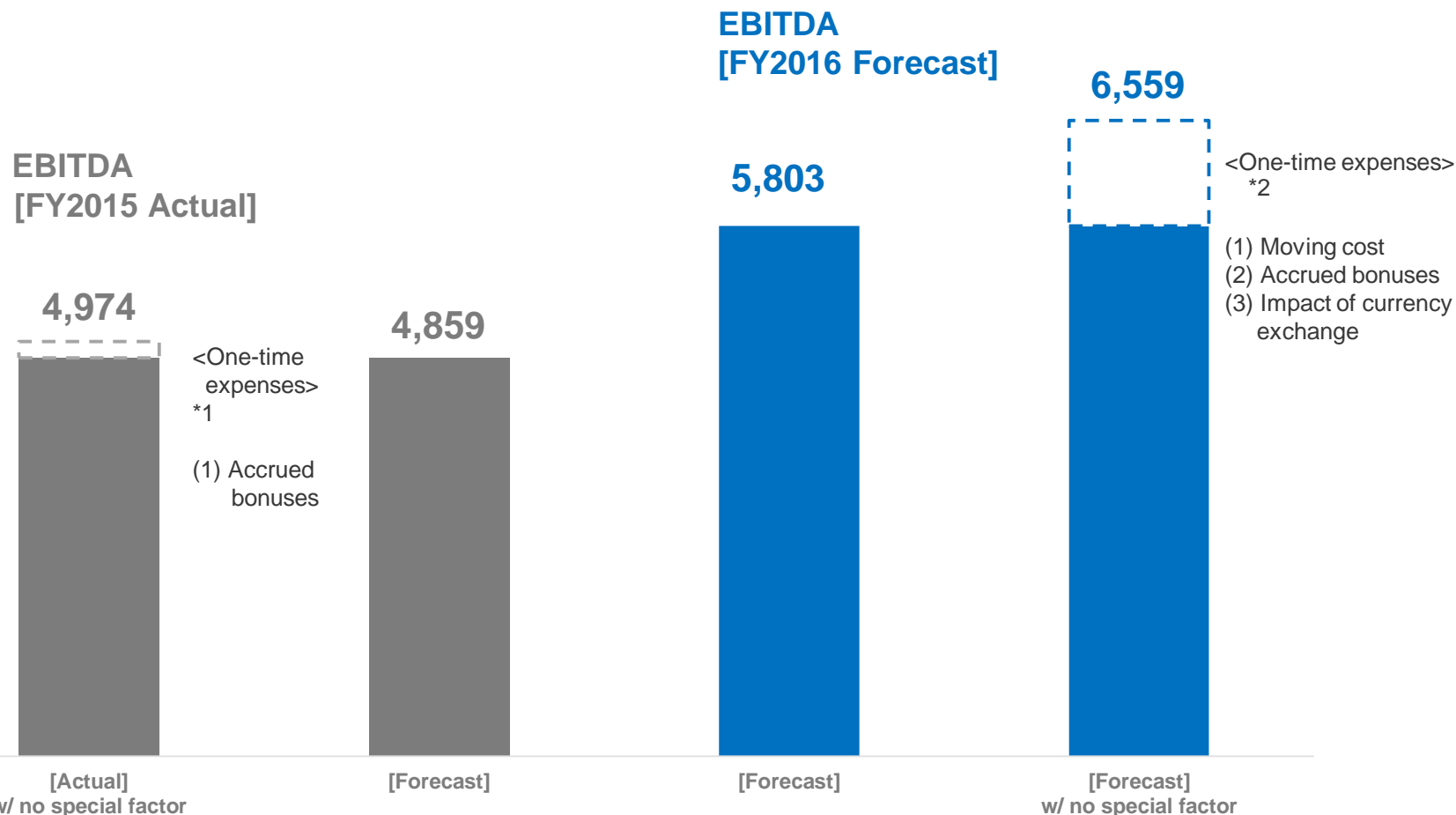
- [Revenue]** - Maintain the growth trend in the domestic and overseas businesses
- [Operating income]** - Continue to invest in advertisement with strategic brand promotion in order to increase the user share.
- Continue to invest in personnel, such as use of sales agencies and increase the number of sales personnel in order to enhance the acquisition of affiliated stores.
- Expect one-time expenses of moving the corporate headquarters due to an increase in the number of personnel along with business growth.

Forecasts for FY2016

POINT

EBITDA is expected to be increased +19.4 y/y to JPY 5,803 million due to the one-time expenses, and +34.9% y/y by excluding those special factors.

(JPY mil)



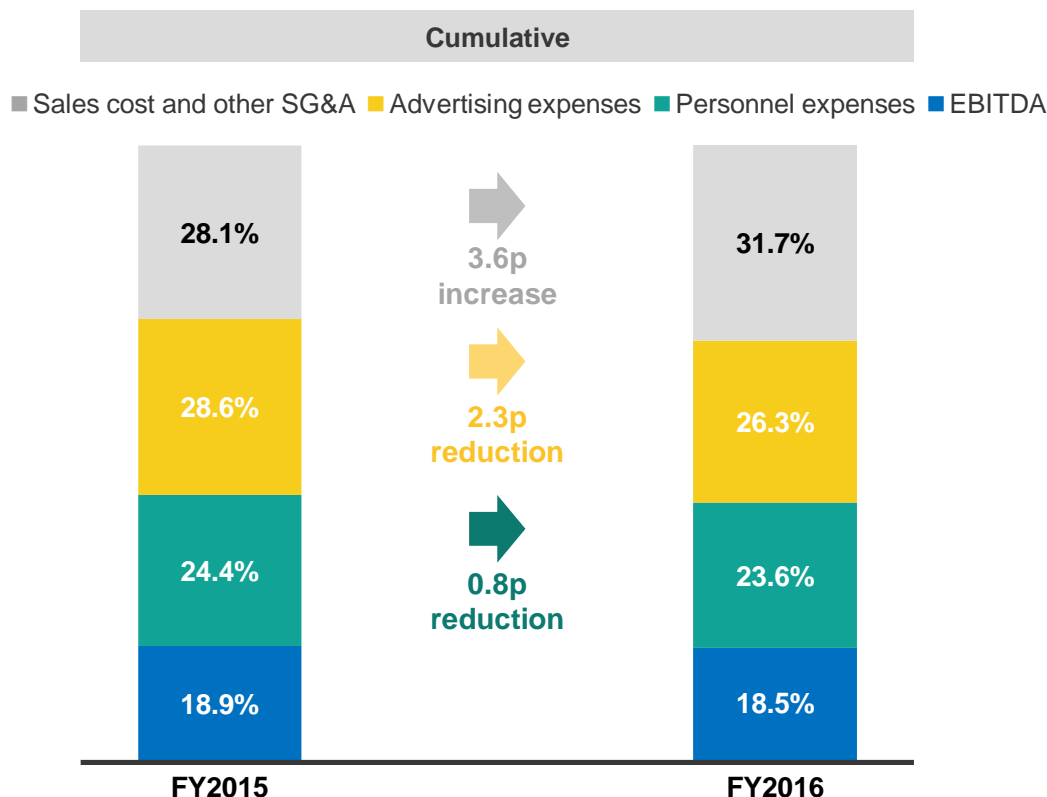
*1 Mainly the retention bonus of the overseas subsidiary.

*2 (1) Cost for moving the corporate headquarters; (2) one-time accrued bonuses of the overseas subsidiary; and (3) impact of currency exchange

Forecasts on Sales Breakdown

Forecast for FY2016

POINT Improve the advertising expenses and personal cost in order to achieve the mid-term target of EBITDA margin 28%. Sales and other SG&A will decrease due to some special factors. EBITDA margin will be 18.5%, decrease by 0.4 point y/y.



Sales cost and other SG&A: - Sales cost increased due to the full consolidation of Lifull MP.

- An increase of one-time cost for moving the office or expanding the floor space.

Advertising expenses:

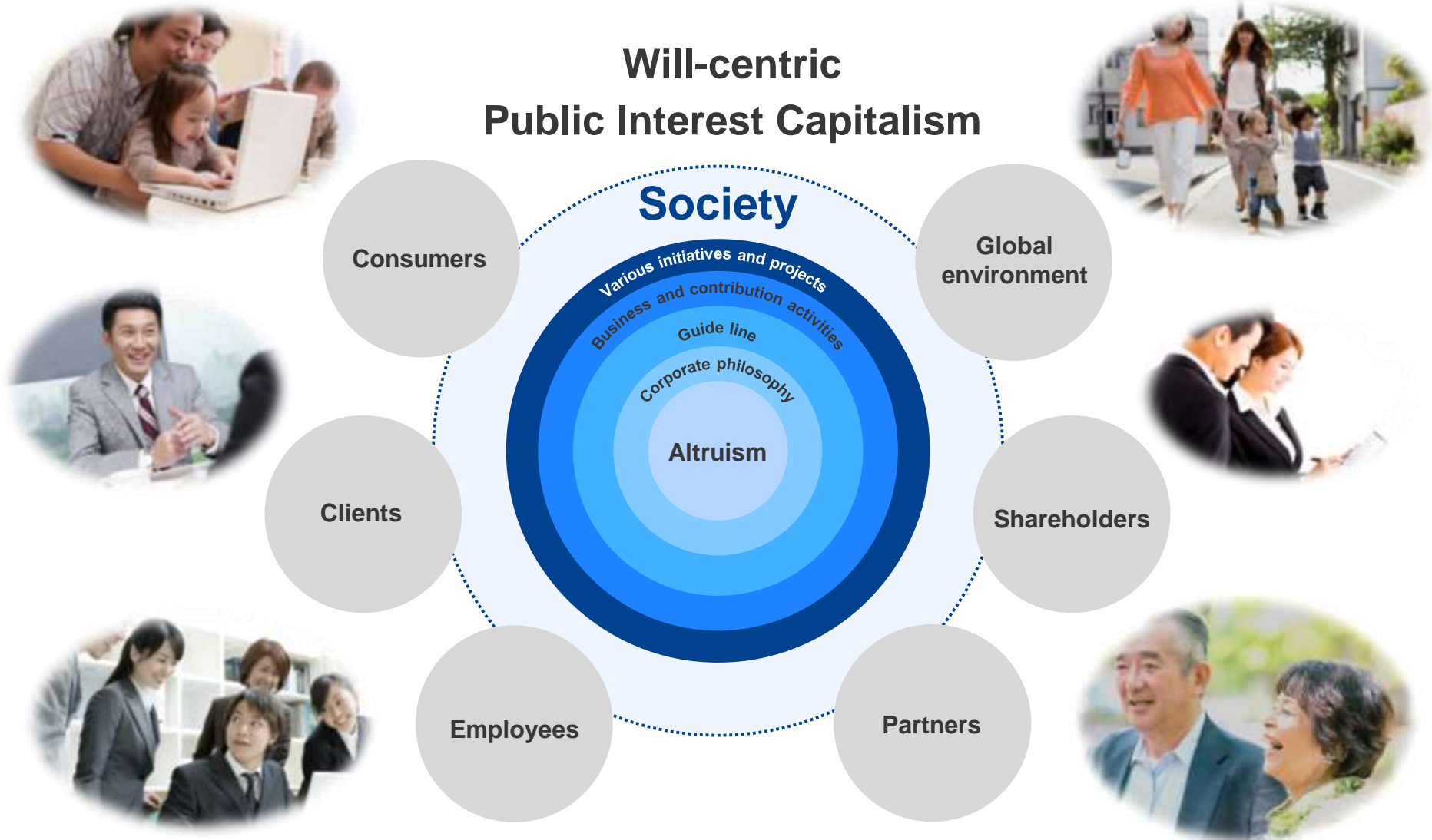
- Continue to invest in advertisement with strategic brand promotion in order to increase the user share.

- Toward the mid-term target of EBITDA 28%, advertising expenses improved by 2.3 point.

Personnel expenses:

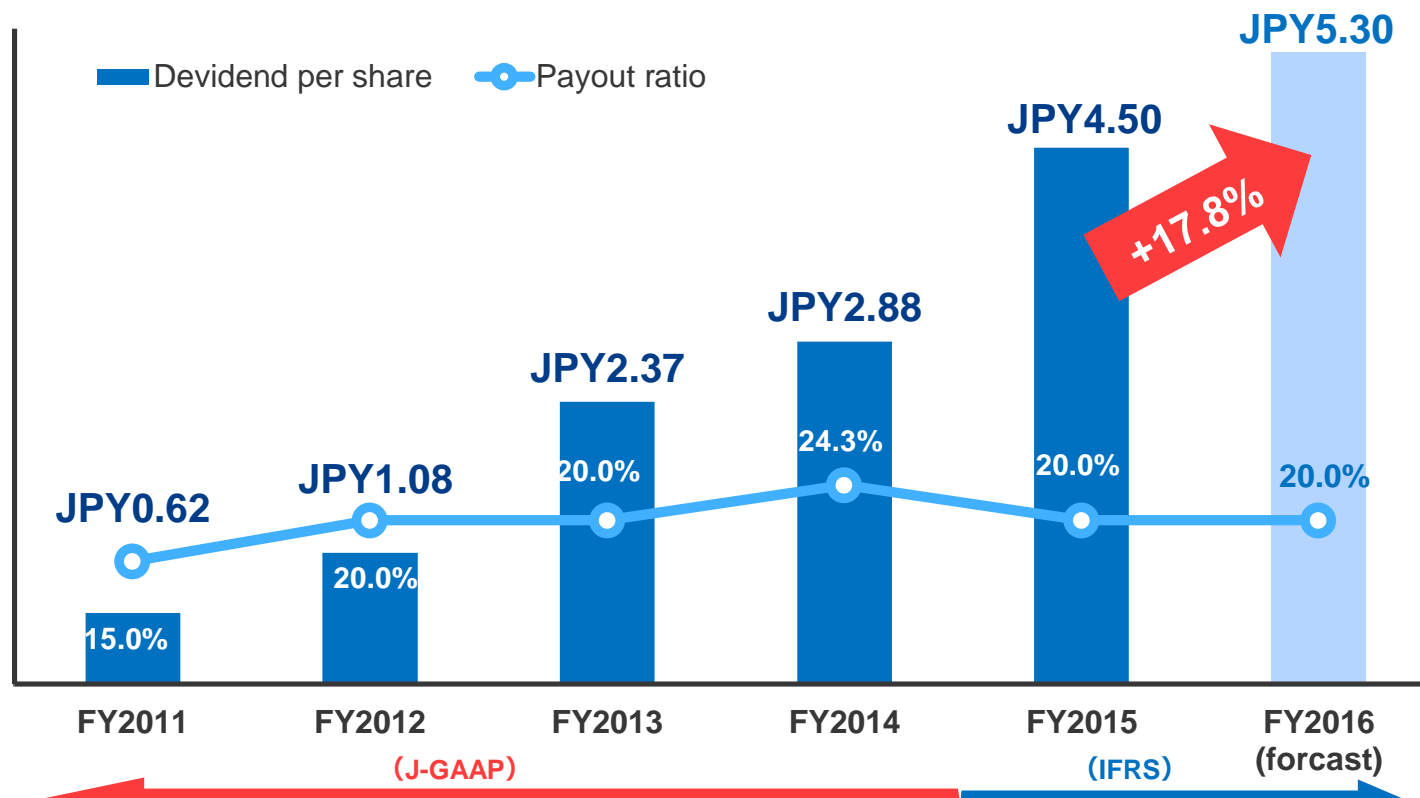
- 28 employees (new college graduate) joined NEXT in April 2016 (43 in the previous fiscal year).

- Bonuses are fluctuated with the amount of operating profit.



**Based on the spirit of Will-centric Public Interest Capitalism,
we care every stakeholder**

POINT Maintain payout ratio of 20% and the dividend forecast is JPY 5.3, +17.8% y/y.



*The Company conducted a three-to-one share split for its common stock in January 1, 2014.

*The Company conducted a two-to-one share split for its common stock in June 1, 2015.

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

CHECK!

- › Since FY2013, dividend per share is calculated based on 20% of payout ratio and rounded down to the third decimal place.
- › Dividends are changing with the net income attributable to owners of the parent, but the payout ratio is remained 20%.
- › 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 FY2015, the Company expects to pay dividends by making calculations on the basis of net income attributable to owner of the parent under IFRS standards.
- › The Company intends to raise the dividend payout ratio in the future in consideration of total capital, investment forecasts, and growth rates, among other factors.

The Results Achieved by Taking Initiatives to be the Best Company

Selected as “health and productivity” stock



**Link & Motivation
Best Motivation
Company Award**

2nd



**Vokers
Ranking of listed companies new-
grads are finding themselves
happy to work at**

12th

“Great Place to Work”

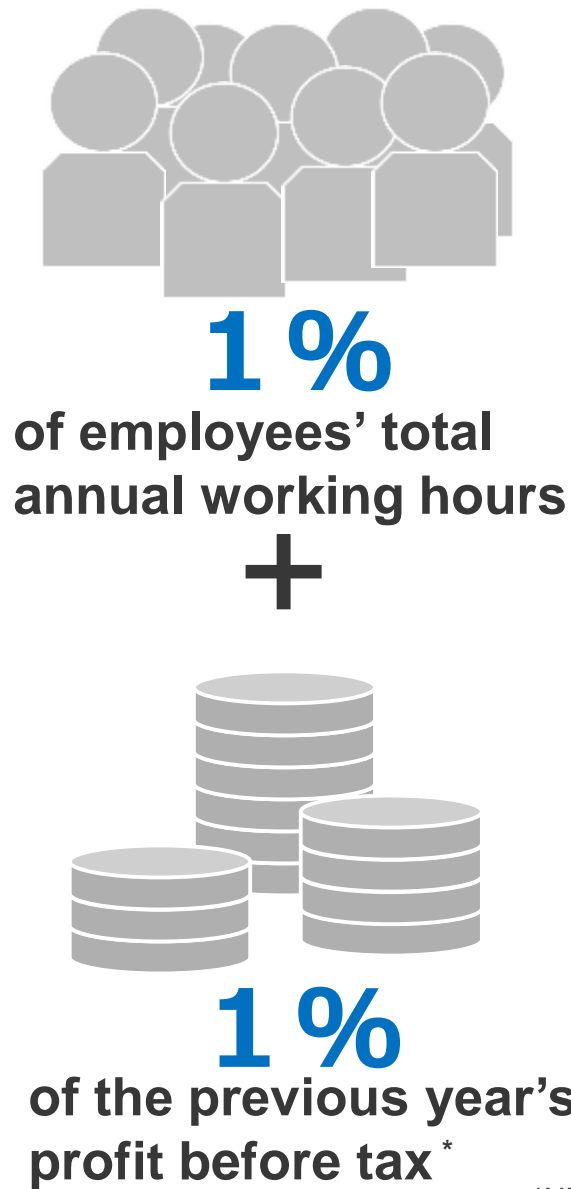
ranking

6th



Among companies with 100-999 employees

Social Action Support Program – One P's



Employees can participate in social contribution activities utilizing special paid leave

Expenses associated with the activities will be burdened by the company

Designing Delightful Encounters

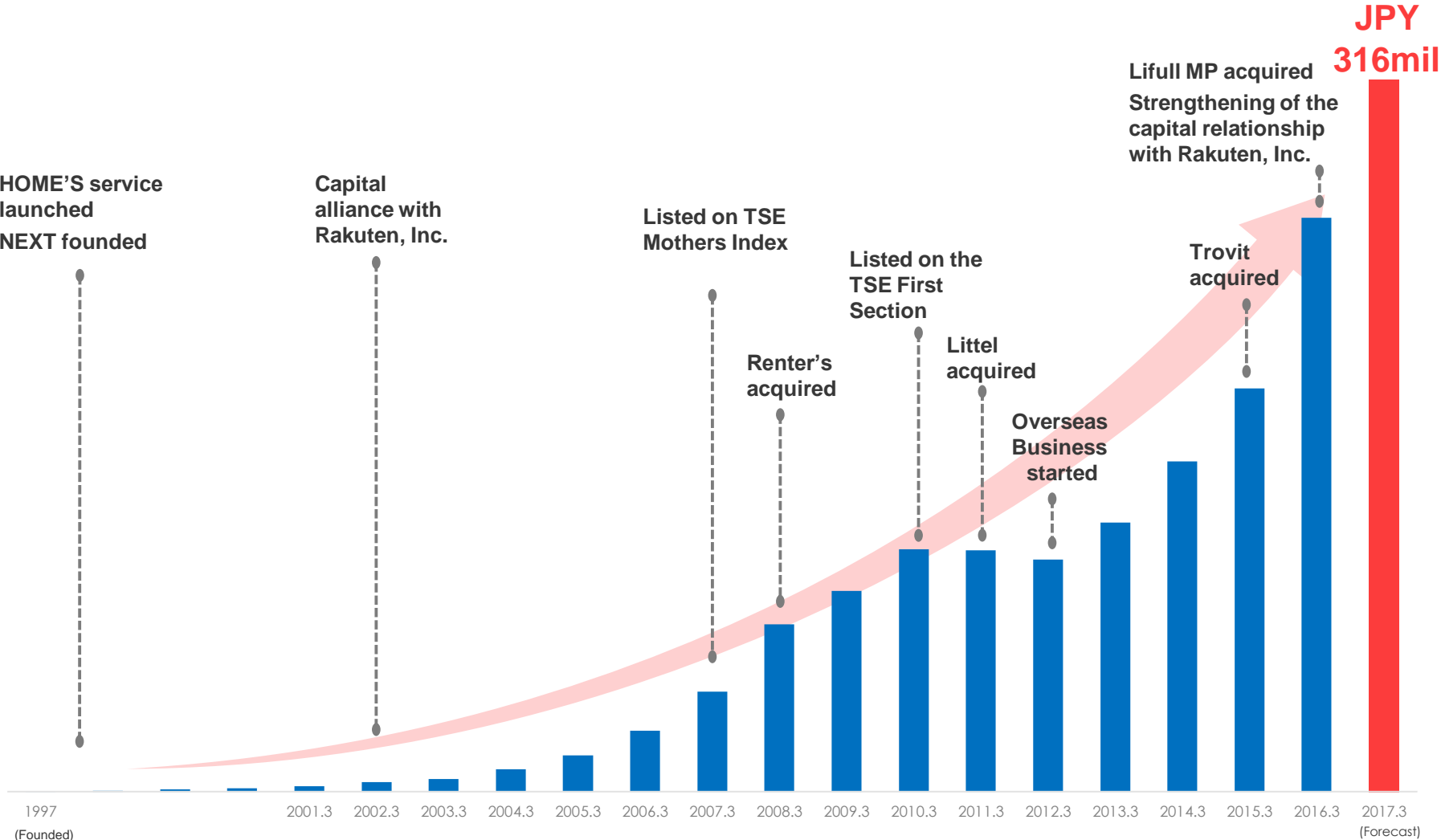


Reference

History

POINT

Revenue spreads smoothly and updates a record high



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	946 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

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	4Q
Revenue		3,398	3,454	3,556	4,281	3,852	3,897	4,318	6,096	5,457	6,441	6,280	7,527
Domestic Real Estate Information		3,160	3,214	3,307	3,965	3,524	3,583	3,756	4,736	4,167	4,311	4,440	5,498
Rental & Real Estate Trade		1,818	1,845	1,889	2,422	2,102	2,161	2,362	3,126	2,648	2,776	2,914	3,727
Newly-constructed lots		1,021	1,027	1,096	1,178	1,083	1,087	1,107	1,258	1,207	1,165	1,153	1,262
Custom-built Houses & Renovations		256	266	240	268	230	224	166	196	169	204	197	318
Others		63	75	81	95	107	109	121	155	141	165	176	189
Domestic Services for Realtors		136	153	174	174	206	223	230	248	242	1,049	889	940
Overseas		10	5	4	8	14	6	243	939	904	940	796	865
Others		90	80	69	132	107	84	88	172	144	139	154	222
Cost of sales		102	104	129	136	108	126	153	194	141	737	597	651
SG&A		2,290	2,665	2,532	3,948	2,932	3,237	3,180	5,041	4,036	4,640	4,343	5,605
Personal expenses		806	973	848	1,155	1,001	998	1,083	1,356	1,366	1,479	1,535	1,888
Advertising expenses		774	952	906	1,862	1,114	1,328	960	2,538	1,524	2,002	1,527	2,291
Operating expenses		84	95	117	176	126	170	201	220	208	245	305	257
Other SG&A		626	643	660	753	690	739	934	925	937	912	975	1,168
Other revenues and expenses		0	0	0	0	-2	-3	-9	-26	-13	-40	-33	-7
EBITDA		1,005	684	894	197	808	530	975	834	1,267	1,023	1,306	1,263
Depreciation/amortization cost		142	133	103	102	87	88	120	161	214	214	230	205
Operating profit		862	550	791	95	720	442	854	673	1,052	809	1,076	1,057
Net profit		516	309	455	54	430	282	559	523	682	552	693	742
EBITDA margin		29.6%	19.8%	25.2%	4.6%	21.0%	13.6%	22.6%	13.7%	23.2%	15.9%	20.8%	16.8%

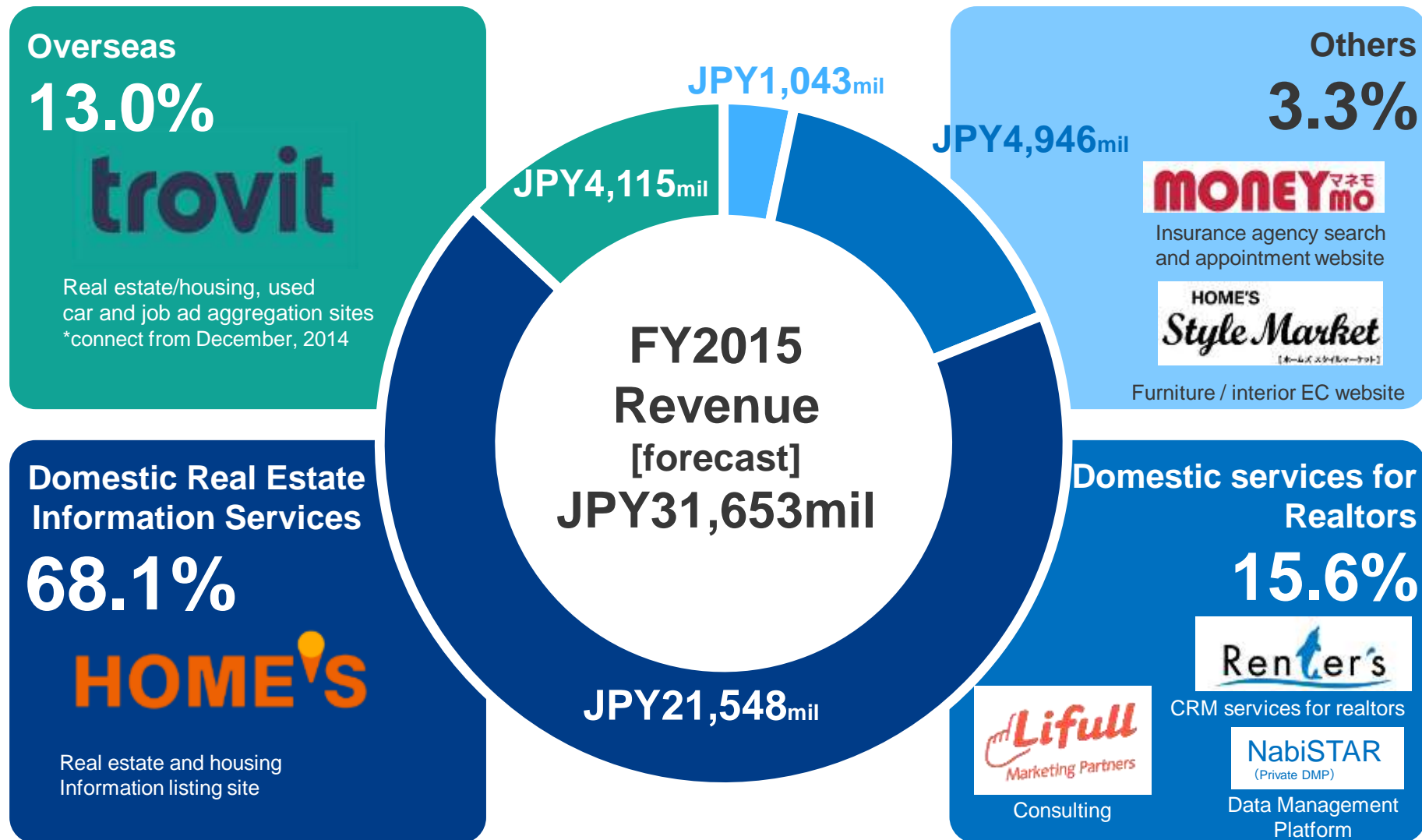
Quarterly consolidated segment profit and loss

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	4 Q
741	486	934	566	860	597	1,016	1,065
6	14	-6	-37	2	23	25	-59
-23	-37	-24	200	214	220	47	68
-3	-20	-42	-33	-20	-12	-7	-40
2	2	2	3	8	20	28	30
723	445	864	699	1,065	849	1,109	1,064

Sales by Service

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



External Market Data (Monthly)

Number of Apartments for sales (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	2015 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Capital Region	45,602	56,478	44,913	40,449	1,679	2,598	4,457	2,286	3,495	3,503	4,785	2,610	2,430	2,921	3,496	6,189	1,494	2,237	2,693
YoY	2.5%	23.8%	-20.5%	-9.9%	-8.1%	-2.0%	-4.0%	-7.6%	-18.7%	0.0%	13.3%	23.7%	-27.2%	-6.5%	4.8%	-34.1%	-11.0%	-13.9%	-39.6%
Kinki	23,266	24,691	18,814	18,930	1,314	1,905	2,019	1,189	1,920	1,755	1,258	969	1,798	1,223	1,696	1,884	899	1,640	2,143
YoY	15.1%	6.1%	-23.8%	0.6%	84.8%	15.2%	9.3%	-2.7%	20.9%	3.8%	37.6%	-20.4%	-1.7%	-14.3%	-14.1%	15.0%	-31.6%	-13.9%	6.1%

Trend of Price for Apartments (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

Unit : MJPY	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	2015 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Capital Region	4,540	4,929	5,060	5,518	4,455	5,696	5,186	5,305	4,812	5,815	5,953	5,872	5,393	5,364	6,328	5,457	5,570	5,773	5,638
YoY	-0.8%	8.6%	2.7%	9.1%	-3.9%	12.5%	-0.6%	9.5%	-6.7%	20.4%	7.6%	3.3%	13.2%	17.6%	21.1%	8.7%	25.0%	1.4%	8.7%
Kinki	3,438	3,496	3,647	3,788	3,155	3,427	3,842	3,562	3,964	3,664	3,578	3,641	3,708	3,459	4,454	4,525	3,798	3,717	4,046
YoY	-1.1%	1.7%	4.7%	3.9%	-9.2%	1.4%	5.5%	3.8%	12.7%	-2.7%	-1.1%	-4.4%	-4.4%	-3.6%	22.1%	16.9%	20.4%	8.5%	5.3%

New build properties (Monthly)

Source : Ministry of Land, Infrastructure, Transport and Tourism

	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	2015 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
House for Rent	318,521	356,263	362,191	378,718	26,856	25,672	30,243	30,603	28,208	35,600	33,977	33,470	34,092	32,757	33,505	33,735	28,288	28,871	30,572
YoY	11.4%	11.8%	1.7%	4.6%	-10.3%	-7.5%	4.6%	-1.8%	2.8%	14.6%	18.7%	17.7%	13.3%	-2.6%	2.6%	3.9%	5.3%	12.5%	1.1%
Apartment house	123,203	127,599	110,475	115,652	10,377	10,693	7,575	11,071	11,322	14,173	7,424	10,189	7,724	8,690	8,880	7,534	8,383	11,752	11,290
YoY	5.5%	3.6%	-13.4%	4.7%	-13.1%	23.3%	-8.6%	24.4%	54.9%	82.8%	-17.6%	0.0%	-22.4%	-17.2%	-4.1%	-13.5%	-19.2%	9.9%	49.0%
House	122,590	134,888	125,421	123,624	9,511	9,630	9,887	9,893	9,148	11,160	10,587	10,768	10,351	10,030	11,471	11,188	10,359	10,602	10,678
YoY	5.0%	10.0%	-7.0%	-1.4%	-9.7%	-0.2%	-1.6%	7.9%	-8.8%	-2.9%	-2.7%	4.6%	1.0%	-1.1%	8.2%	3.9%	8.9%	10.1%	8.0%
Owned house	311,589	354,772	285,270	283,366	20,282	20,813	21,352	23,294	22,542	26,643	25,396	25,245	25,219	24,830	25,310	22,440	20,264	20,984	22,274
YoY	2.0%	13.9%	-19.6%	-0.7%	-18.7%	-9.1%	-1.4%	-2.1%	1.1%	7.2%	8.0%	4.1%	2.4%	2.4%	3.5%	-5.4%	-0.1%	0.8%	4.3%

Internal migrants (Monthly)

Source : Ministry of Internal Affairs and Communications

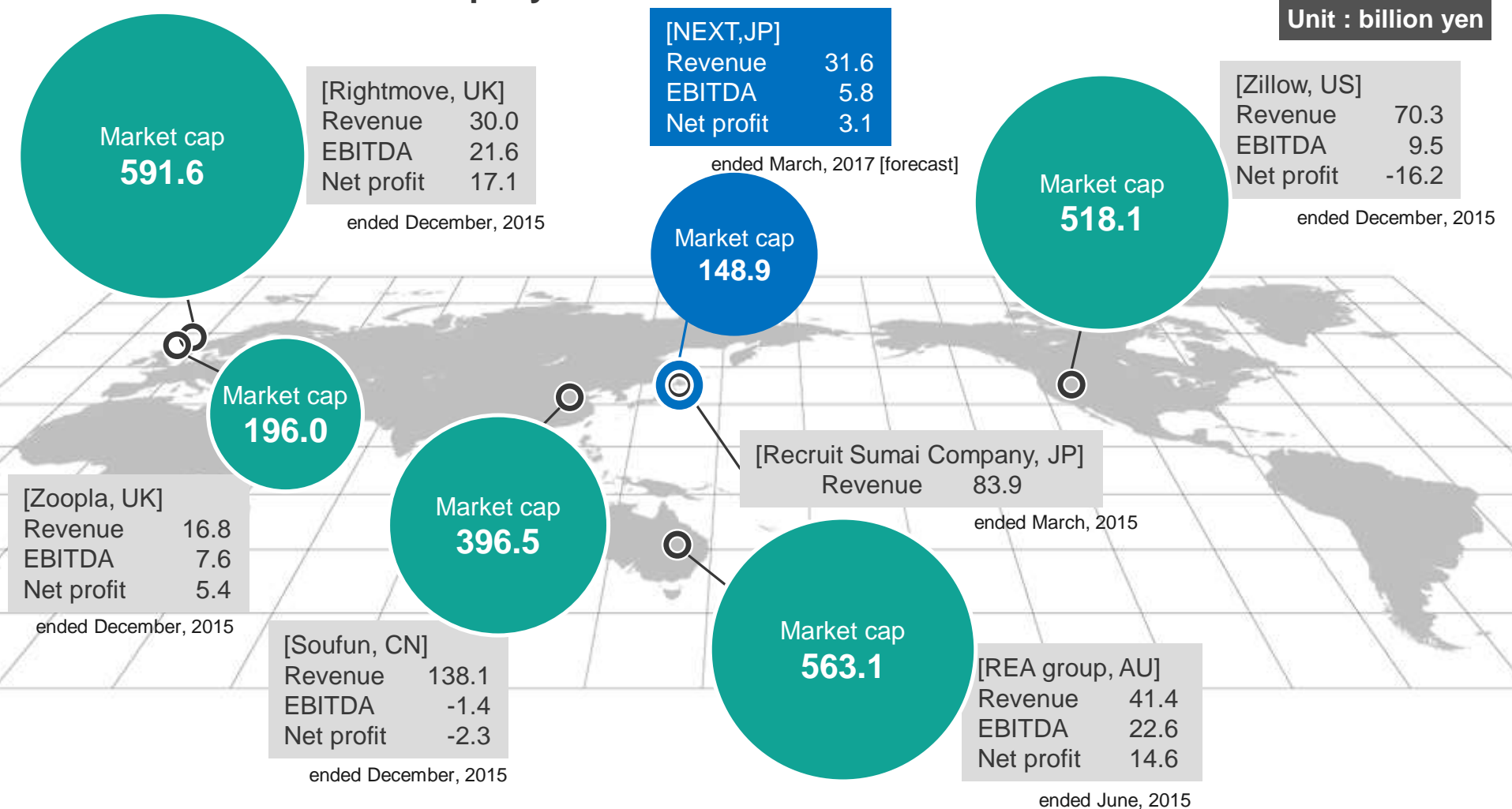
	2012 (Jan-Dec)	2013 (Jan-Dec)	2014 (Jan-Dec)	2015 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Total	-	-	5,207,599	5,384,553	319,754	350,058	967,388	764,296	360,121	370,989	384,787	377,467	394,589	406,352	337,321	351,431	316,102	374,679	945,834
YoY	-	-	-	3.4%	-0.1%	0.6%	4.0%	-2.7%	-1.3%	8.0%	0.9%	7.2%	9.4%	6.8%	10.7%	4.3%	-1.1%	7.0%	-2.2%
Only Japanese	5,018,166	5,015,571	4,908,009	5,041,483	297,425	327,550	925,922	724,639	334,371	343,704	357,336	351,896	366,577	374,565	312,026	325,472	292,353	349,324	900,671
YoY	-0.5%	-0.1%	-2.1%	3.4%	-0.9%	-0.2%	3.5%	-3.3%	-1.9%	7.1%	0.2%	6.6%	9.2%	6.2%	10.0%	3.3%	-1.7%	6.6%	-2.7%

Overseas Competitor

POINT

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

Unit : billion yen



*1 Calculated from the IR materials of each company presentation

*2 The stock of May 10, 2016

*3 Exchange rate USD 1= JPY 109.20, GBP1 = JPY 156.36, AUD1 = JPY 79.21

Services

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



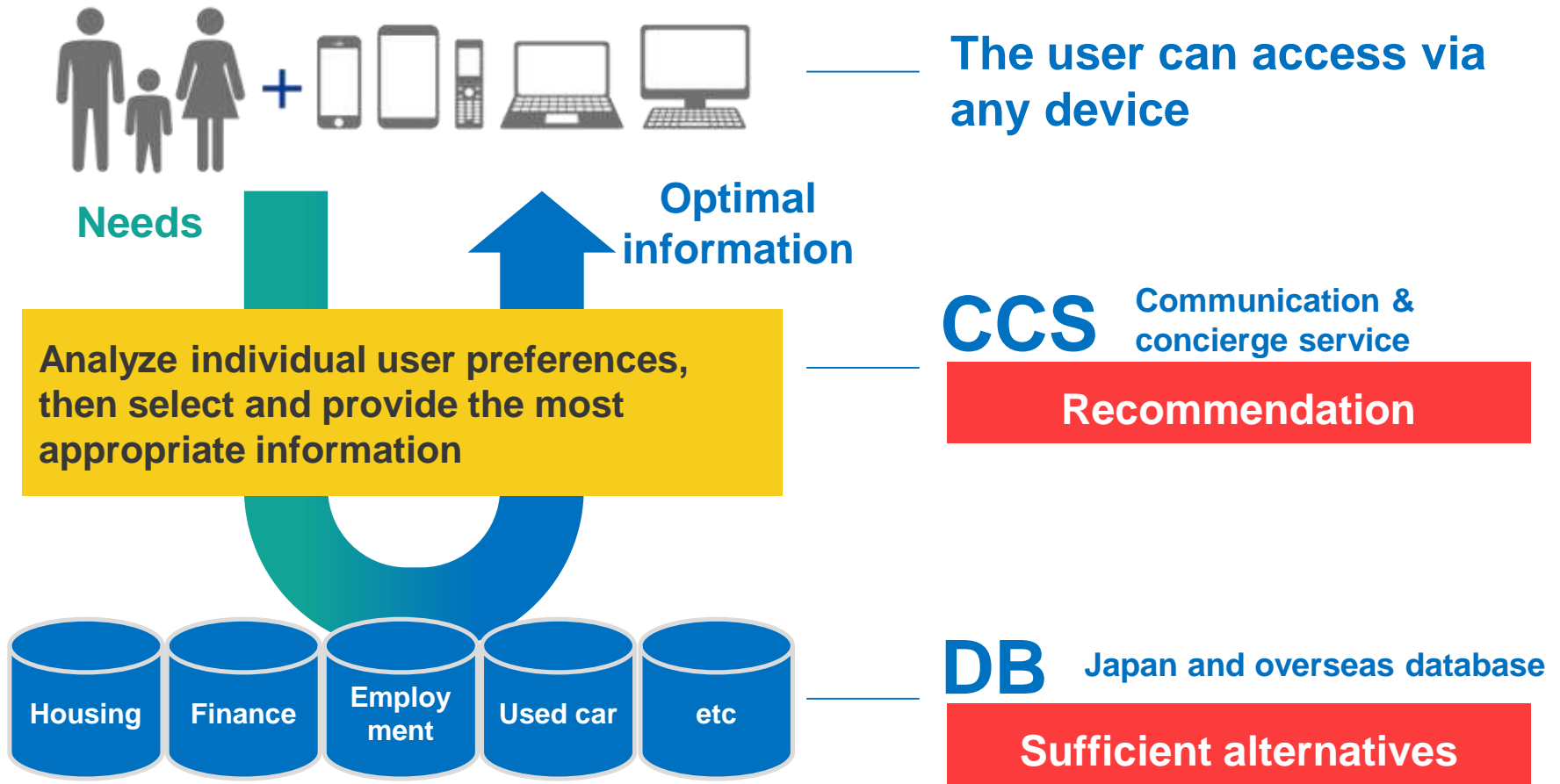
You can see a 360-degree view of properties with images that make the scene more alive.

↓ Samples of 360-degree panoramic images

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

<http://goo.gl/E3KGRl>

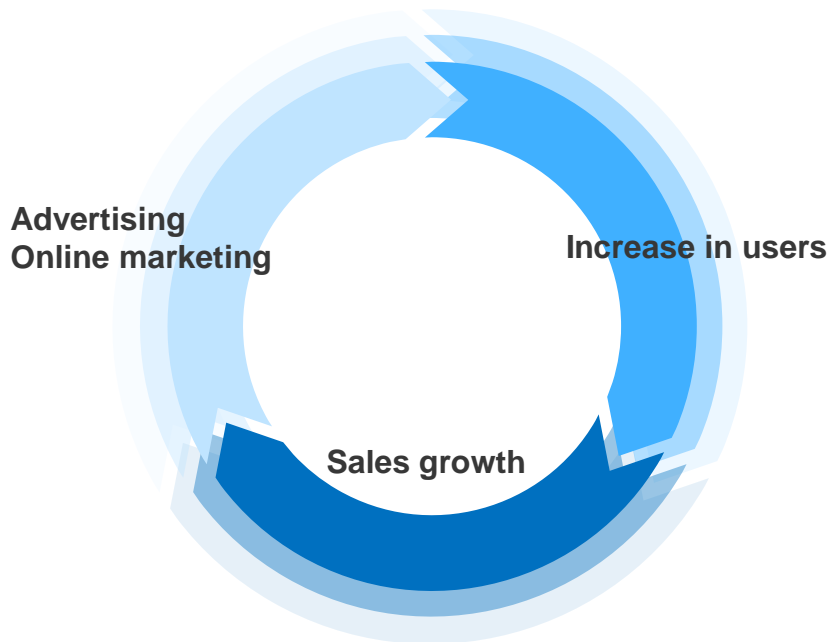
Action to Provide the Information That the User Wants From Enormous Information



Difference Between the Pay-Per-Posting-Based and Pay-Per-Inquiry-Based Billing Structure Models

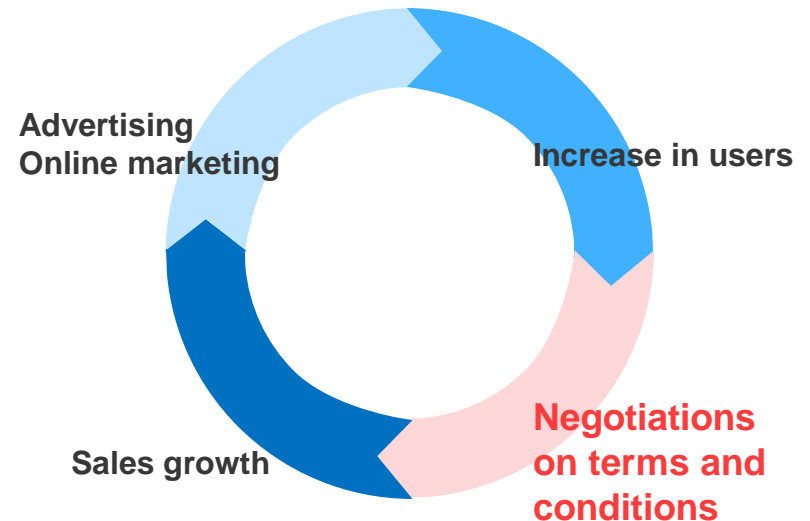
POINT With the pay-per-inquiry-based billing structure model, advertising spending leads directly to growing sales

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

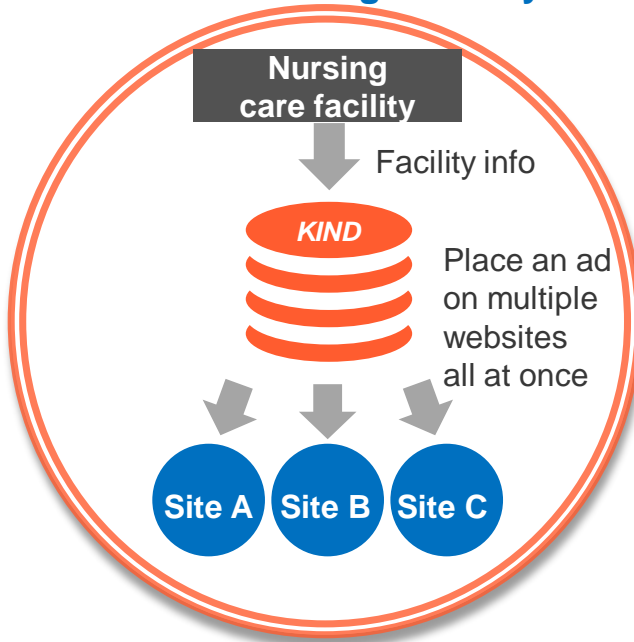


To grow sales requires negotiating on raising the posting fee

Our New Services

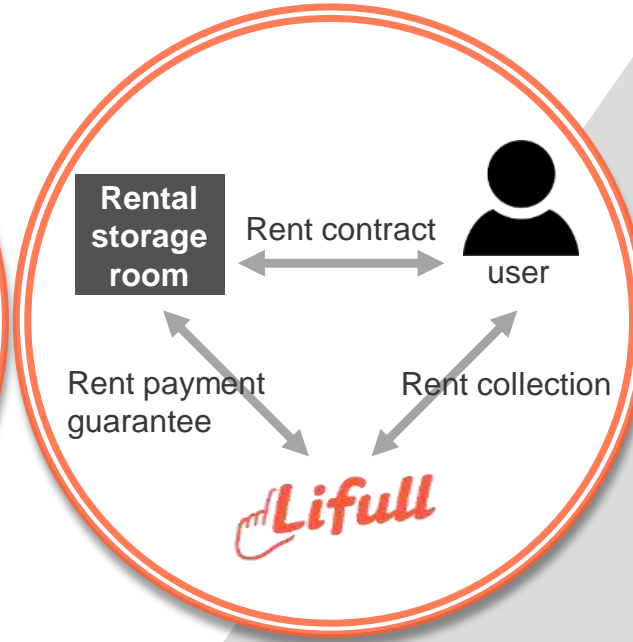
Released in Jan

Nursing care facility
referral website
consolidated management system



Released in Feb

Rent payment guarantee
for rental storage rooms



Released in Mar

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

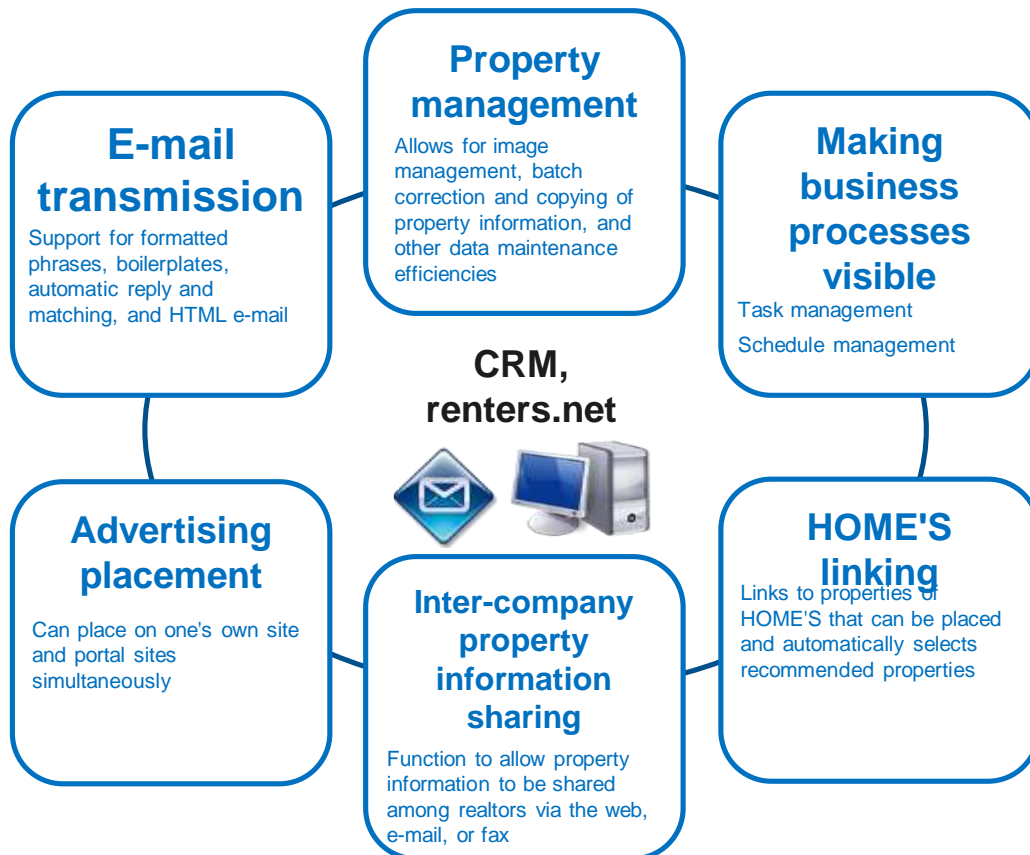
In addition to provide rental
storage room information, has
started to provide services to
the business operators

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

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

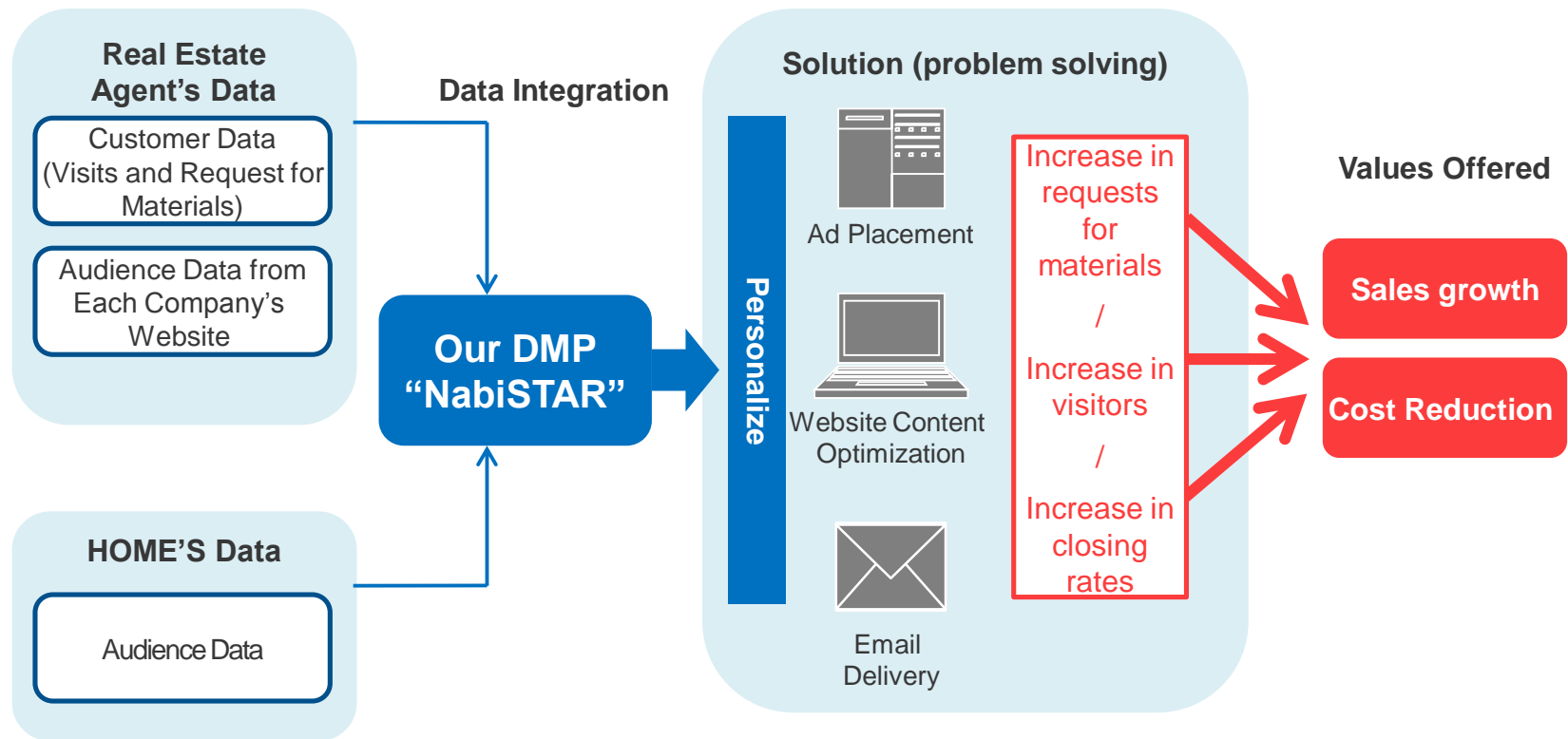
In-expensive

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.

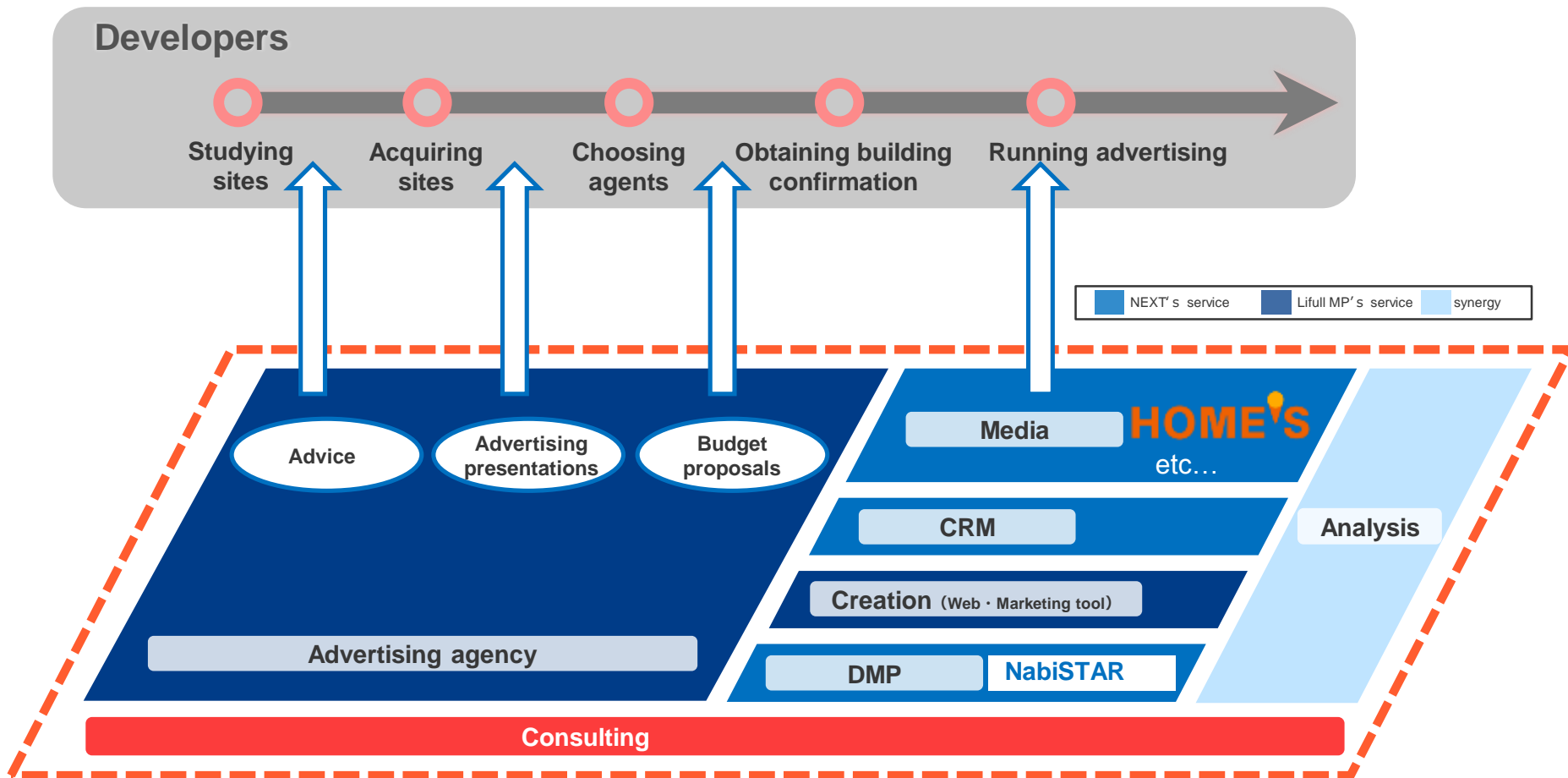
* DMP = Data Management Platform



Advertising Planning and Consulting



POINT **Strengthened the New Condominium Business**
Seamlessly assists the process from project launch to property handover as a partner



Offer a one-stop service.
Provide comprehensive service catering to the needs of different client firms and properties.

Overseas Business



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

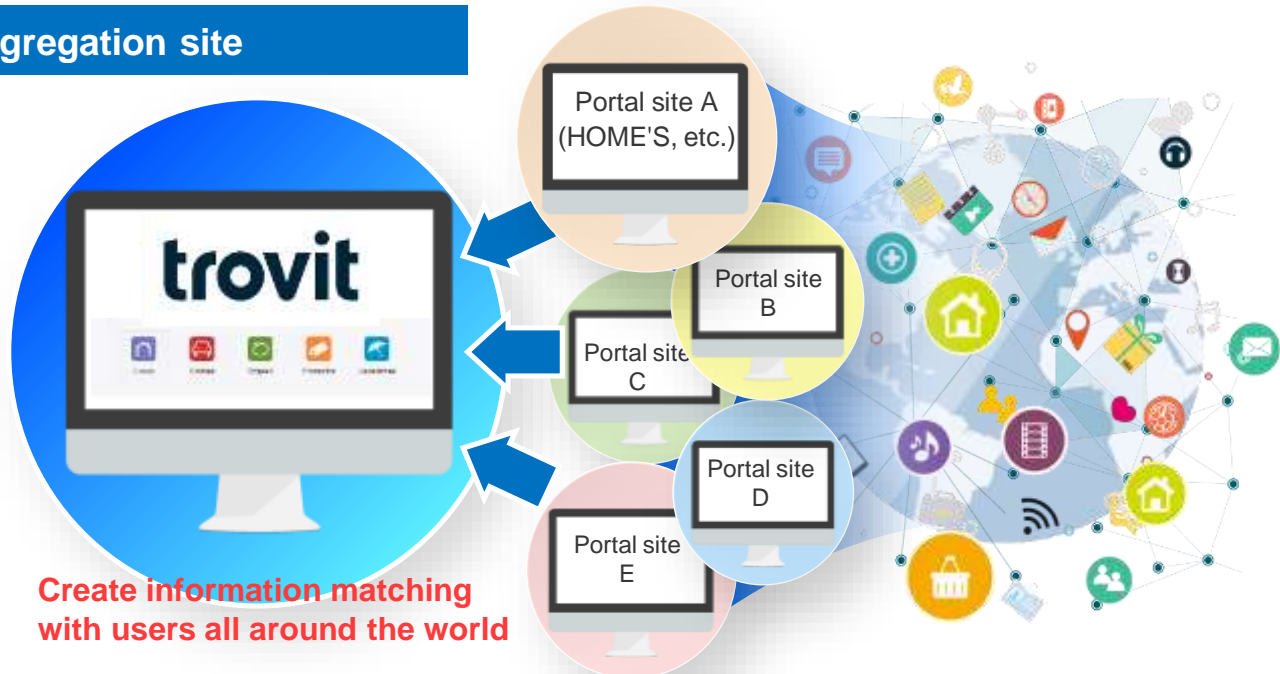
<http://www.trovit.co.uk/>

- 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



Create information matching
with users all around the world

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 Storage 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



A live music concert accompanier search application



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

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



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>

Contact us

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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