



NEXT Co., Ltd.

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

# Annual Report of Financial Statement

First Quarter of Year Ended March 31, 2015

(April 2014 to June 2014)

Opinions and forecasts expressed in this document are those of management as of the date of publication and management does not offer any guarantee regarding their accuracy. Please note that actual business performance and results may differ materially from such opinions and forecasts due to changes in various factors.

# Index

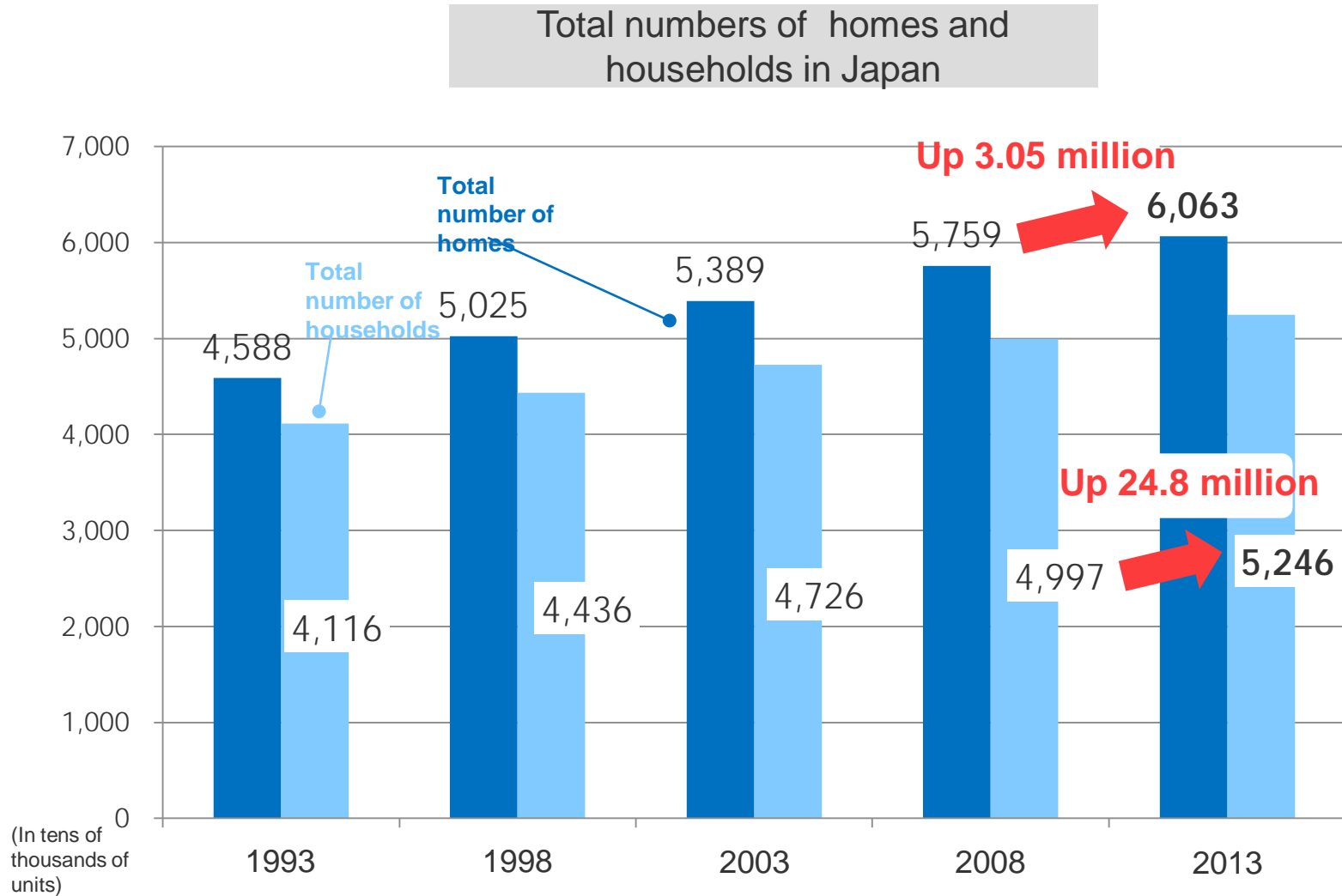
- > **Outline of 2013 Housing and Land Statistics Survey Preliminary Results** Pages 3-5
- > **Business Strategies for the Fiscal Year Ending March 31, 2015 (Revisit)** Pages 6-18
- > **Key Points** Page 19
- > **Financial Results for the First Quarter of the Year Ending March 31, 2015** Pages 20-31
- > **Our Initiatives for the Second Quarter of the Year Ending March 31, 2015 and Beyond** Pages 32-45
- > **NEXT's aim is to locate residences of the near future** Pages 46-51
- > **Mission Statement and Management Philosophy** Pages 52-53
- > **Inquiries Regarding IR Data** Page 54
- > **Reference Data** Pages 55-80



# **Outline of 2013 Housing and Land Statistics Survey Preliminary Results**

# Outline of 2013 Housing and Land Statistics Survey Preliminary Results

**POINT** The total numbers of homes and households in Japan both hit record highs.



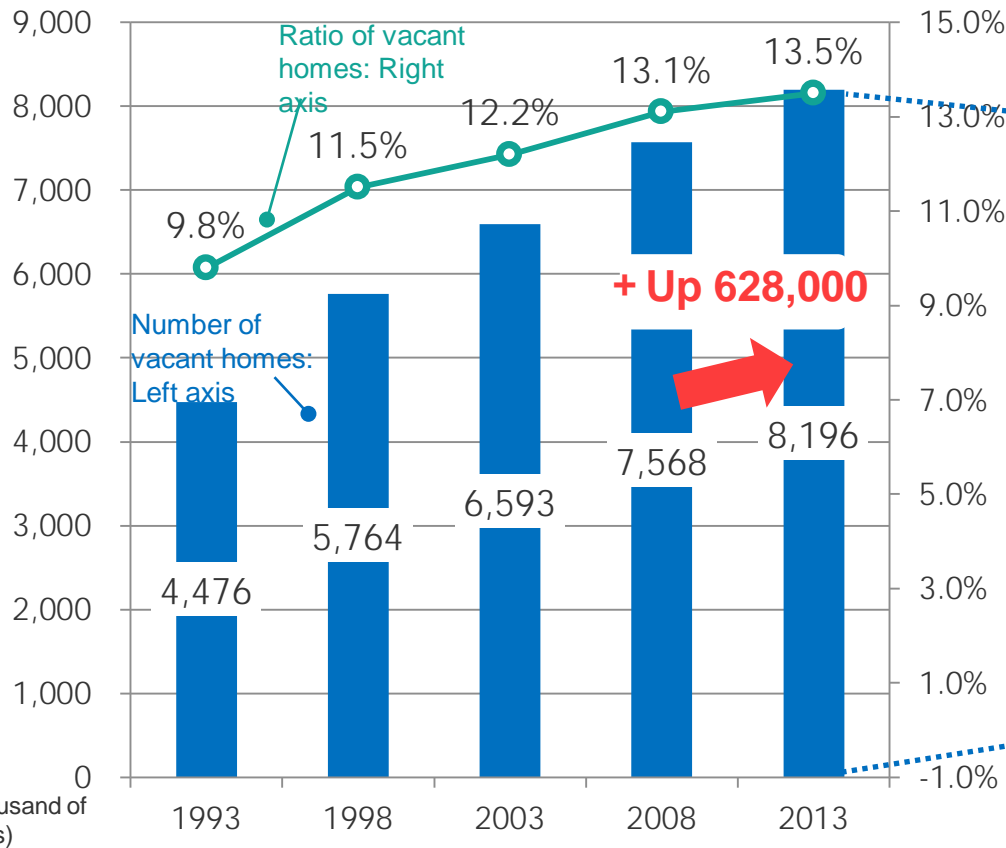
Source: The Ministry of Internal Affairs and Communications Statistics Bureau, *Housing and Land Survey 2013 Preliminary Results* (released on July 29, 2014)

# Outline of 2013 Housing and Land Statistics Survey Preliminary Results

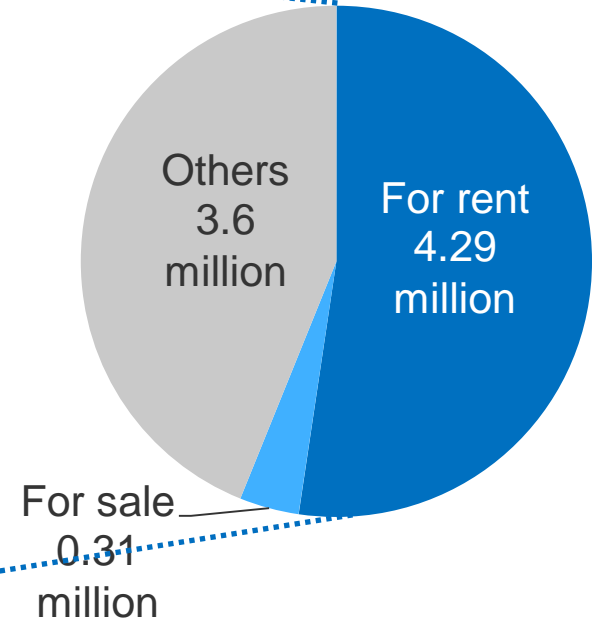
**POINT**

The number and ratio of vacant homes in Japan also both hit record highs. NEXT expects to experience growing needs for property advertising.

Number and ratio of vacant homes in Japan



Breakdown of vacant homes in Japan



\* The "Others" category includes "secondary homes" and homes left long vacant by resident households due to their work-related relocation as well as homes scheduled to be demolished for the purpose of rebuilding them

Source: The Ministry of Internal Affairs and Communications Statistics Bureau, *Housing and Land Survey 2013 Preliminary Results* (released on July 29, 2014)



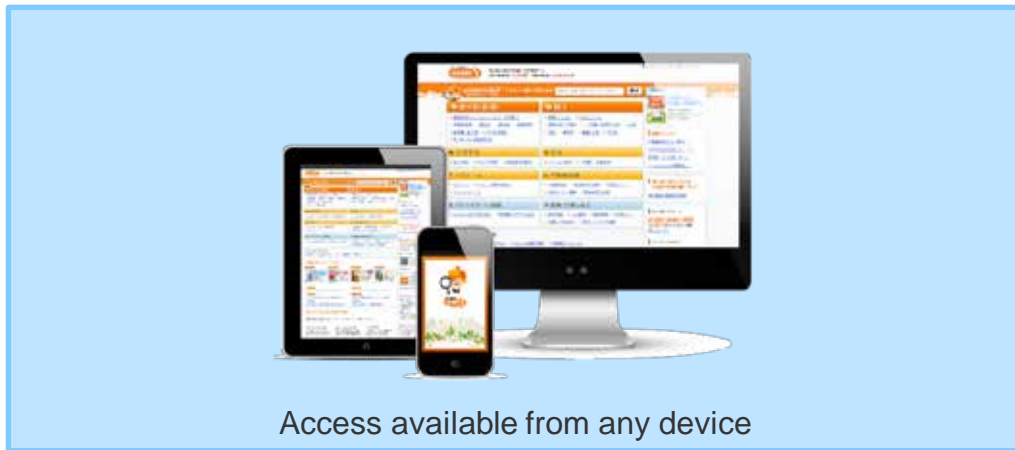
# Business strategies for the fiscal year ending March 31, 2015

# Medium-Term Strategy Slogan

NEXT Group medium-term business strategies

**POINT** Our medium-term strategy slogan is "Aiming to be a global company through DB and CCS\*"

\*Database + communication & concierge service



Access available from any device

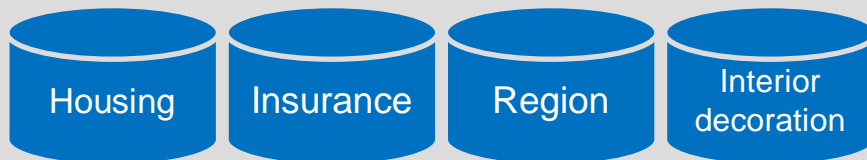
Needs



Appropriate information



Analyze individual user preferences, then select and provide the most appropriate information



Create database of information about daily life in Japan and overseas

## CCS

Communication & concierge service

Recommendations to support the decisions of those pushing ahead

## DB

Japan and overseas database

Accurate and all-inclusive information about daily life

**POINT** We aim to be the undisputed No. 1 in real estate and housing information website, both in quality and volume

Goals

**No. 1 in total properties listed**

**No. 1 in ease-of-use**

**No. 1 in user numbers**

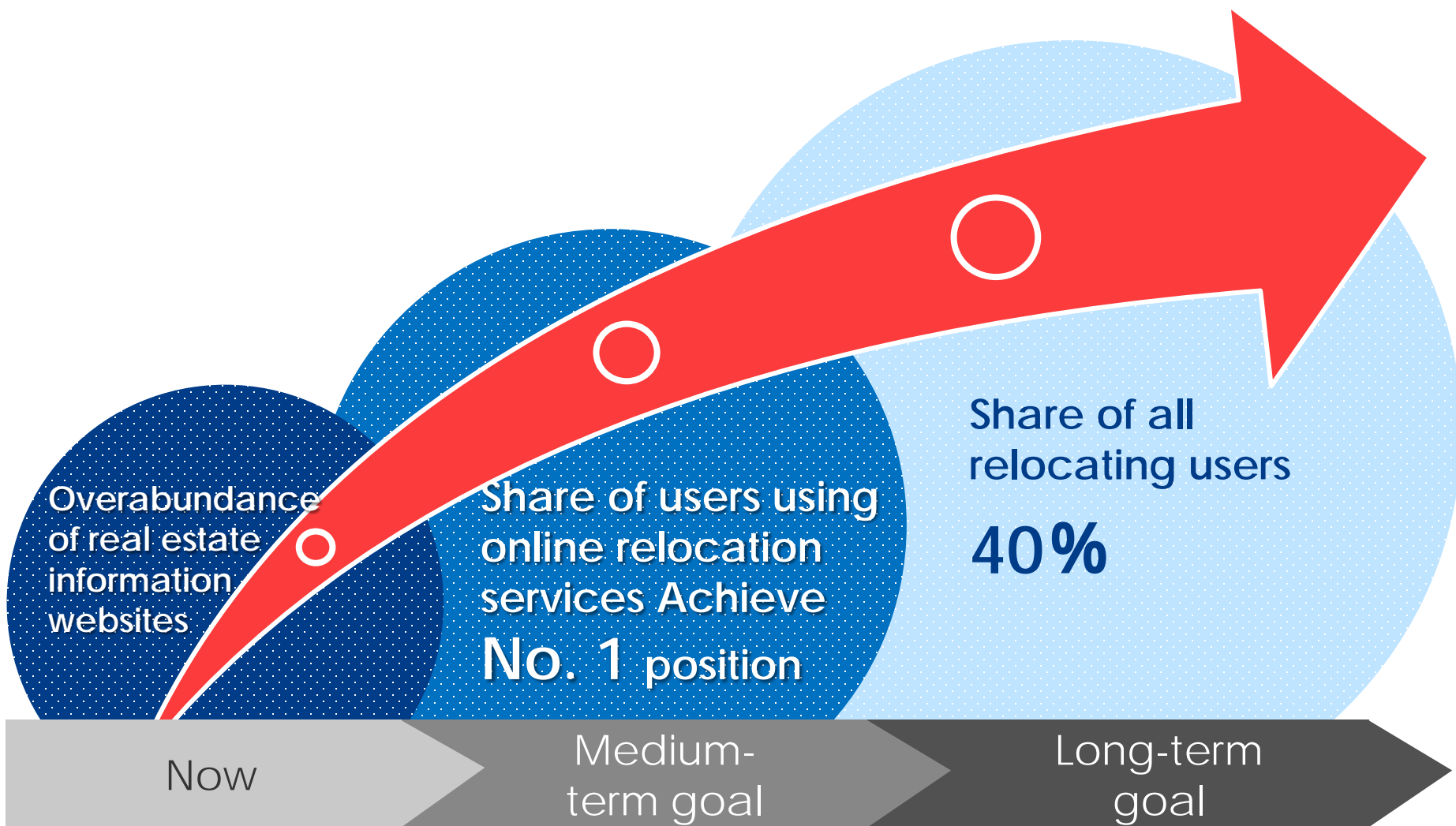
**No. 1 in accuracy of information**



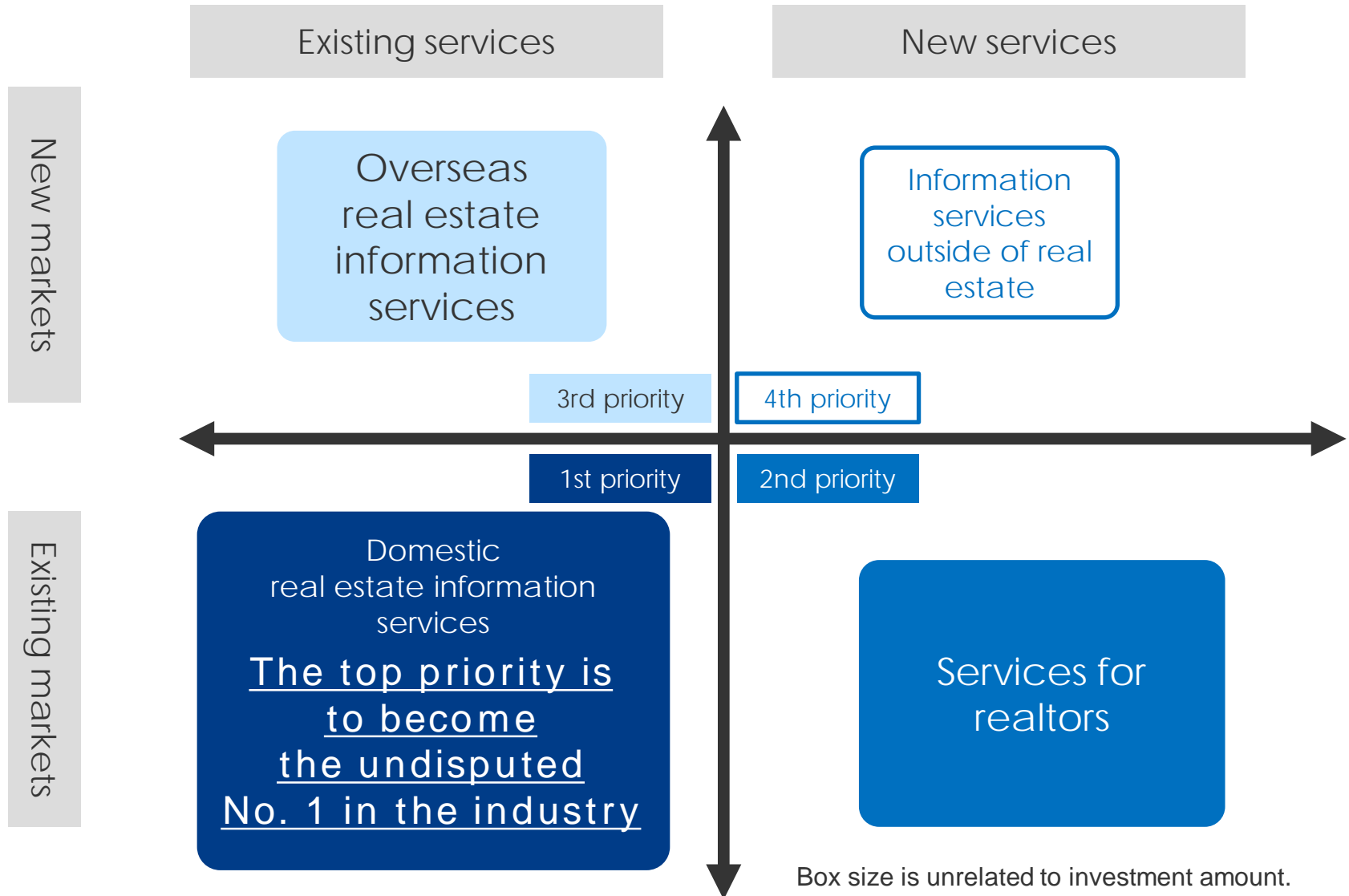
An aerial photograph of a city skyline at sunset. The sky is a mix of orange, pink, and purple. In the foreground, there are residential buildings with dark roofs. In the background, several tall skyscrapers are visible, some with lights on. The text "Fiscal 2015/03 is a year for expanded investment" is overlaid in white, bold, sans-serif font.

Fiscal 2015/03  
is a year for  
expanded investment

**POINT** Gain 40% of the market and make HOME'S an essential element of life.



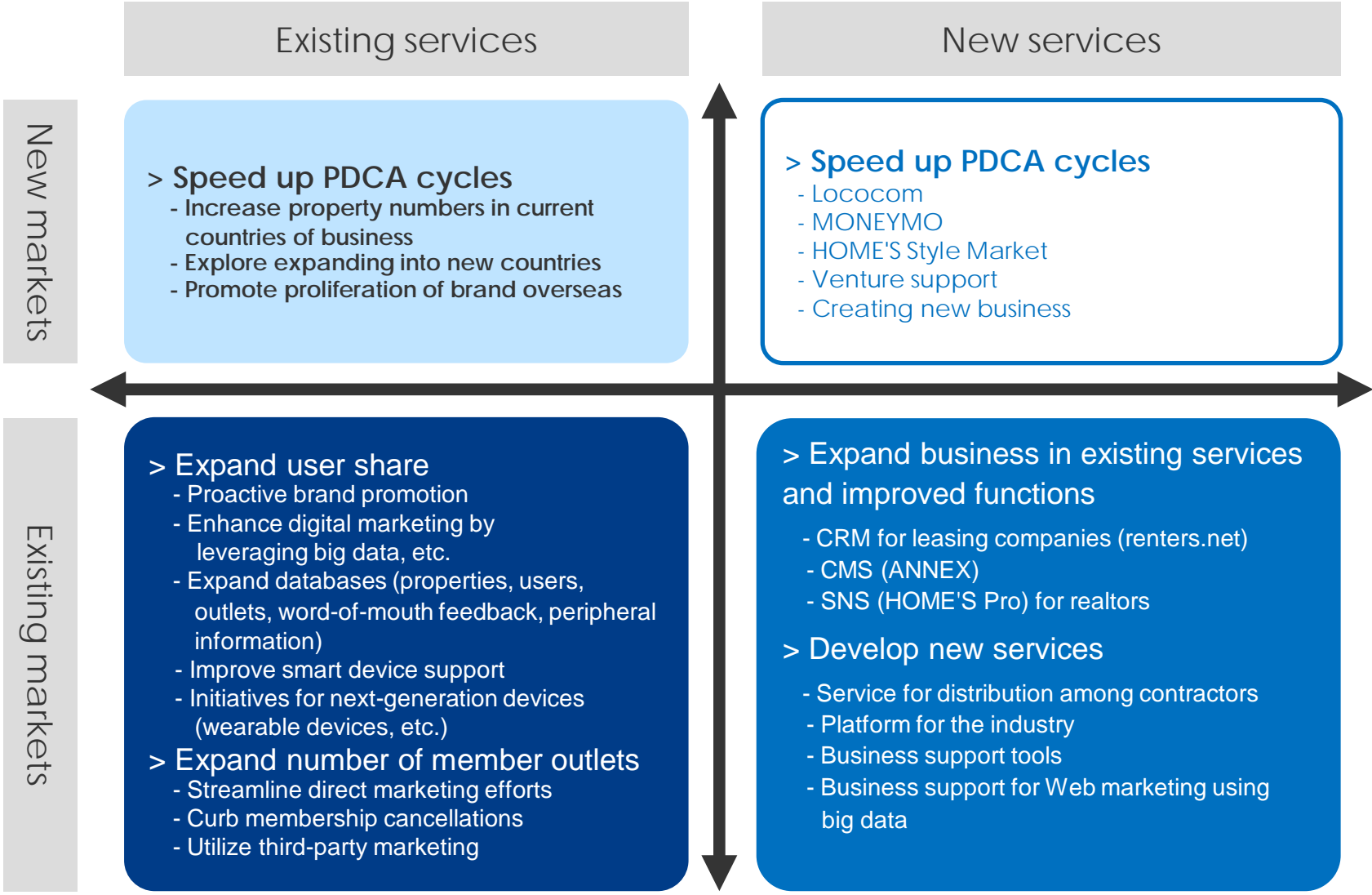
**POINT** Prioritize the domestic real estate market and invest in long-term growth



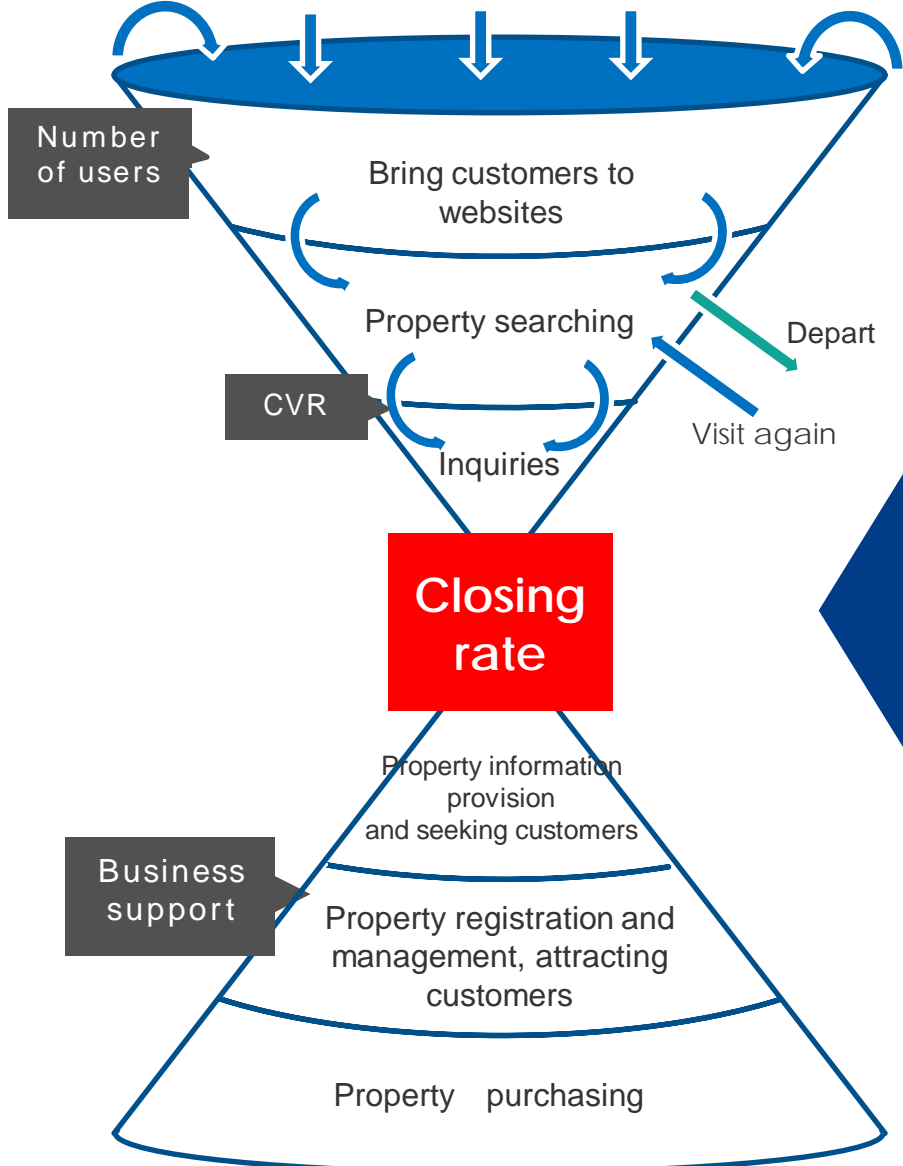


**POINT**

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



**POINT** Support both users and customers, and maximize closing rates



## Gaining more customers

Maximizing user numbers

## Improve products

Improve CVR (inquiry rate)

## Expand database

Improve CVR (inquiry rate) and maximize closing rate

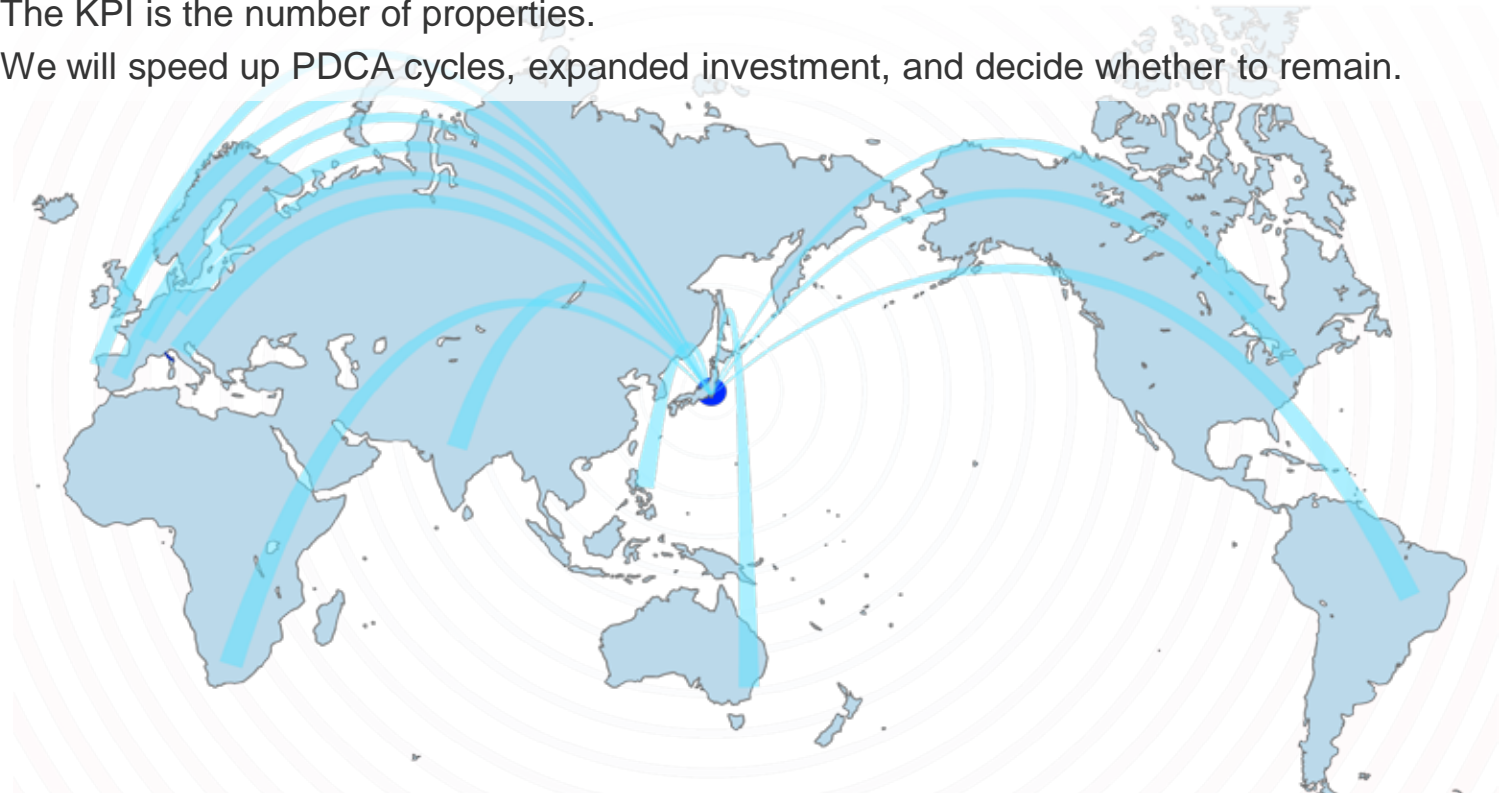
## Enhance business support services

Expand database and maximize closing rate

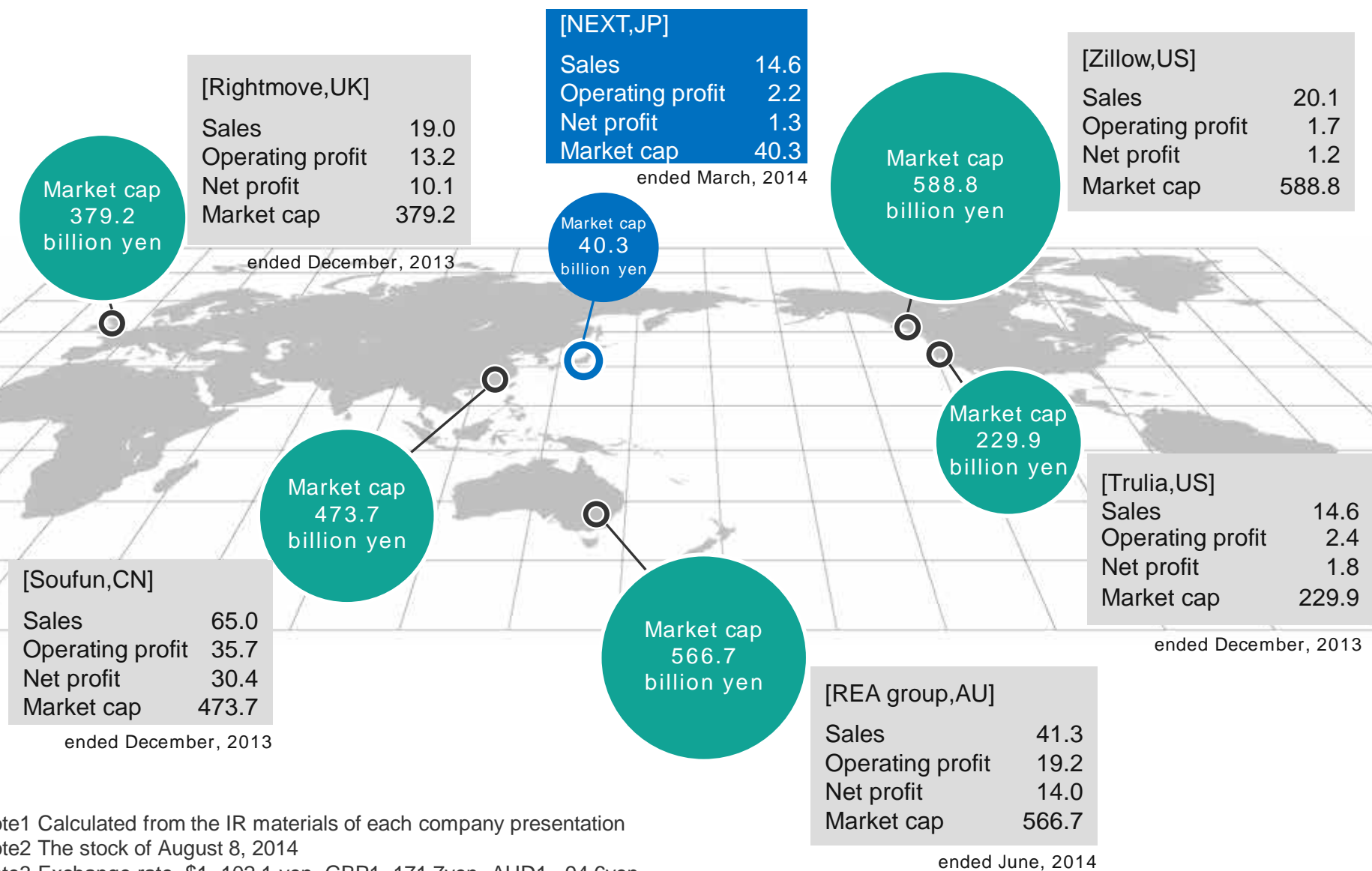
**POINT**

## Continue investment into overseas business to achieve medium- and long-term growth

- › We are currently building highly-versatile websites for many nations and languages using SEO techniques developed in Japan.
- › Roll out websites at low cost, while generally avoiding establishing local facilities.
  - Regions where Google's search engine is strong
  - Regions where most people speak a common language
- › The KPI is the number of properties.
- › We will speed up PDCA cycles, expanded investment, and decide whether to remain.



# The situation of the overseas competitor



note1 Calculated from the IR materials of each company presentation  
 note2 The stock of August 8, 2014  
 note3 Exchange rate \$1=102.1 yen, GBP1=171.7yen, AUD1= 94.6yen  
 note4 Zillow announces acquisition of Trulia for \$3.5 billion in stock.

## POINT Continue creating peripheral services related to real estate and housing information and generating new business

- Enhance existing services (insurance agency information, local information, furniture/interior design information)
- Use a system for proposing new business to create new business
- Venture investment
- We will speed up PDCA cycles, expanded investment, and decide whether to remain



**MONEYマネモ**

Insurance agency search and appointment website



**Lococom**

Local information website



**HOME'S Style Market**

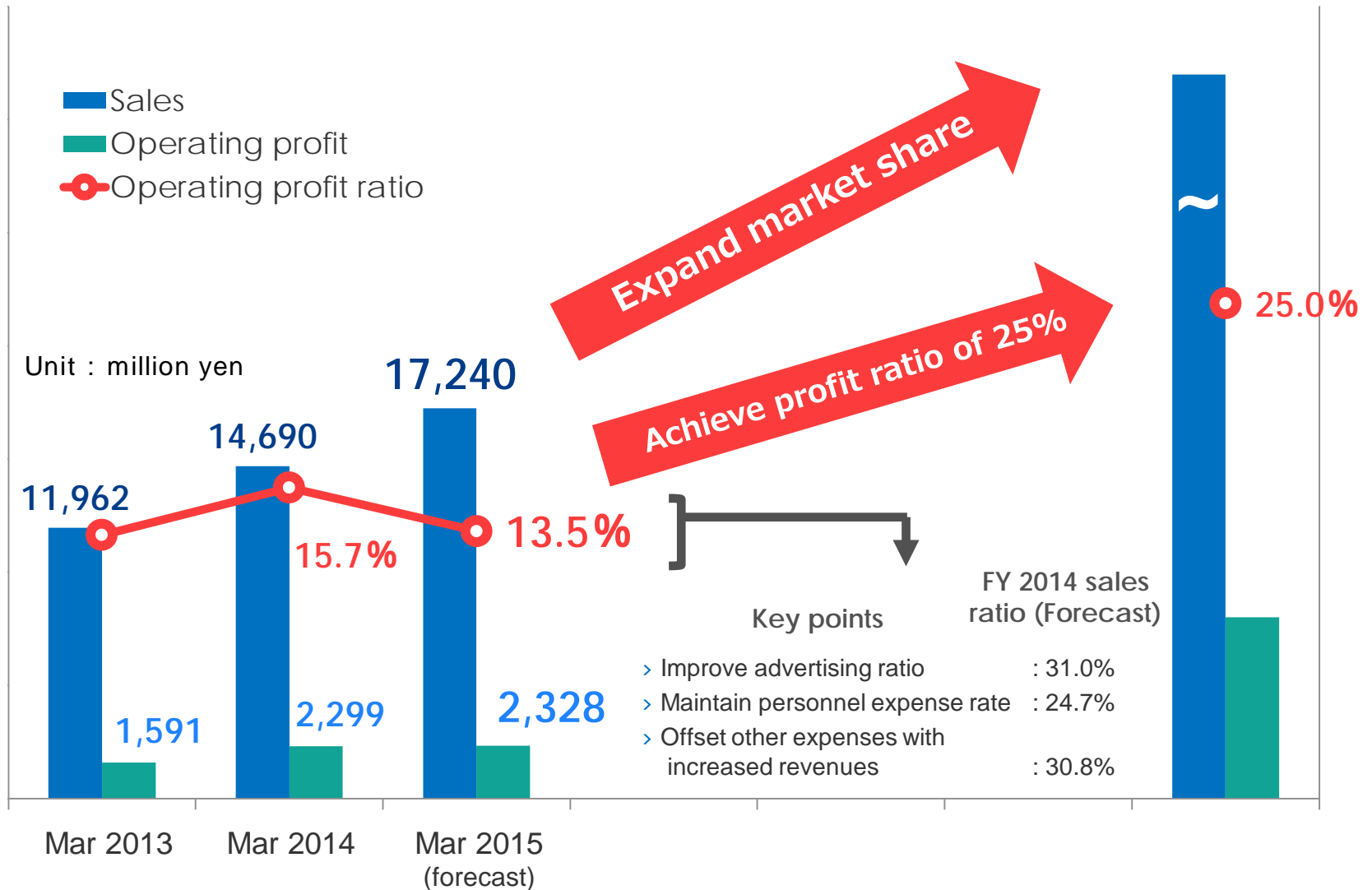
Furniture/interior EC website



- M&A
- New business proposal system
- Internet venture support



**POINT** Establish NEXT as No. 1 in market share for users of online relocation services and aim for operating profit ratio of 25%.




# › Medium- and Long-Term Objectives (Financial Indicators)

1. Aim to achieve 25% operating profit margin
2. Improve productivity
3. Return profits to shareholders through continuous dividends and profit growth

# › Business Development

1. HOME'S as the absolute No.1 = Improve property coverage
2. Expansion of services for realtors
3. Overseas expansion
4. Secure a new revenue base outside of real estate



# **Financial Results for the First Quarter of the Year Ending March 31, 2015**

## Key Points

---

The real estate information service business performed strongly

Consolidated sales for **the first quarter of the year ending March 31, 2015** grew **13.4%** year on year

Operating profit for the quarter **declined 17.5%** as a result of the Company's strategic investment programs

**Property information comprehensiveness** = Important indicator for our competition strategy

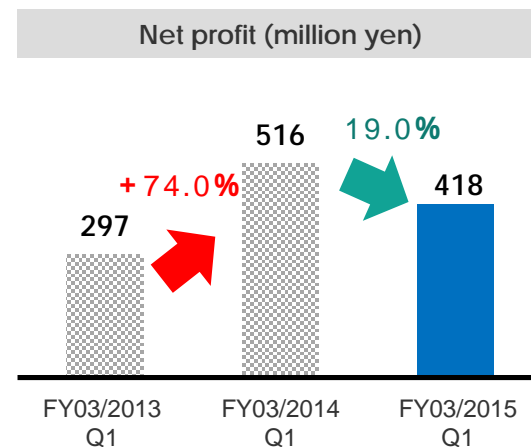
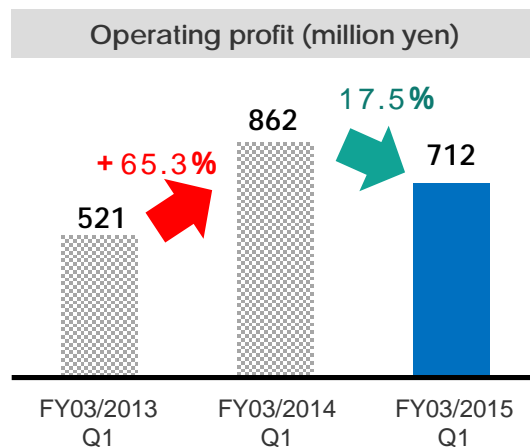
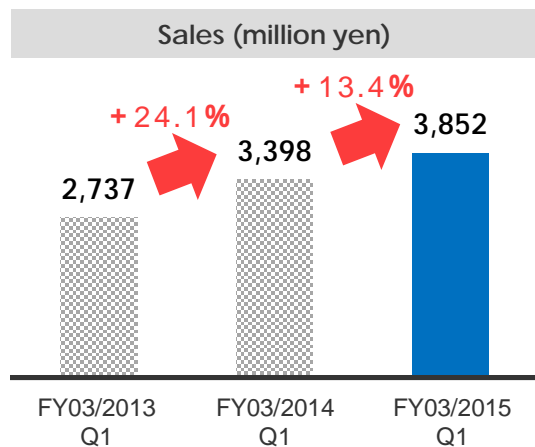
The total number of properties listed online averaged **4.32 million** for June 2014  
(up 177,000 year on year)

The fiscal year ending March 31, 2015 is a period of **investment** for NEXT, which aims to **achieve increased user share**

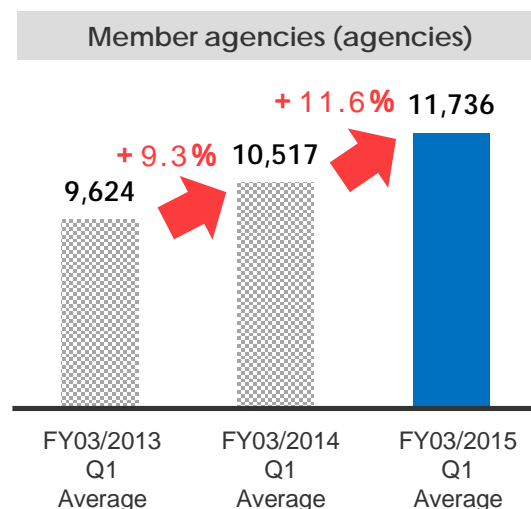
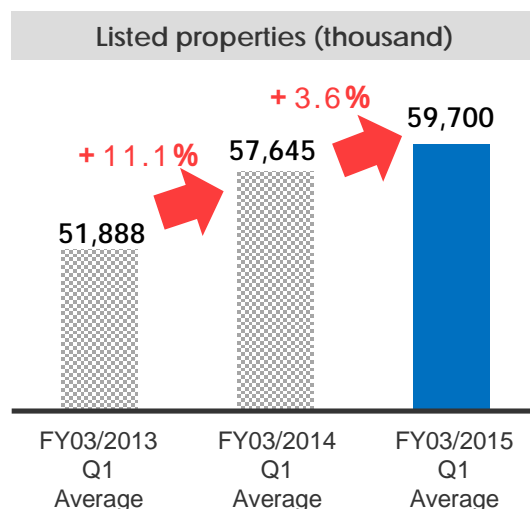
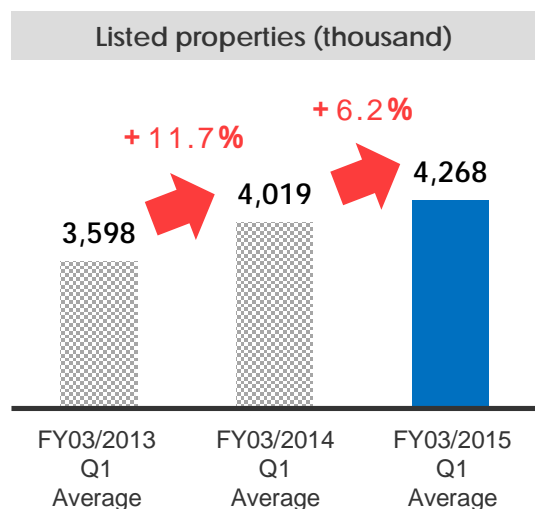
Step up advertising and smart device support service  
Roll out a new service offering for realtors

# Key indicators Financial Results for Q1 of the Year Ending March 31, 2015

## CHECK! 連結業績の推移

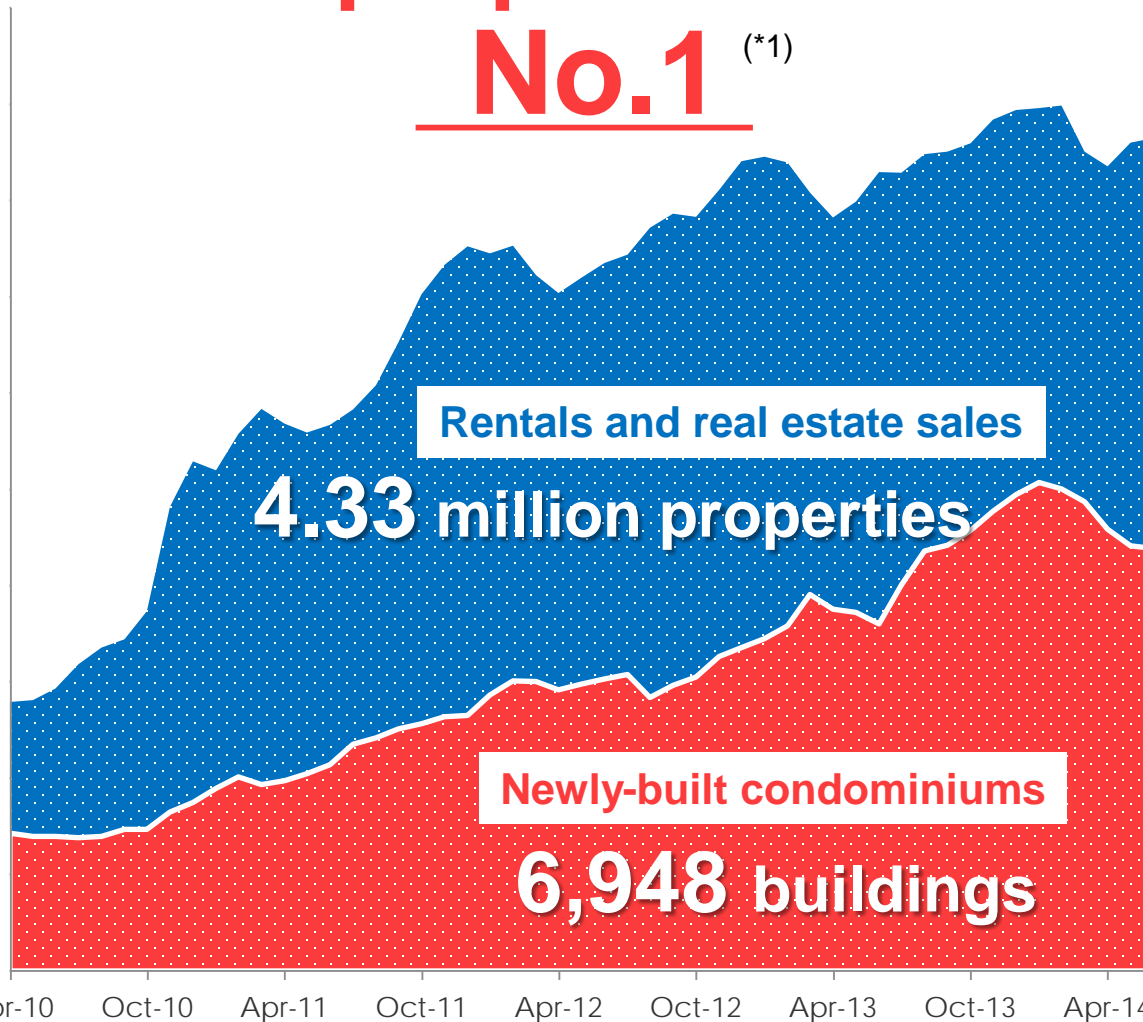


## CHECK! 「HOME'S賃貸・不動産売買」主要指標の推移

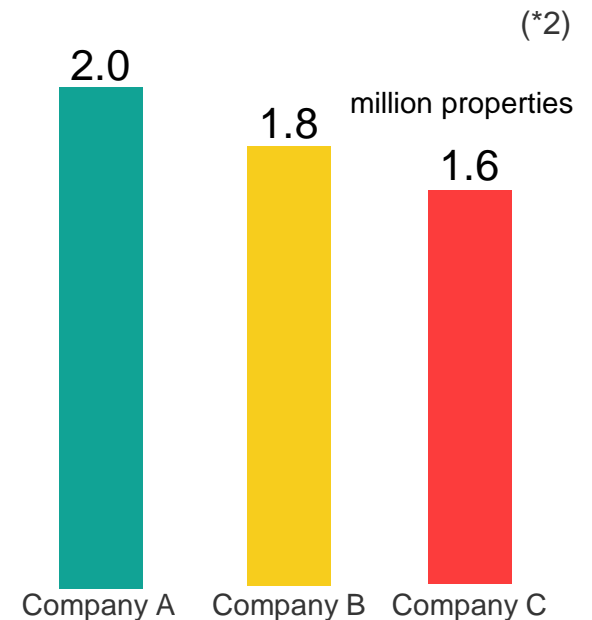


# Trends in the total number of properties listed

## Total properties listed No.1 <sup>(\*1)</sup>



### Comparison with major websites



(\*1) Fuji Sankei Business i data (published March 31, 2014).

(\*2) Total properties listed for rentals and real estates sales as of June 2014. NEXT data.

# Simple Profit & Loss Statement

Financial Results for Q1 of the Year Ending March 31, 2015

**POINT**

Sales grew 13.4%, operating profit declined 17.5% and net profit decreased 19.0% year on year, respectively

(Unit: Million yen)	FY03/2014 (Apr – Jun)	FY03/2015 (Apr – Jun)	Change (Year-on-year)	Percentage change (Year-on-year)	
<b>Sales</b>	3,398	<b>3,852</b>	<b>+ 454</b>	<b>+ 13.4%</b>	*1
<b>Cost of sales</b>	102	<b>108</b>	<b>+ 6</b>	<b>+ 6.4%</b>	
<b>Selling, general &amp; administrative (SG&amp;A) expenses</b>	2,433	<b>3,031</b>	<b>+ 598</b>	<b>+ 24.6%</b>	
<b>Personnel costs</b>	806	<b>988</b>	<b>+ 182</b>	<b>+22.6%</b>	
<b>Advertising costs</b>	774	<b>1,114</b>	<b>+ 340</b>	<b>+44.0%</b>	*2
<b>Operating expenses</b>	84	<b>126</b>	<b>+ 42</b>	<b>+50.3%</b>	*3
<b>Depreciation/amortization costs</b>	131	<b>88</b>	<b>42</b>	<b>32.6%</b>	
<b>Other selling, general &amp; administrative (SG&amp;A) expenses</b>	637	<b>712</b>	<b>+ 75</b>	<b>+11.9%</b>	
<b>Operating profit</b>	862	<b>712</b>	<b>150</b>	<b>17.5%</b>	*4
<b>Net profit</b>	516	<b>418</b>	<b>98</b>	<b>19.0%</b>	
<b>Operating profit margin (OPM)</b>	25.4%	<b>18.5%</b>	<b>6.9p</b>	<b>-</b>	

\*1. Sales for the real estate information service business grew 13.2% year on year. In particular, sales for the core "HOME'S Rental & Real Estate Trade" service increased 15.6% year on year in continuation of double-digit rate growth (for details, please see page 25).

\*2. The increase in advertising expenses was due to the Company's expenditure on the running of TV commercials and in-train advertisements in a tie-up with those for the movie "Thermae Romae II" as well as on its enhanced digital marketing initiatives

\*3. The rise in operating expenses was attributable to the implementation of user surveys and to the real estate market research conducted by the HOME'S Research Institute

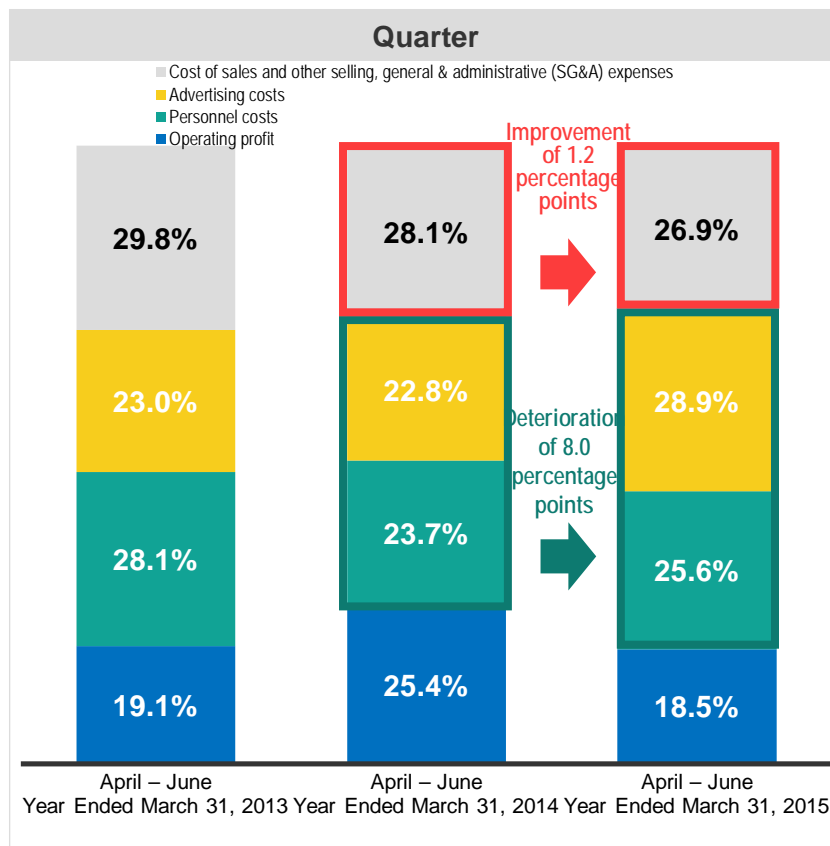
\*4. Although having declined year on year, operating profit was in line with the accounting year-start plan for the year deemed to be a year of strategic investment for growth for the next fiscal year onwards (user share gain and service development)

# Sales breakdown

Financial Results for Q1 of the Year Ending March 31, 2015

POINT

Although having deteriorated due to its strategic advertising expenditure, the Company's profit margin was in line with its period-start plan



Cost of sales and other selling, general & administrative (SG&A) expenses: Their percentage shares grew due to increased sales and to cost saving efforts.

Advertising costs: The Company continued to step up its advertising programs consisting mainly of strategic branding promotion, an initiative aimed at achieving increased user share early. The advertising costs to sales ratio for the year ending March 31, 2015 is expected to be 31%.

Personnel costs: The consolidated number of employees for the quarter under review averaged 601 (including 13 employees at overseas locations) compared with 583 (including 61 employees at overseas locations) for the same quarter a year ago. Although the number of employees at overseas locations declined year on year due to the shutdown of its China operations, the total number of the Company's employees grew owing to mainly an increase of productive staff members engaging in Japan-based services and in application creation, customer attraction, and analysis and optimization duties. The number of new employees joining the Company in April was 20 for the quarter under review compared with nine for the same quarter a year ago.



# Sales by service category

Financial Results for Q1 of the Year Ending March 31, 2015

**POINT** Sales for Rental & Real Estate Trade grew 15.6% year on year, supported by the increasing numbers of property inquiries and affiliated stores, although New Houses, Custom-Built Houses, and Renovations were adversely affected by the country's consumption tax hike.

(Unit: Million yen)		FY03/2014 (Apr – Jun)	FY03/2015 (Apr – Jun)	Change (Year-on-year)	Percentage change (Year-on-year)
<b>Sales</b>		3,398	3,852	+ 454	+ 13.4%
<b>Real Estate Information Services</b>		3,366	3,811	+ 445	+ 13.2%
<b>Rental &amp; Real Estate Trade</b>		1,818	2,102	+ 283	+ 15.6% *1
<b>New Houses</b>		1,021	1,083	+ 62	+ 6.1% *2
<b>Custom-Built Houses and Renovations</b>		256	230	25	10.0% *2
<b>Realtor's Network</b> <small>Note 1</small>		136	206	+ 69	+ 51.2% *3
<b>Others</b> <small>Note 2</small>		132	187	+ 55	+ 41.4%
<b>Other Businesses</b> <small>Note 3</small>		31	40	+ 8	+ 28.0%

Starting in the current fiscal year, sales categorization was changed. For details, please see page 6. The sales data for the past years are presented on the basis of the new categorization.

Note 1: The Realtor's Network sales are composed of those from "CRM services for leasing companies," "business support services for real estate developers," and "website design tools."

Note 2: "Others" of the Real Estate Information Services consists of "HOME'S Nursing Care," "HOME'S Moving Estimates," "HOME'S Renovation," "HOME'S Storage Room," overseas business, and so on.

Note 3: "Other Businesses" comprise "MONEYMO," "Lococom," and "HOME's Style Market," among others.

\*1. Although the SEO effect of the website redesign carried out in autumn 2012 ran its course, NEXT's continued enhancement of its branding promotion, digital marketing and marketing capability led to increased numbers of site visitors, property inquiries and affiliated stores. Sales per affiliate store grew 3.6% year on year, and the number of affiliated stores increased 11.6% year on year.

\*2. The supply of custom-built houses decreased in number due to an increased number of houses sold previously, driven by pre-consumption tax hike demand rush, to the post-tax-hike demand erosion and to the surging property procurement costs. In particular, the number of new condominiums listed online declined 5.2% year on year. On the other hand, the number of new houses listed online grew 15.7% year on year partly thanks to the Company's acquisition of new large-sized customers in the previous fiscal year.

\*3. Sales grew significantly due to the expanded sales contribution from "CRM services for leasing companies" and the new industry-dedicated DMP service (details on page 39).

# Profit and loss by segment Financial Results for Q1 of the Year Ending March 31, 2015

**POINT** Operating profit for the Real Estate Information Services business declined 18.7% year on year, and operating loss for Other Businesses decreased year on year

(Unit: Million yen)	FY03/2014 (Apr – Jun)	FY03/2015 (Apr – Jun)	Change (Year-on-year)	Percentage change (Year-on-year)
Real Estate Information Services	887	722	165	18.7%
Other Businesses	24	9	+ 15	
Consolidated operating profit	862	712	150	17.5%

\*No percentage change is shown if loss was recorded for the quarter a year ago or the quarter under review

**Real Estate Information Services:** Operating profit for the quarter under review was more or less in line with the period-start projection although it declined year on year due to increased advertising costs resulting from the Company's branding promotion and market survey programs.

**Other Businesses:** Operating loss for the quarter under review decreased year on year due to reduced loss from the local community site "Lococom," to the achievement of profitability by the financial information site "MONEYMO," and to NEXT's exit in the second quarter a year ago from the "EventCal" and "eQOL Skin Care" businesses that had previously been posting continuous losses. The Company will continue to invest in new businesses that have the potential to become the second or third earnings driver while performing PDCA management rigorously in order to prevent the loss from persisting.

# Consolidated balance sheet and goodwill

Financial Results for Q1 of the Year Ending March 31, 2015

**POINT** Net assets per share grew 1.5% year on year while interest-bearing debt remained zero

(Unit: Million yen)	End of Previous Year End FY03/2014	[Current Quarter] Jun 30, 2014 End FY03/2015	Change	Percentage change	Main reasons for change
<b>Assets</b>	13,409	13,183	226	1.7%	Decrease in cash and deposits 143 Decrease in current assets 178
Current assets	11,109	10,736	372	3.4%	Decrease in accounts receivable-trade + 154 Decrease in current assets *1
Fixed assets	2,300	2,446	+146	+ 6.4%	Increase in intangible fixed assets Increase in fixed assets
<b>Liabilities</b>	3,160	2,773	386	12.2%	Decrease in accounts payable 337 Decrease in current assets + 132
Current liabilities	2,987	2,600	387	13.0%	Decrease in income/ consumption taxes payable 245 Increase in current liabilities
Fixed liabilities	172	173	+ 0.7	+ 0.4%	Zero interest-bearing debt Decrease in current liabilities
<b>Net assets</b>	10,249	10,409	+ 160	+ 1.6%	Increase in retained earnings +151 Increase in net assets
<b>Net Assets per Share</b>	181.55	184.24	+ 2.69	+ 1.5%	

Goodwill Amortization Status (Unit: Thousand yen)	Total Amount of Goodwill	Residual Value at Beginning of Period	Apr to Jun 2014 Amortization Amount	Residual Value	Number of Months Outstanding	Amortization Completion Date
<b>The former Littel</b>	216,738	86,695	10,836	75,858	21 months	March 2016

\*1. Software increased 60 million yen and software in progress grew 105 million yen year on year, while the Company engaged in new service and invested in a new backbone system.

# Cash flow

Financial Results for Q1 of the Year Ending March 31, 2015

**POINT**

The balance of cash and cash equivalents as of June 30, 2014 stood at 7,300 million yen, an increase of 100 million yen year on year, and at 8,300 million yen including time deposits

Unit: Million yen	FY03/2014 Q1 (Apr-Jun)	FY03/2015 (Apr-Jun)	Change	Main items	FY03/2014 (Apr-Jun)	FY03/2015 (Apr-Jun)
<b>Operating CF</b>	+ 433	<b>+ 359</b>	<b>73</b>	Pretax profit of the current term	846	<b>710</b>
				Depreciation	132	<b>88</b>
				Increase/decrease in provision for bonuses	58	<b>132</b>
				Increase/decrease in trade accounts receivable	84	<b>202</b>
				Increase/decrease in accounts payable-other	156	<b>336</b>
				Income taxes paid	609	<b>581</b>
				<b>Investment CF</b>	73	<b>1,242</b>
Cash outflow due to the acquisition of intangible fixed assets	49	<b>222</b>				
<b>Financial CF</b>	102	<b>260</b>	<b>158</b>	Payment of dividends	115	<b>262</b>
<b>Increase/Decrease in cash and cash equivalents</b>	+ 259	<b>1,143</b>	<b>1,402</b>			
<b>Balance of cash and cash equivalents</b>	7,199	<b>7,300</b>	<b>+ 100</b>			

**POINT** Smart device-compatible services released one after another

## App



HOME'S iOS app, boasting the largest number of properties posted, upgraded.



### HOME'S app for the visually impaired released

Rental property search app leveraging iPhone's VoiceOver screen reader

## Sites for Smartphones Revamped



### HOME'S Nursing Care

The website allows you to search nursing homes or rental properties especially for the elderly.



### HOME'S Renovation

The website allows you to search home renovation specialist companies, actual cases and related events.



### HOME'S Style Market

The Electronic commerce website specializes in furniture and interior decoration launched in April 2014.

**POINT**

New smartphone-compatible services launched! You can easily search properties thanks to 360-degree panoramic images.

A 10-year warranty is granted for facilities of new houses to provide peace of mind after moving in.

## 360-degree Panoramic Image



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

## A 10-year Warranty is Granted for Facilities of New Single Family Homes

We offer “HOME’S Warranty for Facilities of New Single Family Homes,” the first for portal sites through a tie-up with Japan Living Warranty Inc.

We grant a **10-year warranty** as oppose to the one-year counterpart normally given by house makers.

Why don't you look for your home through HOME'S as we extend support, which even covers **peace of mind after moving in**.

### Examples of Facilities Covered by Warranty



Kitchen Unit



Bath Unit



Bathroom Vanity



Intercommunication System

↓ Samples of 360-degree panoramic images

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

<http://goo.gl/E3KGR1>

# Distribution of Real Estate Market Reports

Topics in Q1 of the Fiscal Year Ending March 31, 2015

POINT

HOME'S Research Institute releases a report on the existing house and home renovation market which is expected to grow.

## Summary of Existing House/Home Renovation Market Report



Renovation of existing houses drives the shift to stock-type society. On the market expected to grow further, the achievements and issues as of 2014 are summarized.



\* The report (STOCK & RENOVATION 2014) can be downloaded free of charge at:

<http://www.homes.co.jp/souken/report/201406/>


## Profile of Head of HOME'S Research Institute



Manjo Shimahara, Head of HOME'S Research Institute

Joined Recruit in 1989.  
 Held a series of posts at Recruit Jutaku Soken (currently Recruit Sumai Co., Ltd.) since 2005.  
 Resigned from Recruit in March 2013.  
 Joined NEXT in July 2013, heading our in-house think tank HOME'S Research Institute .

Also founded the Residential Renovation Promotion Council. Other responsibilities include a member of the Ministry of Land, Infrastructure, Transport and Tourism's panel to study the total plan for existing houses and home renovation.



# **Initiatives for Q2 of the Fiscal Year Ending March 31, 2015 and Beyond**



# Branding Promotion Enhancement Initiatives for Q2 and Beyond

**POINT**

Expand channels, areas and ad placement compared to the previous quarter, thereby boosting user share.

-  TV commercials
-  OOH
-  YouTube
-  Campaign

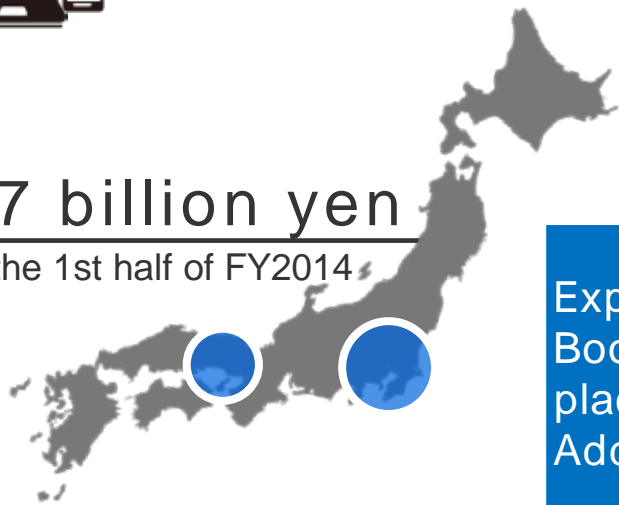
-  TV commercials from Aug.18
-  OOH
-  YouTube from Aug.18
-  Campaign from Aug.18



Mini TV program to be provided from Aug. 9 (Saturday night on the TBS network)

**1.7 billion yen**

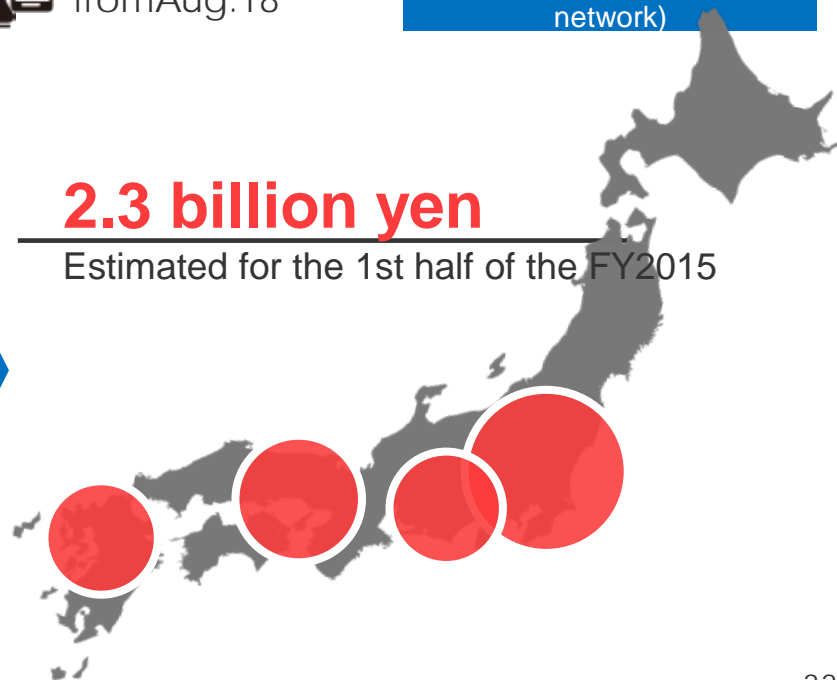
For the 1st half of FY2014



Expand areas  
Boost ad placement  
Add channels

**2.3 billion yen**

Estimated for the 1st half of the FY2015



Ad Expenses (total)

# Branding Promotion Enhancement Initiatives for Q2 and Beyond

**POINT** Implement branding promotion continuously while measuring effects.

Image of boosting the consumer recall rate



**CHECK!**

**(2) Curb the forgetting rate.**

à OOH, mini TV programs, etc.

**CHECK!**

**(1) Increase the consumer recall rate.**

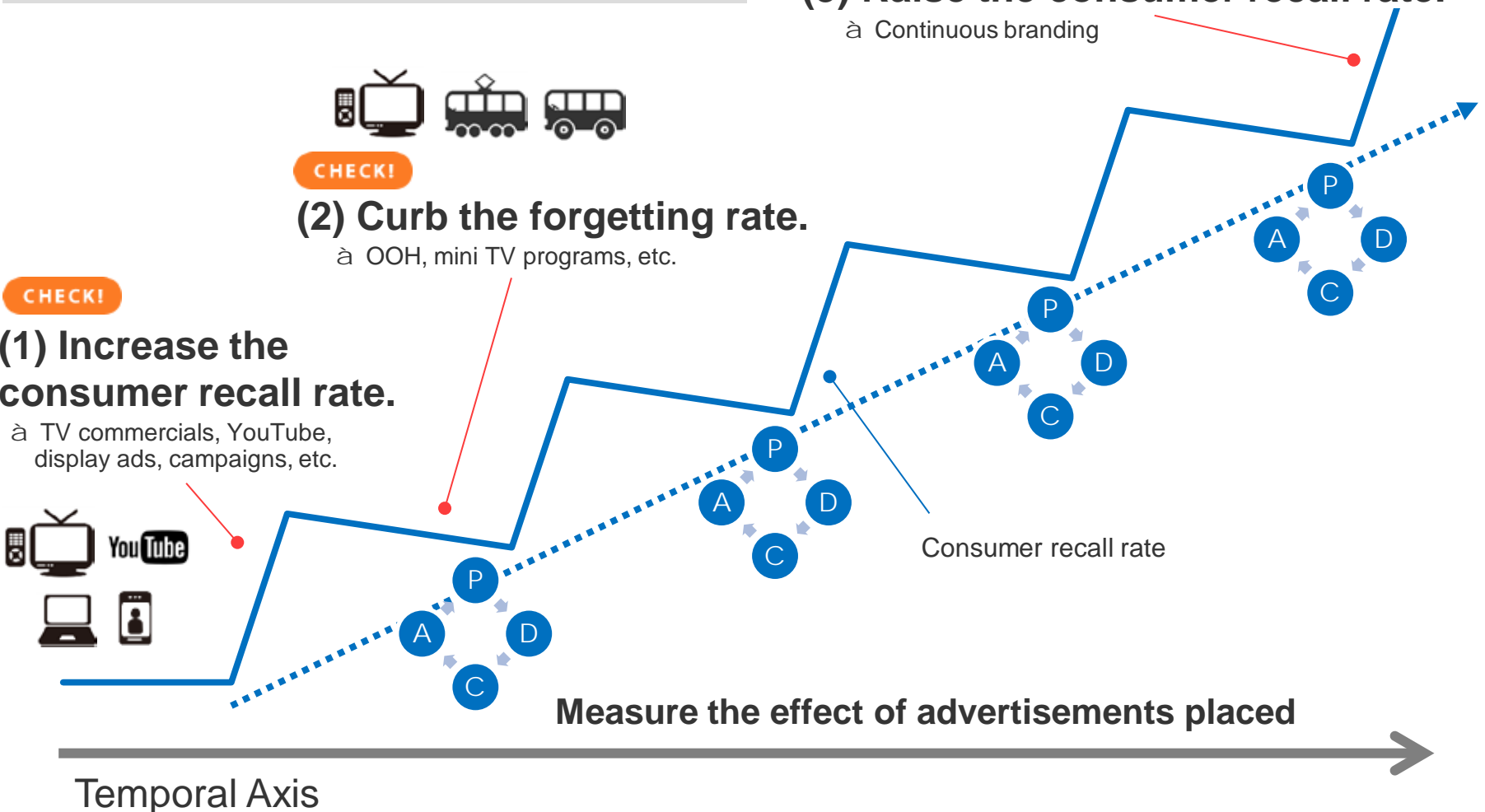
à TV commercials, YouTube, display ads, campaigns, etc.



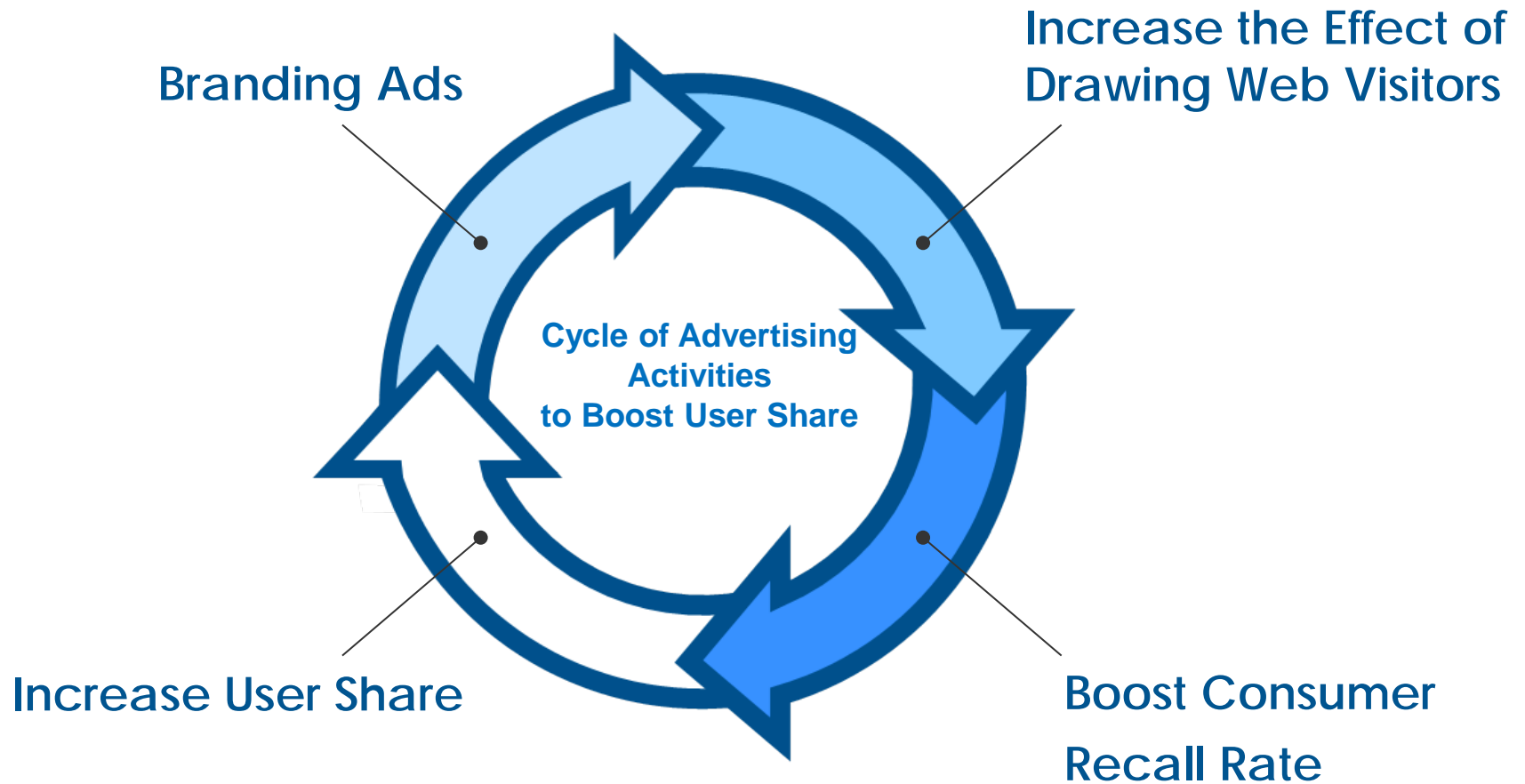
**CHECK!**

**(3) Raise the consumer recall rate.**

à Continuous branding



**POINT** Boost the consumer recall rate through branding, thereby increasing the effect of ads and user share.



# HOME'S Billing Rate Revision for Rentals and real estate sales

Initiatives for Q2 and Beyond

**POINT** Partially revise billing rates for inquiries about “Rentals and real estate sales”. Boost the lowest rates to further increase investments in ads, thereby boosting inquiries and sales.

## Rental Property Billing Calculating Formula

Monthly basic Fee

+

Property Rent/  
Sales price

×

**Billing Rates**

×

Number of Inquiries from End Users (emails/phone calls)

Review

## New Billing Rates

Rental		
Number of Inquiries	Old Billing Rates	New Billing Rates From Oct 1, 2014
1 to 15	5.5%	5.5%
16 to 60	4.0%	<b>4.0%</b>
61 -	<del>2.0%</del>	

Buying/Selling and Investment		
Number of Inquiries	Old Rates	New Billing Rates From Oct. 1, 2014
1 to 5	0.05%	0.05%
6 to 20	<del>0.02%</del>	<b>0.03%</b>
21 -	<del>0.01%</del>	

**POINT**

“Home Renovation” website revamped, with word of mouth, assessment information and congratulatory money services launched.

Before



After



The screen is subject to change as it is under development.

## Content of the New Website

- (1) Referred to a home renovation company
- (2) Search a home renovation company on your own
- (3) Search actual cases
- (4) Market price information

## Features of the New Website

- (1) You can make two types of inquiries 1) by “specifying a company” and 2) through “making a bid.”
- (2) Users’ word of mouth/evaluation
- (3) Construction warranty to be provided (to be confirmed)
- (4) You can get congratulatory money.\*

(\* Not all home renovation companies support this feature.)

# “HOME’S Renovation”: Shifting to pay-per-contract

Initiatives for Q2 and Beyond

**POINT**

Aim to achieve increased profits by shifting to the pay-per-transaction scheme from pay-per-inquiry scheme

## Home renovation fee charging scheme

From October 1, 2014

Base monthly fee:  
10,000 yen

+

Tender fee: 500 yen  
per tender

+

Contract fee: Work  
cost x 6%

## Comparison with competitor

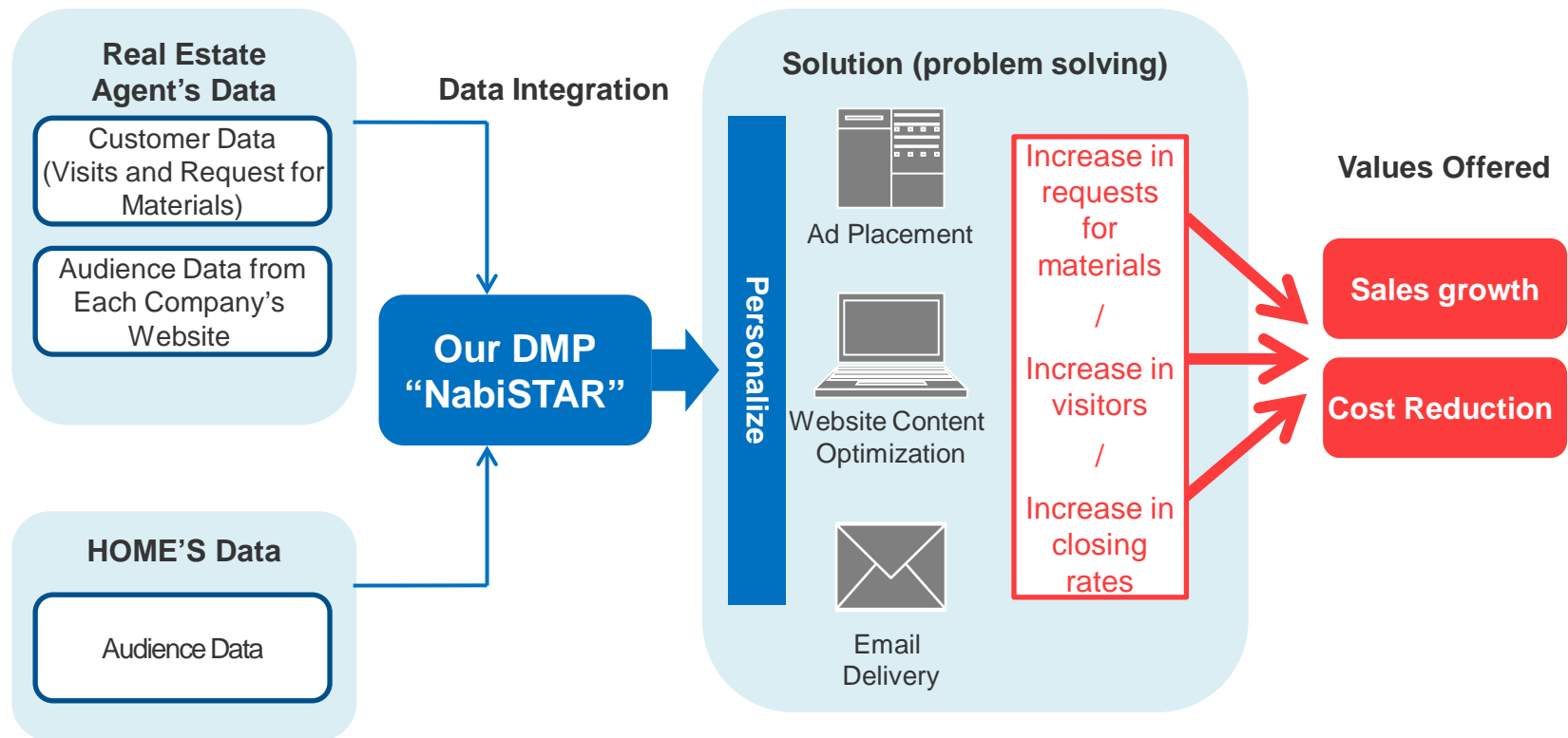
Item	NEXT	Company A (top player in the industry)
Service	The user <b>is allowed to select a contractor of his/her choice</b>	The user is not allowed to select a contractor of his/her choice (the website does not provide contractor information)
User benefit	<b>Advance payment reimbursement guarantee</b> <b>Cash rebate of up to 1%</b> <b>Extension of equipment guarantee</b>	Completion guarantee
Business model	Pay-per-contract fee scheme	Pay-per-contract fee scheme
Use fee	Upfront fee: 250,000 yen Monthly fee: 10,000 yen Contract fee rate: 6%	Upfront fee: 250,000 yen Monthly fee: 6,000 yen Contract fee rate: 6%
Sales	280 million yen (FY03/2013)	Approx. 1,400 million yen (NEXT estimate)
Total work value	—	Approx. 20,000 million yen (NEXT estimate)

# New Services Tailored to Real Estate Agents to be Released

Initiatives for Q2 and Beyond

**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



# Investment in an internet venture

Initiatives for Q2 and Beyond

POINT

Made a capital contribution to Glue-th, Inc., the operator of the “Mechika” 15-second video SNS service

## Video SNS application “Mechika”

Outline of SNS application Mechika

About 15-second video SNS “Mechika”

( URL : <http://mechikaboola.com/> )

An application that enables the user to create a video easily just by shooting six clips of two-second scenes

With this application, the user can edit the video by using some 80 original music pieces and 600 types of moving stamps.

The number of this application’s cumulative installations reached 600,000 (70% in non-Japan locations). Its monthly active ratio has been over 80%.

Profile of Glue-th, Inc. the operator

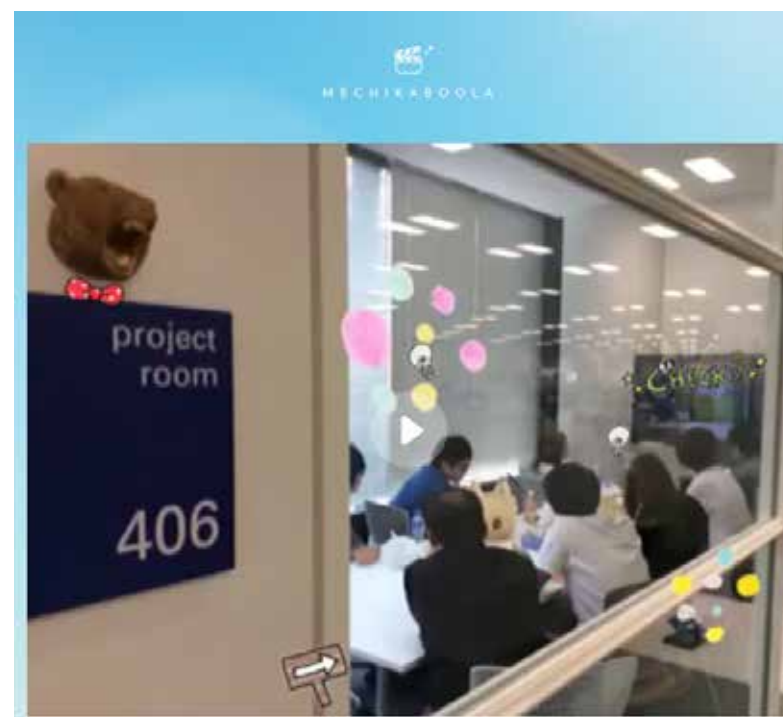
Address: 17, Iwato-cho, Shijuku-ku, Tokyo, Japan

Founded: May 2013

Representative: Kazuhiro Naya, CEO

Principal business activities: Operation of the 15-second video SNS “Mechika” service

## Sample video



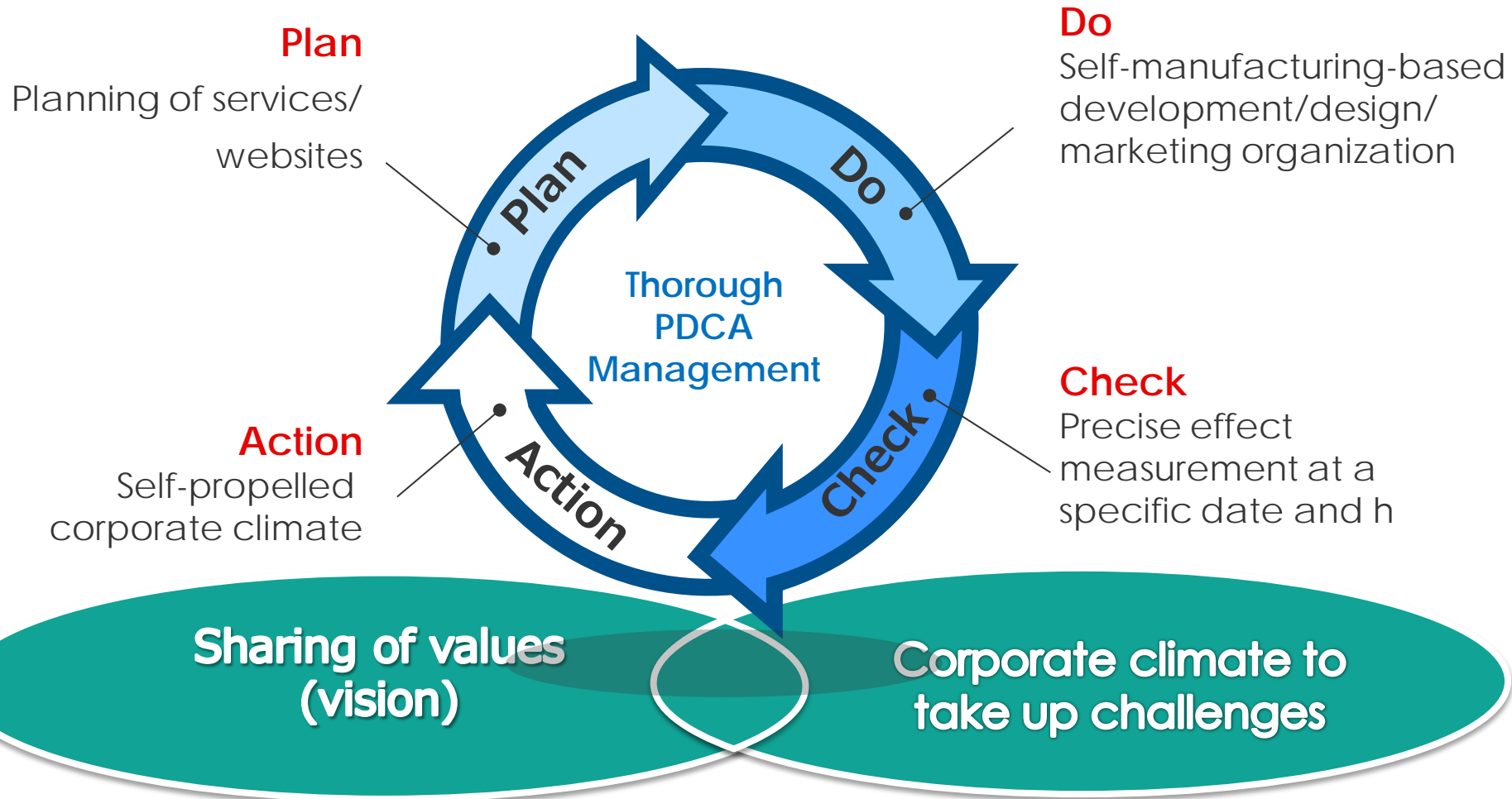
↓Mechika video @internal link:

<http://goo.gl/Om9CPo>



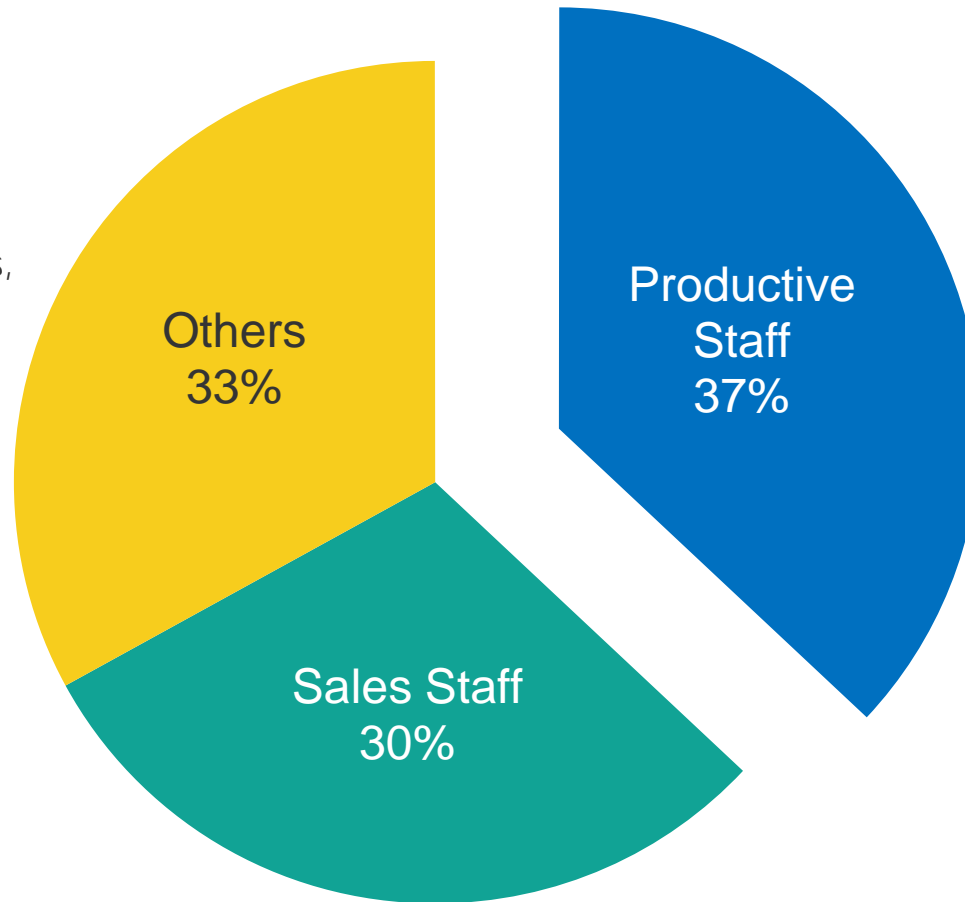
POINT

The Source of Growth: Shared vision x Corporate climate to take up challenges x Thorough PDCA management



**POINT** Stick to self-manufacturing, with productive staff accounting for the largest part of the workforce.

Workforce Composition



### Productive Staff:

Planners,  
engineers,  
designers,  
marketers,  
promoters,  
data analysts,  
researchers, etc.

### Others:

International projects,  
new projects,  
administration, etc.

### Sales Staff:

Sales

**POINT** Focus on human resource development in order to provide No.1 services

Examples of human resource development efforts

## Next University

An in-house university consisting of three faculties - Business, Marketing, and Manufacturing. There will be classes on critical thinking, marketing, management, as well as selective overseas training. The president and employees will also give lectures on administration, financial analysis, programming, basic design, and English conversation.

## New business proposal system "Switch"

A system in which any employee can make a business proposal twice a year. In 2012, a second-year graduate recruit received an award for excellence. "HOME'S Nursing Care" and "HOME'S Storage Room" were born from this system.

## Creator days

A system in which employees can take on the study of state-of-the-art technology and trends and the development of new services. Employees may spend up to 10% of their business hours on approved projects. The "HOME'S" iPhone app was born from this system.

**POINT**

**Aiming to become the No. 1 company in terms of job satisfaction, share vision and business strategies periodically.**

Case: A Companywide General Meeting in July 2014



(1) A companywide general meeting is held monthly, where participants share vision, monthly financial results and topics from the respective business divisions and top performing salespeople are also commended.



(2) The President and executives hold a panel discussion on “why vision is important.”



(3) Followed by a division-by-division or cross-sectoral discussion on the importance of vision.



(4) The best speaker of each table makes a presentation to the audience.

Awarded as one of the Best Companies to Work for the **4th year in a row**

Selected as Best Company along with Google and Microsoft, etc. in a survey of 6000 companies in 45 countries.

Ranked in **6th** the Best Motivation Company Award 2014



In-house meeting at the Tokyo office



**NEXT's aim is to locate  
residences of the near future**

# Strengthen efforts towards new technology

NEXT Group's medium-term business strategies

POINT

NEXT's aim is to locate residences of the near future



POINT

## Unlocking Doors with Smartphone "Smart Key Systems"





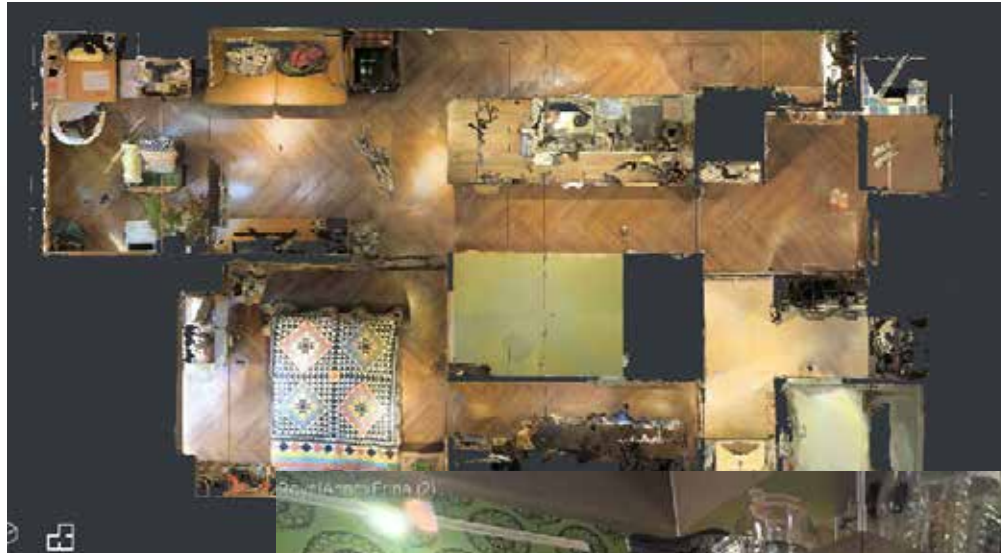
**POINT** A virtual sneak peek app "Room VR"



It was introduced on Monday June 9, 2014 on TV Tokyo "WBS".



**POINT** 3D camera "Matter port"



**POINT** “Property Search Map” utilizing a tangible user interface



# Mission statement and management philosophy

## Company Credo

### Altruism

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



## Corporate Philosophy

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





# Designing Delightful Encounters



# Inquiries Regarding IR Data



IR official account on Twitter



[https://twitter.com/Next\\_2120\\_IR](https://twitter.com/Next_2120_IR)



Official Facebook page



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

IR mail magazine



Contact us

NEXT Co., Ltd. IR Support Desk

Tel: +81-3-5783-3603 (Monday to Friday 10:00AM-6:00PM)

Fax: +81-3-5783-3737

E-mail: [ir@next-group.jp](mailto: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!

To sign up, please send a blank e-mail to the following e-mail address or fill out the form provided.

Blank e-mail: [touroku@next-group.jp](mailto:touroku@next-group.jp)

Sign-up form

<http://www.next-group.jp/ir/magazine/index.html>

# Reference data

# Corporate Data

## Company overview

---

<b>Company Name</b>	NEXT Co., Ltd. (TSE 1st section: 2120)
<b>Representative</b>	Takashi Inoue, President and CEO
<b>Established</b>	March 12, 1997 (Fiscal year ending March 31)
<b>Capital</b>	1,999 million yen
<b>Stock Issued</b>	56,469,000 (including 36,536 shares of treasury stock)*
<b>Consolidated Number of Employees</b>	608 persons (including 75 temporary employees, 14 overseas)
<b>Business Activities</b>	Real estate information service business Other businesses
<b>Major Shareholders</b>	NEXT directors, Rakuten, Inc. (15.9%)
<b>Headquarters</b>	Shinagawa Front Building, 2-3-13 Konan, Minato-ku, Tokyo 108-0075 Japan (reception on 3F)
<b>Major Subsidiaries</b> ( ) stake	Renters Co. (100%) Lifull(THAILAND) Co., Ltd.(99.9%),fiscal year ends December 31 PT. Lifull Media Indonesia(50.0%), fiscal year ends December 31

\*A 3-for-1 common stock split went into effect on January 1, 2014.





**Takashi Inoue,**  
President and CEO

Career History	
<b>April, 1991</b>	Joined Recruit COSMOS Co., Ltd. Responsible for condominium sales and circulated property brokering.
<b>July, 1991</b>	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.
<b>July, 1995</b>	Left Recruit. Founded NEXT HOME Co., Ltd., which later became NEXT Co., Ltd., and started business operations.
<b>March, 1997</b>	Founded NEXT, Co., Ltd., and appointed President and CEO (current position).
<b>March, 2014</b>	Founded incorporate foundation Next Wisdom Foundation, and assumed the post of Representative Director
<b>April, 2014</b>	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.

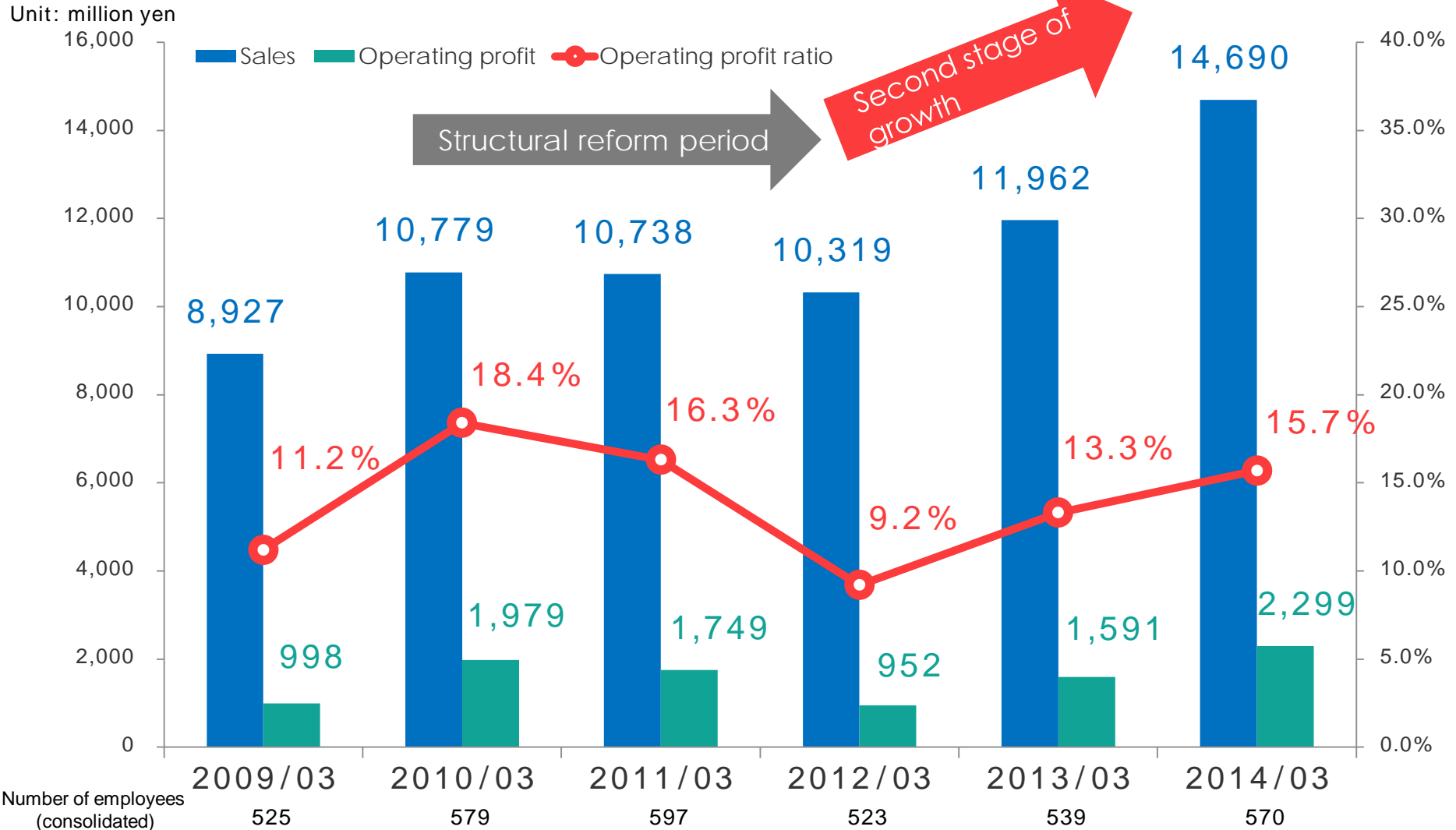
Eventually, the couple signed a contract for a condominium that Inoue had shown them, but which was handled by another company. Inoue was scolded by his manager, but this did not detract from his strong desire to keep bringing smiles to peoples' faces, as he had to the faces of the young couple.

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.

# 3 Years in Review — Results of Structural Reform (Performance)

**POINT**

**Structural reform is ushering in the second stage of growth. Revenues and profits have never been higher.**



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



Rent

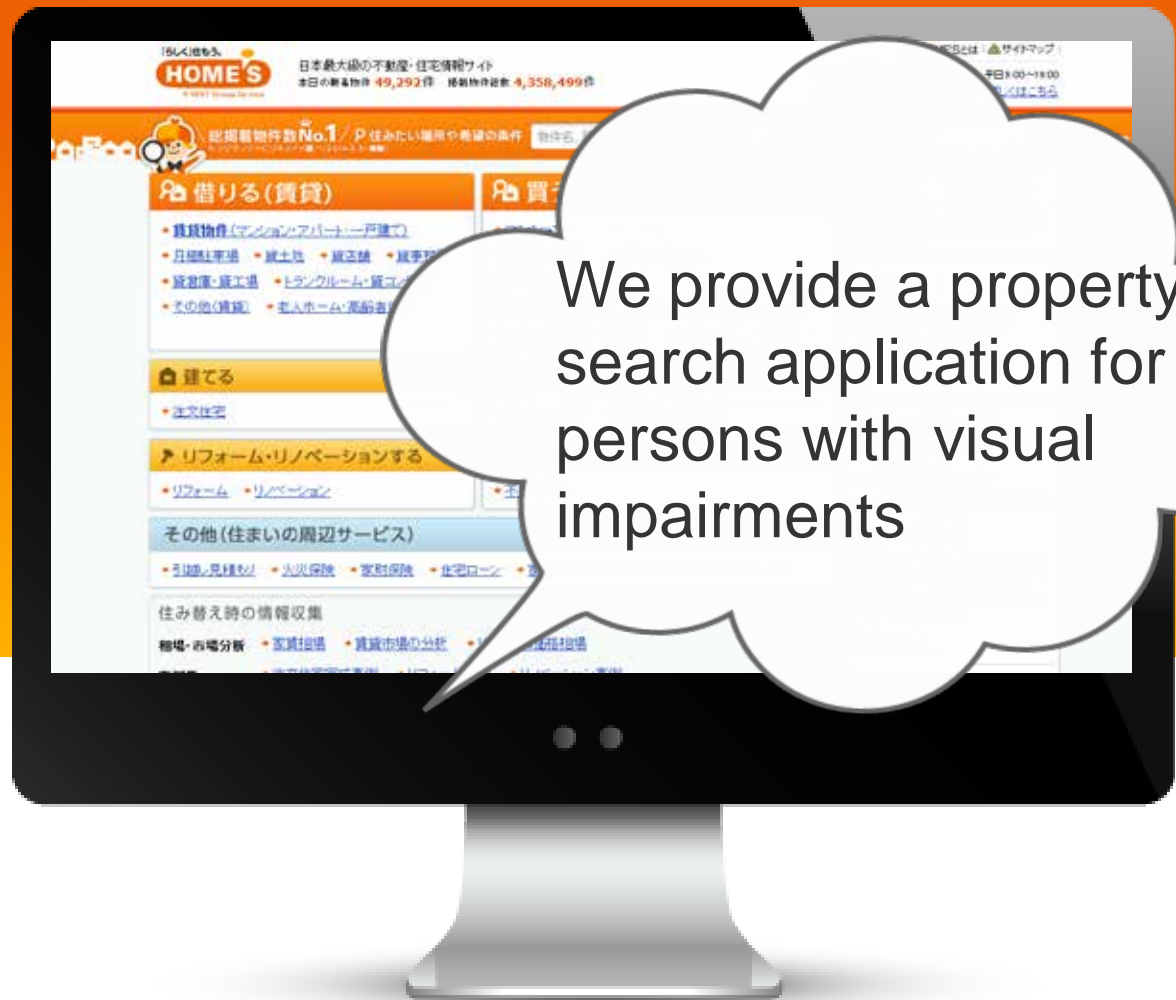
Buy, Sell

Custom-built homes,  
Renovations

Real estate investment

Insurance against loss  
/Life insurance

Move



# Efforts to improve services in the real estate industry as a whole



## Efforts of "HOME'S" own



A celebratory poster for the HOME'S Customer Grand Prix 2013 results announcement. The background is orange with confetti and streamers. On the left, a laurel wreath contains the text 'HOME'S 接客グランプリ 2013 結果発表'. On the right, a cartoon character in a brown suit and cap holds a magnifying glass. A diagonal banner in the top right corner reads '賃貸不動産会社'. At the bottom, a cityscape is visible.

**HOME'S**  
**接客グランプリ**  
**2013**  
**結果発表**

賃貸不動産会社

**おもてなしNo.1店舗を決定!**

全国の賃貸不動産店舗を対象に専門調査員が接客対応メール対応を客観的に診断し接客サービスNo.1店舗を決定するHOME'S接客グランプリを開催しました!

# Growing from Japan to become the best real estate and housing information provider in Asia.

**Thailand**  
(99.9% stake)



**Taiwan**  
(12.2% stake)



**Indonesia** (50.0% stake)



# Insurance agency search and appointment website

“MONEYMO” provides various services to help users reconsider their finances such as sign up for consultation on life insurance.

- n More than 1000 stores across the country
- n Various insurance information
- n Mortgage consultation and comparison
- n Consultation with life planners



**MONEY** マネモ  
mo  
A NEXT Group Service



# Local information website

“Lococom” provides a place for “people” and “stores” to communicate using their “neighborhood” as the focal point.

- n Information on 5.65 million stores, 270,000 reviews
- n Transmission and acquisition of local information
- n Local exchange
- n Coupons

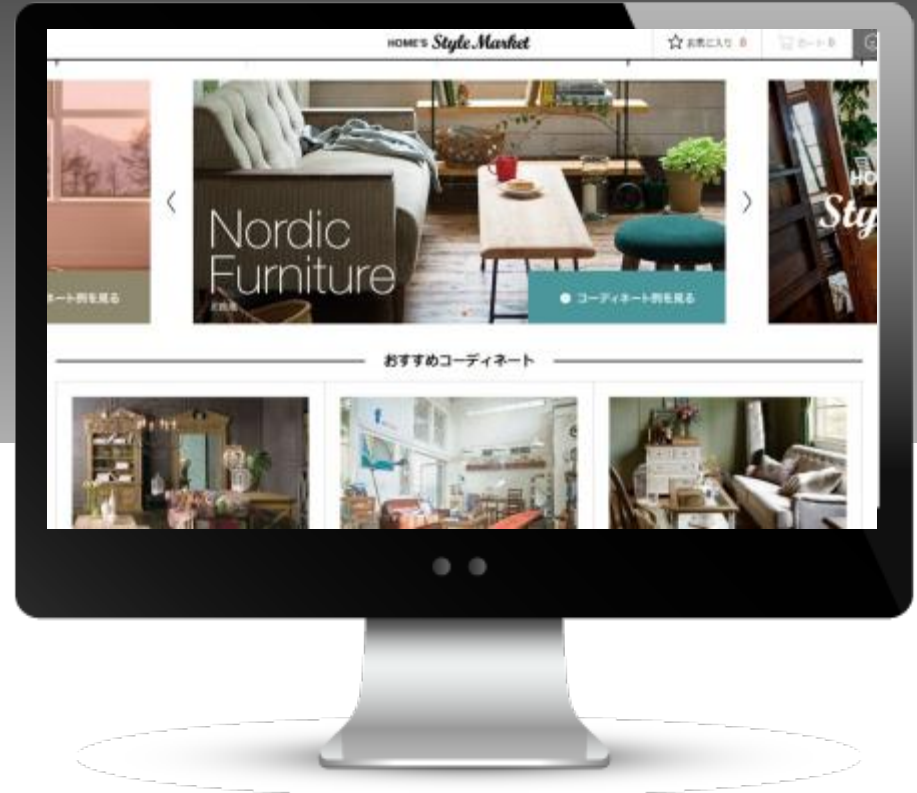


## Furniture/interior EC website

"HOME'S Style Market" is an interior EC website where you can select from interior styles. Rather than simply choosing the furniture, you can make a selection while looking at photos of rooms in a catalog-like display and picturing yourself living in them.

- n Full of coordination examples
- n Select products with peace of mind
- n Advanced Search to match your conditions

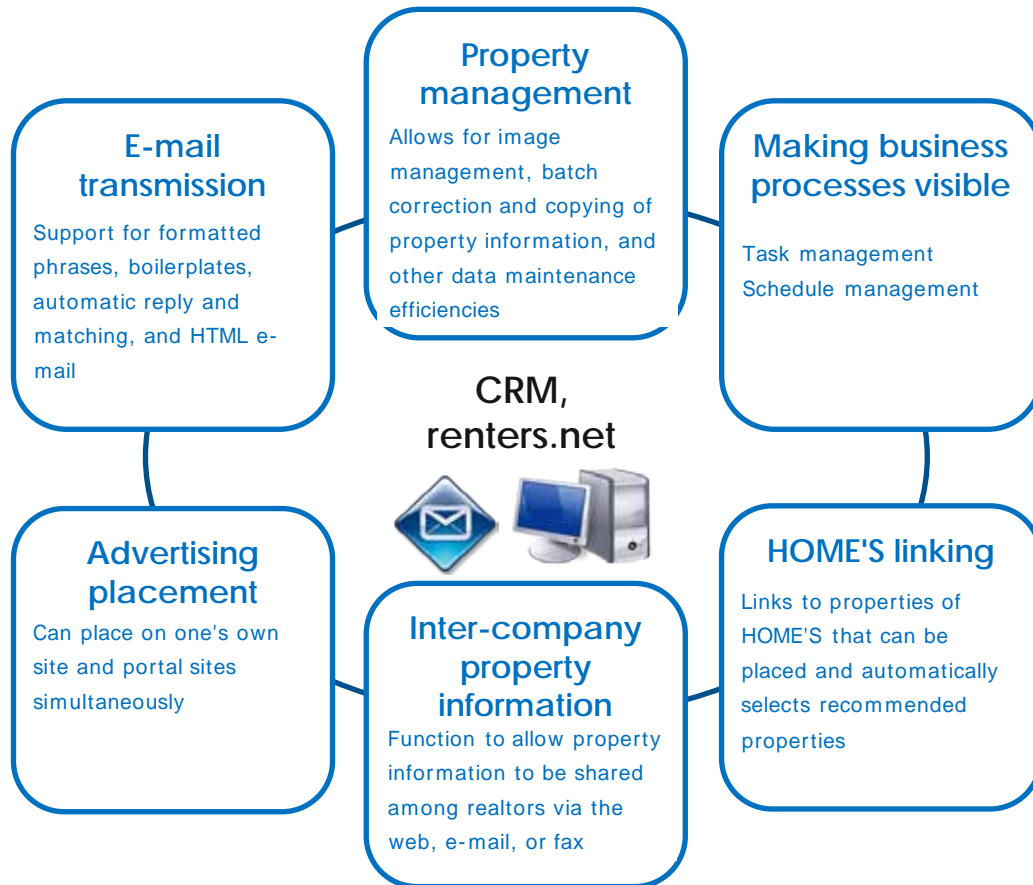
**HOME'S**  
*Style Market*  
【ホームズ スタイルマーケット】



# Services for Real Estate Industry Company overview

## 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.



## Real estate website creation service

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

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



- No technical expertise needed
- Inexpensive
- Smartphone supported

# IR Policy Changes

(Revisit)

We have changed the policy from the earnings forecast for the year ended March 31, 2015

## IR Policy Changes (Revisit)

---

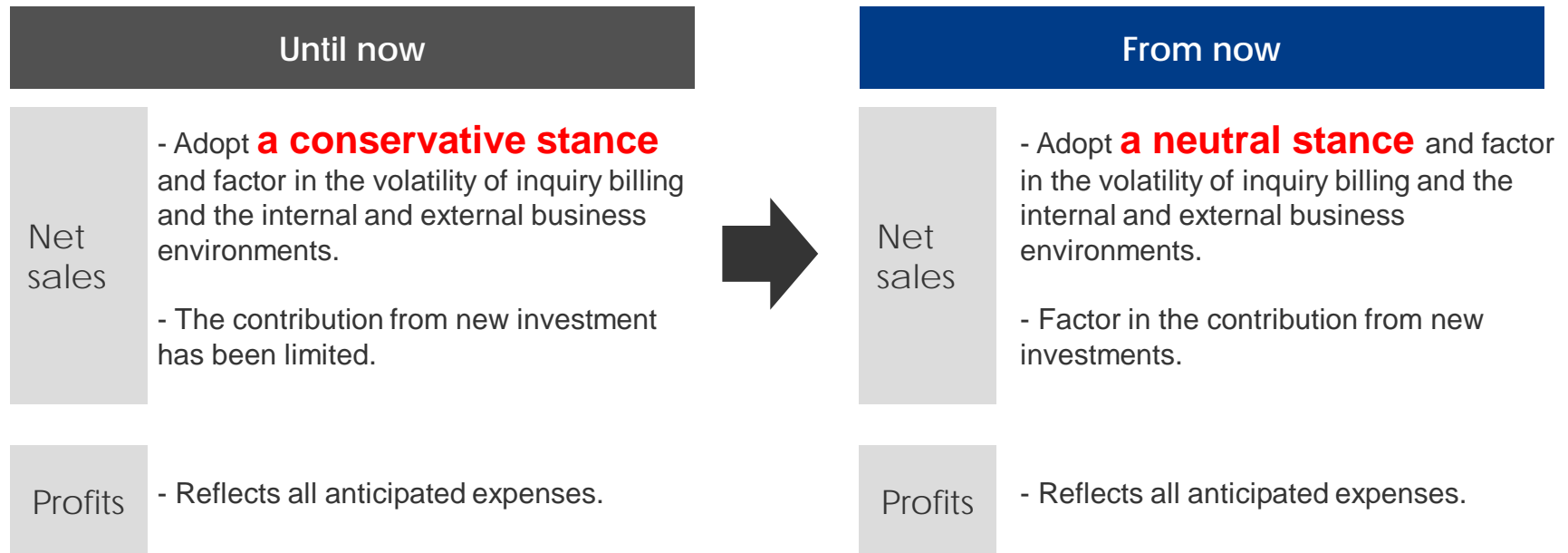
**POINT**

**Change IR policy to make investment decisions easier**

- **(1) From a conservative forecast to a neutral one**
- **(2) Reevaluate net sales categories according to service**
- **(3) Issue monthly reports for all services (= consolidated net sales)**

**POINT** To the extent possible, take into account the external business environment, investment effectiveness, etc. when issuing performance forecasts.

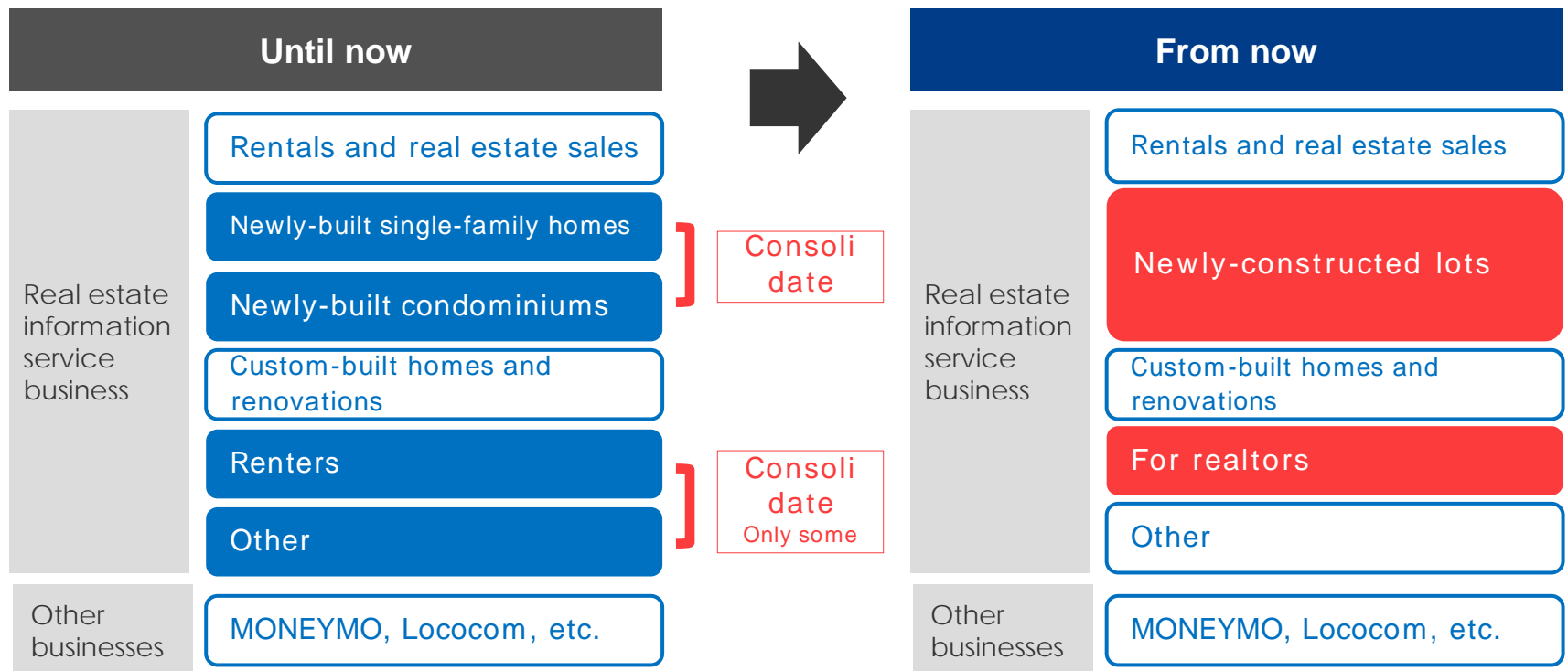
## (1) From a conservative forecast to a neutral one



# IR Policy Changes (Revisit)

**POINT** Disclosure categories will also change in accordance with site integration and medium-term strategy investment categories.

## (2) Reevaluate net sales categories according to service

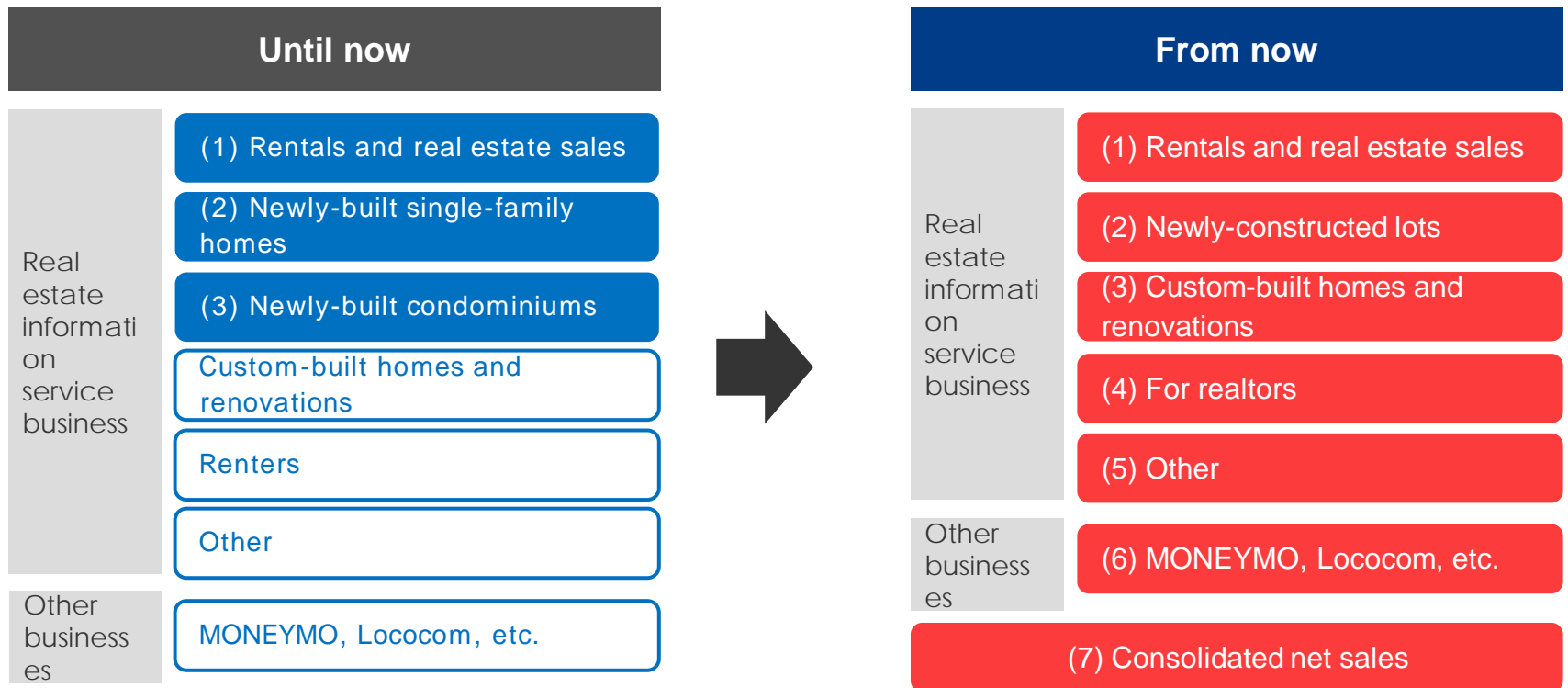


Areas in red will change.  
This applies to services for newly-constructed lots and realtors.

# IR Policy Changes (Revisit)

**POINT** Performance reports released every month on the 20th for only three services will be expanded to all services.

## **(3) Issue monthly reports for all services (= consolidated net sales)**



Monthly reports have been for three services only.

Monthly revenue reports will be released for all services. Member outlet numbers and member outlet unit prices will be consolidated into quarterly financial statements.



# Simple Profit & Loss Statement Performance forecasts for the FY2015/03

**POINT** Sales will increase 17.4%, and operating profit will increase 1.2% due to **investment** towards future growth.

Unit: million yen	FY2013/03 (Actual)	FY2014/03 (Actual)	FY2015/03 (Forecast)	Change	Percentage change
Sales	11,962	14,690	17,240	+ 2,550	+ 17.4%
Cost of sales	376	472	738	+ 265	+ 56.2%
Selling, general & administrative (SG&A) expenses	9,995	11,918	14,174	+ 2,256	+ 18.9%
Personnel costs	3,275	3,783	4,255	+ 471	+ 12.5%
Advertising costs	3,454	4,496	5,353	+ 857	+ 19.1%
Operating expense	355	473	889	+ 416	+ 87.9%
Depreciation/amortization cost	468	438	424	13	3.2%
Other selling, general & administrative (SG&A) expenses	2,441	2,726	3,251	+ 525	+ 19.3%
Operating profit	1,591	2,299	2,328	+ 28	+ 1.2%
Net profit	614	1,336	1,386	+ 50	+ 3.7%
Operating profit margin (OPM)	13.3%	15.7%	13.5%	2.2p	-

\*1 We are aiming for three years in a row of record-setting sales, forecasting a 15.5% increase in real estate information service business and 3.2-fold sales growth in other businesses. (See pg. 75 for details)

\*2 We expect purchasing increases for our interior EC service business that began in April 2014.

\*3 We will continue to strengthen investment into brand promotion and digital marketing.

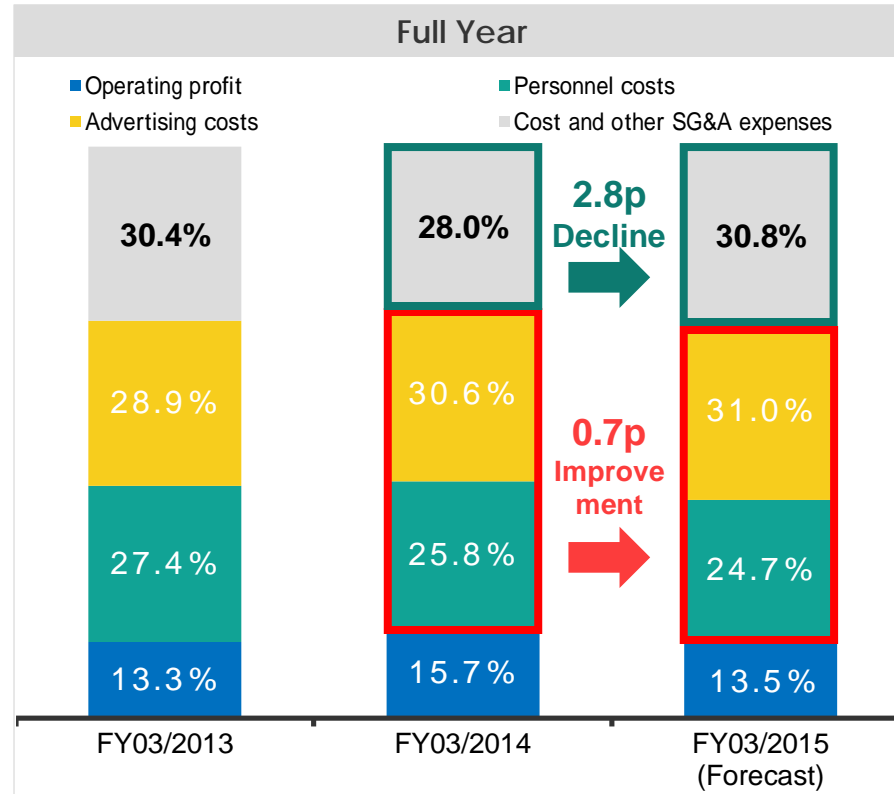
\*4 There will be further investment into exploring new HOME'S member outlets in order to increase property numbers. Outsourcing costs will rise.

\*5 Investment into new services, digital marketing, and personnel development will increase.

# Sales Composition Performance forecasts for the FY2015/03

**POINT**

Advertising fees will comprise around 30% of revenues, and the operating profit ratio will drop 2.2% due to **up-front investments**.



Cost of sales and other SG&A: Expected to temporarily increase due to greater interior EC service costs, digital marketing costs, and investment into new services, etc.

Advertising costs: This year will see continued expansion of advertising initiatives. We will raise users' recognition rate, increase their numbers, and promote better trust in the company.

We plan to spend less on advertising once the recognition rate hits a certain level.

Personnel costs: Increased revenues have improved the composition ratio. 20 people joined the company in April 2014 (12 more than the 8 that joined last year). Bonuses fluctuate in accordance with operating profits.

# Sales According to Service Performance forecasts for the FY2015/03

**POINT** **Goals: increase real estate information service revenue by 15.5% and revenue from rentals and real estate sales by 20.4%**

Unit: Million yen		FY2013/03 (Actual)	FY2014/03 (Actual)	FY2015/03 (Forecast)	Change	Percentage change	
<b>Sales</b>		11,962	14,690	<b>17,240</b>	<b>+ 2,550</b>	<b>+ 17.4%</b>	
<b>Real Estate Information Services</b>		11,851	14,554	<b>16,811</b>	<b>+ 2,257</b>	<b>+ 15.5%</b>	
<b>Rental &amp; Real Estate Trade</b>	Note1	6,574	7,975	<b>9,602</b>	<b>+ 1,626</b>	<b>+ 20.4%</b>	*1
<b>Newly-constructed lots</b>	Note2	3,566	4,324	<b>4,571</b>	<b>+ 246</b>	<b>+ 5.7%</b>	*2
<b>Custom-Built Houses and Renovations</b>		810	1,031	<b>929</b>	<b>101</b>	<b>9.9%</b>	*3
<b>For realtors</b>	Note3	491	638	<b>922</b>	<b>+ 284</b>	<b>+ 44.5%</b>	*4
<b>Others</b>	Note4	408	584	<b>785</b>	<b>+ 201</b>	<b>+ 34.4%</b>	
<b>Others</b>	Note5	110	135	<b>429</b>	<b>+ 293</b>	<b>+ 216.4%</b>	*5

Note 1: A portion of derivative sales that have been posted under "Real Estate Information Service Business – Other" are being included in different services in accordance with customer attributes. Figures for the past fiscal year are also being corrected.

Note 2: Newly-constructed lots refer to those for "newly-built single-family homes" and "newly-built condominiums".

A portion of derivative sales that have been posted under "Real Estate Information Service Business – Other" are being included in different services in accordance with customer attributes. Figures for the past fiscal year are also being corrected.

Note 3: Realtor services include "CRM services for leasing companies", "business support services for real estate developers", and "the ANNEX website design tool".

Note 4: "Other" in the Real Estate Information Service Business includes "HOME'S Nursing Care", "HOME'S Moving Estimates", "HOME'S Renovation", and "HOME'S Storage Room", overseas businesses, etc.

A portion of derivative sales that have been posted under "Real Estate Information Service Business – Other" are being included in different services in accordance with customer attributes. Figures for the past fiscal year are also being corrected.

Note 5: Other businesses include "MONEYMO", "Lococom", and "HOME'S Style Market".

\*1 Further investment into advertising is expected to increase website visitor and inquiry numbers.

\*2 The higher consumption tax rate will likely result in a lower number of properties advertised.

\*3 The higher consumption tax rate will likely result in fewer requests for information. Redesigning the website for renovations and changing billing structures will be considered.

\*4 We expect to expand business involving CRM services for leasing companies and business support services for real estate developers.

\*5 Interior EC website "HOME'S Style Market" is expected to improve revenues.

# Simple Profit & Loss Statements, Sales According to Service (1H & 2H)

## Simple profit and loss statement

Unit: million yen	FY2014 1H (Actual)	FY2014 2H (Actual)	FY2015 1H (Forecast)	FY2015 2H (Forecast)
<b>Sales</b>	6,852	7,837	7,965	9,275
<b>Cost of sales</b>	206	265	289	448
<b>Selling, general &amp; administrative (SG&amp;A) expenses</b>	5,232	6,686	6,619	7,555
Personnel costs	1,779	2,003	2,005	2,250
Advertising costs	1,726	2,769	2,332	3,021
Operating expense	179	293	408	480
Depreciation/amortization cost	254	184	183	240
Other selling, general & administrative (SG&A) expenses	1,291	1,435	1,689	1,562
<b>Operating profit</b>	1,413	886	1,057	1,271
<b>Net profit</b>	826	510	617	769
<b>Operating profit margin (OPM)</b>	20.6%	11.3%	13.3%	13.7%

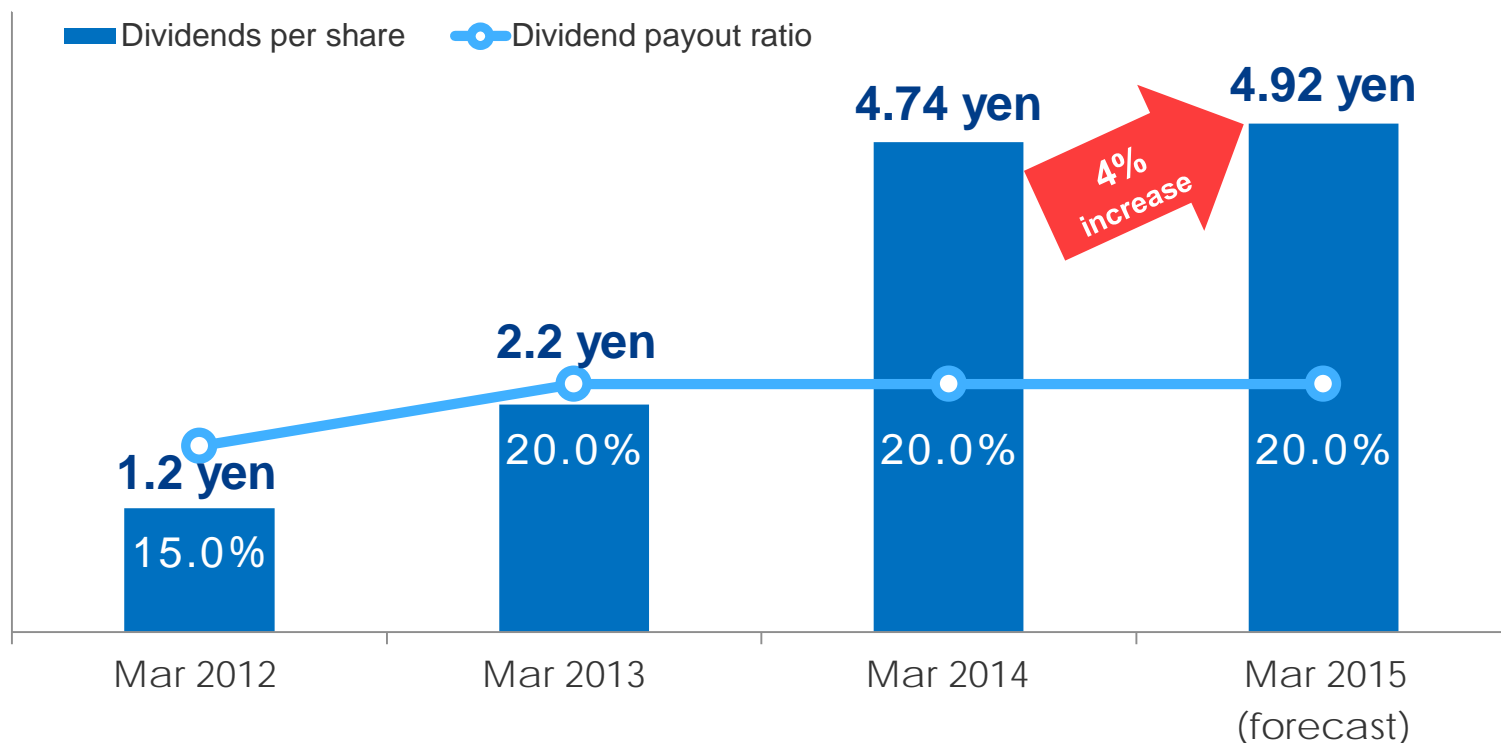
## Sales according to service

Unit: million yen	FY2014 1H (Actual)	FY2014 2H (Actual)	FY2015 1H (Forecast)	FY2015 2H (Forecast)
<b>Sales</b>	6,852	7,837	7,965	9,275
<b>Real Estate Information Services</b>	6,787	7,767	7,836	8,975
Rental & Real Estate Trade	3,664	4,311	4,408	5,194
Newly-constructed lots	2,048	2,275	2,218	2,352
Custom-Built Houses and Renovations	522	508	452	477
For realtors	290	348	409	513
Others	261	323	347	437
<b>Others</b>	65	70	128	300

# Dividend Forecasts

Performance forecasts for the FY2015/03

**POINT** The current dividend payout ratio is 20%. This will increase by 0.18 yen (4%).



\*A 3-for-1 common stock split went into effect on January 1, 2014.

- CHECK!**
- > From March 2014, the dividend per share is calculated on the basis of the 20% dividend payout ratio and rounded to three decimal places
  - > Ordinary dividends will fluctuate according to consolidated net profits (20% payout ratio).
  - > Payout ratio will be increased based on net asset and investment projections, growth rates, etc.

# Trend of Operating P/L (Quarterly) 参考資料

## Quarterly consolidated statements of income

Unit : million yen	FY03/2012				FY03/2013				FY03/2014				FY03/2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales	2,357	2,462	2,486	3,012	2,737	2,763	2,939	3,522	3,398	3,454	3,556	4,281	3,852
Real estate information	2,337	2,438	2,462	2,983	2,709	2,736	2,911	3,494	3,366	3,420	3,524	4,243	3,811
Rental & Real Estate Trade	1,428	1,428	1,435	1,767	1,497	1,510	1,585	1,980	1,818	1,845	1,889	2,422	2,102
Newly-constructed lots	634	722	705	817	812	829	914	1,010	1,021	1,027	1,096	1,178	1,084
Custom-Built Houses and Renovations	129	137	149	179	193	195	195	225	256	266	240	268	231
For realtors	89	95	102	110	113	118	128	131	136	153	174	174	207
Others	55	54	68	107	91	82	88	145	132	128	123	199	188
Others	20	23	23	29	28	26	27	28	31	33	32	37	41
Cost of sales	58	70	68	94	81	82	95	117	102	104	129	136	109
Selling, general & administrative	2,305	2,134	2,083	2,552	2,134	2,260	2,404	3,195	2,433	2,798	2,635	4,050	3,031
Personnel costs	911	742	686	845	770	744	767	993	806	973	848	1,155	989
Advertising costs	567	587	619	961	629	756	777	1,290	774	952	906	1,862	1,115
Operating expense	50	53	68	68	55	63	105	130	84	95	117	176	126
Depreciation/amortization	119	124	117	118	96	98	128	144	131	122	92	91	89
Other selling, general & administrative	656	627	591	557	581	596	626	636	637	654	670	764	713
Operating profit	-5	257	334	366	521	420	439	209	862	550	791	95	712
Net profit	-11	85	178	212	297	228	175	-86	516	309	455	54	419
Operating profit margin	-0.3%	10.5%	13.5%	12.2%	19.1%	15.2%	14.9%	5.9%	25.4%	15.9%	22.2%	2.2%	18.5%

## Quarterly consolidated sales and operating profit and loss per segment

Unit : million yen	FY03/2012				FY03/2013				FY03/2014				FY03/2015
	Q1	Q2	Q3	Q4	Q1	2911	3494	3366	Q1	Q2	Q3	3366	Q1
Sales	2,357	2,462	2,486	3,012	2,737	2,763	2,939	3,522	3,398	3,454	3,556	4,281	3,852
Real estate information	2,337	2,438	2,462	2,983	2,709	2,736	2,911	3,494	3,366	3,420	3,524	4,243	3,811
Others	20	23	23	29	28	26	27	28	31	33	32	37	40
Operating profit	-5	257	334	366	521	420	439	209	862	550	791	95	712
Real estate information	307	583	508	514	626	513	508	253	887	564	799	104	722
Others	-312	-325	-173	-148	-104	-93	-69	-44	-24	-14	-8	-9	-9
Operating profit margin	-0.3%	10.5%	13.5%	12.2%	19.1%	15.2%	14.9%	5.9%	25.4%	15.9%	22.2%	2.2%	18.5%
Real estate information	13.1%	23.9%	20.6%	17.2%	23.1%	18.8%	17.5%	7.3%	26.4%	16.5%	22.7%	2.5%	18.9%
Others	-	-	-	-	-	-	-	-	-	-	-	-	-

# External Market Data (Monthly) 参考資料

## Number of Apartments for sales (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

Unit	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Capital Region	4,093	4,967	4,888	5,306	4,145	5,970	3,506	5,006	8,246	1,826	2,651	4,641	2,473	4,300	3,503
YoY	-2.8%	49.2%	22.0%	31.6%	53.3%	77.4%	21.4%	22.3%	6.1%	6.1%	-24.1%	-9.7%	-39.6%	-13.4%	-28.3%
Kinki	1,347	1,989	2,417	2,111	1,994	3,671	1,404	1,781	2,405	711	1,668	1,848	1,222	1,588	1,690
YoY	-7.8%	-3.4%	15.3%	-18.8%	56.3%	85.3%	-33.4%	5.0%	-26.5%	-22.1%	82.7%	-12.7%	-9.3%	-20.2%	-30.1%

## Trend of Price for Apartments (Monthly)

Source : Real Estate Economic Institute Co., Ltd.

Unit : million yen	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Capital Region	4,728	4,895	4,833	5,128	4,796	5,045	4,911	4,967	5,338	4,637	5,064	5,215	4,846	5,156	4,830
YoY	7.1%	4.2%	7.9%	9.9%	0.5%	22.5%	16.4%	-0.7%	18.2%	-1.8%	18.1%	8.5%	2.5%	5.3%	-0.1%
Kinki	3,433	3,534	3,551	3,522	3,419	3,514	3,382	3,598	3,332	3,475	3,383	3,640	3,430	3,517	3,766
YoY	5.6%	2.7%	-1.3%	-1.5%	-1.9%	0.8%	12.7%	-3.6%	0.8%	-4.6%	-3.8%	2.8%	-0.1%	-0.5%	6.1%

## New build properties (Monthly)

Source : Ministry of Land, Infrastructure, Transport and Tourism

Unit : million yen	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
House for Rent	27,842	26,614	30,504	31,012	29,548	31,892	35,059	35,266	35,634	29,953	27,744	28,925	31,177	27,434	31,058
YoY	7.8%	11.6%	13.1%	19.4%	7.0%	21.5%	3.3%	17.1%	29.8%	21.5%	24.7%	11.3%	12.0%	3.1%	1.8%
Apartment	10,718	12,893	10,274	10,320	10,929	12,497	8,509	9,037	9,736	11,941	8,674	8,290	8,902	7,307	7,754
YoY	-22.0%	33.1%	46.0%	4.0%	6.0%	35.6%	-17.7%	-14.6%	-7.4%	18.6%	-33.5%	-13.4%	-16.9%	-43.3%	-24.5%
House	10,559	10,881	11,651	11,305	11,983	11,396	11,766	12,111	12,026	10,530	9,654	10,044	10,737	10,026	11,491
YoY	15.4%	10.1%	9.4%	8.4%	11.3%	12.4%	10.4%	12.1%	10.8%	-0.3%	-4.9%	-4.3%	1.7%	-7.9%	-1.4%
Owned	28,357	28,902	30,699	31,475	31,379	32,128	33,967	34,580	31,858	24,955	22,891	21,650	23,799	22,288	24,864
YoY	17.5%	13.5%	13.8%	11.1%	11.2%	14.2%	17.6%	22.6%	19.1%	5.9%	-0.4%	-13.0%	-16.1%	-22.9%	-19.0%

## Internal migrants (Monthly)

Source : Ministry of Internal Affairs and Communications

Unit : people	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Internal	812,584	370,918	302,034	385,184	357,063	328,167	369,718	316,544	323,785	300,049	328,322	894,633	749,265	340,819	320,900
YoY	6.5%	-4.8%	-3.8%	5.8%	-3.0%	8.8%	-5.7%	-2.3%	-0.6%	1.8%	0.6%	8.0%	-7.8%	-8.1%	6.2%

# IR Activities for the Year

