

**Brief Report of the Settlement of Accounts (Consolidated, Japanese Standard) for the 1st Quarter of the Year Ending March 31, 2013**

August 7, 2012

Listed company name: NEXT Co., Ltd.      Listed exchange market: Tokyo Stock Exchange  
 Code Number: 2120      URL: <http://www.next-group.jp/>  
 Representative : (Position) President and CEO  
 (Name) Takashi Inoue  
 Contact person : (Position) Director and General Manager of administration  
 (Name) Kokichi Hamaya TEL: (03) 5783-3603  
 Scheduled date of quarterly securities report submission: August 7, 2012  
 Scheduled date of dividend payment commencement: -  
 Preparation of supplementary explanatory documents for the settlement of accounts: Yes  
 Settlement of accounts presentation meeting: Yes (For institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

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

**(1) Consolidated operational results (cumulative)**

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

	Sales		Operating profit		Current profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q of FY2013	2,737	16.1	521	—	512	—	297	—
1Q of FY2012	2,357	(18.7)	(5)	—	(4)	—	(11)	—

(Note) Comprehensive income 1Q of FY2013 298 million yen (—%)      1Q of FY2012 (11 million yen) (—)

	Net profit per share	Fully-diluted income per share
	Yen	Yen
1Q of FY2013	15 84	15 81
1Q of FY2012	(0 59)	—

**(2) Consolidated financial conditions**

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
1Q of FY2013	10,245	8,712	85.0
FY2012	10,119	8,477	83.8

(Reference) Shareholders' equity 1Q of FY2013 8,706 million yen      1Q of FY2012 8,477 million

**2. Dividends**

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

(Note) Change from the latest dividend forecast: No

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

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

	Sales		Operating profit		Current profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
(Accumulated total) 2Q	5,370	11.4	616	145.1	585	119.0	323	334.2	17 26
Full-year	10,332	0.1	535	(43.8)	447	(54.4)	215	(53.8)	11 47

(Note) Change from the latest consolidated results forecast: Yes

※ Notes:

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

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

quarterly consolidated financial statements

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

1) Change in accounting policies concerning amendments in : Yes  
accounting standards

2) Change in accounting policies other than that mentioned in 1) : No

3) Change in accounting estimates : Yes

4) Correction of errors : No

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

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury stock)

1Q of FY2013	18,771,000	FY 03/2012	18,770,000
	shares		shares

2) Number of treasury stocks at the end of the period

1Q of FY2013	12,000	FY 03/2012	12,000
	shares		shares

3) Average number of shares during the period (quarterly cumulative period)

1Q of FY2013	18,758,208	1Q of FY2012	18,754,116
	shares		shares

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

※ Statement on the status of quarterly review procedure implementation

• This Quarterly Brief Report of the Settlement of Accounts is not subject to a quarterly financial statement review under the Financial Instruments and Exchange Act, and such review had been completed as of the date of releasing the Quarterly Brief Report of the Settlement of Accounts concerned.

※ Statement on the appropriate use of business forecast and other notes

• The forward-looking statements contained in this document concerning the Company's business forecast are based on information currently available to the Company and on a certain set of assumptions which it believes to be reasonable. Actual results may differ materially from those forecast due to various factors. For assumptions used for the business forecast and cautionary notes regarding the use of the business forecast, please see "Qualitative Information on Consolidated Business Forecast" shown on Page 3 of the Brief Report of the Settlement of Accounts for the 3rd Quarter of the year ending March 2013 (Attachment).

• NEXT is scheduled to hold an investor presentation meeting as shown below. The presentation materials handed out at the meeting, a video recording thereof and the main part of the Q&A session will be posted on the Company's IR website immediately after holding the investor presentation meeting.

• Friday, August 10, 2012: The financial results presentation meeting for institutional investors and analysts

• In addition to the above-mentioned presentation meeting, NEXT continues to hold business and results presentation meetings for retail investors, as required. For the presentation meeting's schedule, please see our IR website.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Qualitative Information on Consolidated Results of Operations

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

Based on this strategy, in the real estate information services business, its main service line, the Company continued striving to achieve an increased number of property listings on "HOME'S," its residential/real estate information portal site ranked number one in Japan in terms of the number of properties posted online. At the same time, we strove to boost website user inquiries in an effort to improve the portal site's usability, raise its profile among consumers and boost the number of portal site users. Consequently, the average number of properties posted on our website for June 2012 amounted to approximately 3.67 million, an increase of 29.7% year on year.

To launch real estate information services in the Republic of Indonesia, NEXT made an Indonesian company its subsidiary in April 2012. Moreover, from June 2012 onward, we began providing "Jakarta Accommodation Search Agency Services," a service offering designed for Japanese company employees posted to Jakarta.

Consequently, for the three months ended June 30, 2012 ("the first quarter under review"), the Company posted consolidated sales of 2,737,269 thousand yen (an increase of 16.1% year-on-year), operating profit of 521,840 thousand yen (compared with an operating loss of 5,957 thousand yen for the same quarter a year ago), ordinary profit of 512,870 thousand yen (compared with an ordinary loss of 4,542 thousand yen for the same quarter a year ago) and net income of 297,056 thousand yen (compared with a net loss of 11,038 thousand yen for the same quarter a year ago).

The following is the sales and operating profit and loss per segment for the first quarter of FY 03/2013:

(Unit: thousand yen)

Segment name	Sales		Operating profit and loss	
	Amount	Year-on-year change (%)	Amount	Year-on-year change (%)
(1) Real estate information services	2,709,132	+ 15.9	626,523	+ 104.1
(2) Local information services	6,976	+ 34.9	(43,418)	(Note 2) —
(3) Others	21,160	+ 41.6	(61,264)	(Note 3) —

Notes:

1. Intersegment transactions were neither eliminated nor offset.
2. An operating loss of 215,821 thousand yen was recorded for the same period of the previous fiscal year.
3. An operating loss of 97,141 thousand yen was recorded for the same period of the previous fiscal year.

For more detailed information on the financial results, including the status of each segment and the following items, please see on the Company's IR website the "Report of Financial Results for the Three Months Ended June 30, 2012" released on August 7, 2012.

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

### <Main matters regarding account settlement explanatory information>

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

### (2) Qualitative Information on Consolidated Financial Conditions (Assets)

The balance of current assets as of June 30, 2012 stood at 7,412,543 thousand yen, an increase of 156,657 thousand yen from the end of the previous consolidated fiscal year ("previous year end"). This increase was primarily due to an increase of 332,640 thousand yen in cash and deposits and a decrease of 160,510 thousand yen in accounts receivable-trade.

The balance of noncurrent assets as of June 30, 2012 stood at 2,833,210 thousand yen, a decrease of 30,078 thousand yen from the previous year end. This decrease was primarily due to a decrease of 32,070 thousand yen in property, plant and equipment owing to depreciation, a decrease of 59,799 thousand yen in intangible noncurrent assets arising from amortization, a decrease of 21,873 thousand yen in investment securities resulting from a loss on equity method investment and an increase of 79,318 thousand yen in software development in progress due to website development.

Consequently of the above, total assets as of June 30, 2012 amounted to 10,245,754 thousand yen, representing an increase of 126,579 thousand yen from the previous year end.

**(Liabilities)**

The balance of current liabilities as of June 30, 2012 stood at 1,291,546 thousand yen, a decrease of 108,328 thousand yen from the previous year end. This decrease was primarily due to a decrease of 158,408 thousand yen in accounts payable-other, a decrease of 69,456 thousand yen in accrued corporate taxes and an increase of 75,814 thousand yen in provision for bonuses.

The balance of noncurrent liabilities as of June 30, 2012 stood at 241,721 thousand yen, an increase of 168 thousand yen from the previous year end. This increase was primarily due to an increase of 991 thousand yen in asset retirement obligations and a decrease of 822 thousand yen in deferred tax liabilities.

Consequently of the above, total liabilities as of June 30, 2012 amounted to 1,533,267 thousand yen, representing a decrease of 108,159 thousand yen from the previous year end.

**(Net assets)**

The balance of net assets as of June 30, 2012 stood at 8,712,486 thousand yen, an increase of 234,739 thousand yen from the previous year end. This increase was primarily due to an increase of 297,056 thousand yen in retained earnings owing to net income and a decrease of 69,404 thousand yen in retained earnings as a result of the payment of dividends.

**(3) Qualitative Information on Consolidated Business Forecast**

As per the “Notice Regarding Revision to Consolidated Business Forecast for the Cumulative Second Quarter of the Year Ending March 31, 2013” released on August 7, 2012 (“the revised business forecast”), the Company revised, in view of its recent business conditions, the cumulative second quarter business forecast previously announced on May 9, 2012. For details, please see the revised business forecast released on August 7, 2012.

As for the business forecast for the year ending March 31, 2013, no change has been made to the forecast this time, despite the fact that most of the Company’s service lines, as described earlier, have been outpacing the period-start forecasts. This is because the second half of the year ending March 31, 2013 includes major factors impacting on business performance, including the full renovation of the main service line “HOME’S Rental & Real Estate Trade” business planned for autumn 2012, in addition to the fact that the second half of the fiscal year contains the industry’s seasonal peak season.

In the event of any additional business forecast revision becoming necessary, NEXT shall promptly disclose such revision.

Revision to Consolidated Business Forecast for the Cumulative Second Quarter of the Year Ending March 31, 2013 (from April 1, 2012 to September 30, 2012)

(Unit: Million yen)

	Sales	Operating profit	Ordinary profit	Net profit
Previous business forecast (A)	4,951	347	296	154
Revised business forecast (B)	5,370	616	585	323
Change (B - A)	+419	+270	+289	+170
Percentage change (%)	+8.5	+77.9	+97.7	+110.9
(Reference)				
Results for the second cumulative quarter of the year ended March 31, 2012	4,820	251	267	74

**2. Matters Related to Summary Information (Notes)**

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

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

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

This will have only a minor effect on the financial statements for the first quarter of the fiscal year ending March 31, 2013.

3. Quarterly Consolidated Financial Statements  
 (1) Consolidated Balance Sheet

(Unit: thousand yen)

	As of March 31, 2012	As of June 30, 2012
Assets		
Current assets		
Cash and deposits	5,413,676	5,746,317
Accounts receivable-trade	1,252,009	1,091,499
Inventories	4,057	3,603
Deferred tax assets	113,386	133,159
Accounts receivable-other	291,287	248,112
Other	189,441	196,829
Allowance for doubtful accounts	△7,973	△6,976
Total current assets	7,255,886	7,412,543
Noncurrent assets		
Property, plant and equipment		
Buildings	649,556	649,556
Accumulated depreciation	△139,675	△161,124
Buildings, net	509,880	488,432
Tools, furniture and fixtures	680,143	682,270
Accumulated depreciation	△494,664	△507,413
Tools, furniture and fixtures, net	185,478	174,856
Total property, plant and equipment	695,359	663,289
Intangible assets		
Goodwill	173,390	162,553
Software	501,567	452,723
Software in progress	172,185	251,504
Other	7,737	7,619
Total intangible assets	854,881	874,400
Investments and other assets		
Investment securities	362,575	340,702
Bad debts	43,513	47,799
Deferred tax assets	81,211	88,123
Lease and guarantee deposits	852,899	850,237
Other	8,016	7,297
Allowance for doubtful accounts	△35,168	△38,639
Total investments and other assets	1,313,047	1,295,520
Total noncurrent assets	2,863,288	2,833,210
Total assets	10,119,174	10,245,754

(Unit: thousand yen)

	As of March 31, 2012	As of June 30, 2012
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	40,994	30,966
Accounts payable-other	672,619	514,210
Income taxes payable	310,792	241,335
Provision for bonuses	178,144	253,959
Provision for directors' bonuses	10,000	13,000
Other	187,324	238,074
Total current liabilities	<u>1,399,874</u>	<u>1,291,546</u>
Noncurrent liabilities		
Deferred tax liabilities	1,300	478
Asset retirement obligations	240,252	241,243
Total noncurrent liabilities	<u>241,552</u>	<u>241,721</u>
Total liabilities	<u>1,641,427</u>	<u>1,533,267</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,993,203	1,993,369
Capital surplus	2,536,403	2,536,570
Retained earnings	3,953,845	4,181,497
Treasury stock	△7,848	△7,848
Total shareholders' equity	<u>8,475,604</u>	<u>8,703,589</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,497	1,572
Foreign currency translation adjustment	△355	1,705
Total accumulated other comprehensive income	<u>2,141</u>	<u>3,277</u>
Minority interests	0	5,618
Total net assets	<u>8,477,747</u>	<u>8,712,486</u>
Total liabilities and net assets	<u>10,119,174</u>	<u>10,245,754</u>

## (2) Consolidated Statement of Income and Consolidated Comprehensive Statement of Income

(Unit: thousand yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net sales	2,357,490	2,737,269
Cost of sales	58,071	81,412
Gross profit	2,299,419	2,655,857
Selling, general and administrative expenses		
Advertising expenses	567,310	629,516
Provision of allowance for doubtful accounts	2,160	2,741
Salaries and allowances	582,728	530,737
Provision for bonuses	143,468	88,121
Provision for directors' bonuses	2,500	3,000
Depreciation	119,403	96,625
Amortization of goodwill	13,336	13,126
Other	874,468	770,148
Total selling, general and administrative expenses	2,305,377	2,134,016
Operating income (loss)	△5,957	521,840
Non-operating income		
Interest income	758	1,463
Dividends income	4	4
Other	694	632
Total non-operating income	1,457	2,100
Non-operating expenses		
Equity in losses of affiliates		10,559
Loss on retirement of noncurrent assets	40	509
Other	0	0
Total non-operating expenses	41	11,069
Ordinary income (loss)	△4,542	512,870
Extraordinary loss		
Loss on valuation of investment securities		10,300
Total extraordinary losses		10,300
Income (loss) before income taxes and minority interests	△4,542	502,570
Income taxes-current	9,041	232,485
Income taxes-deferred	△2,544	△26,970
Total income taxes	6,496	205,514
Income (loss) before minority interests	△11,038	297,055
Minority interests in loss		0
Net income (loss)	△11,038	297,056



(Unit: thousand yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Income (loss) before minority interests	Δ11,038	297,055
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ207	Δ924
Foreign currency translation adjustment		2,060
Total other comprehensive income	Δ207	1,136
Comprehensive income	Δ11,245	298,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	Δ11,245	298,192
Comprehensive income attributable to minority interests		0

## (3) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	Δ4,542	502,570
Depreciation and amortization	119,605	97,083
Amortization of goodwill	13,336	13,126
Increase (decrease) in provision for bonuses	Δ39,588	75,814
Increase (decrease) in provision for directors' bonuses	2,500	3,000
Increase (decrease) in allowance for doubtful accounts	1,357	2,473
Interest and dividends income	Δ62	Δ1,022
Equity in (earnings) losses of affiliates		10,559
Interest income on securities	Δ699	Δ445
Loss (gain) on valuation of investment securities		10,300
Loss on retirement of noncurrent assets	40	509
Decrease (increase) in notes and accounts receivable-trade	178,188	199,653
Decrease (increase) in inventories	530	454
Increase (decrease) in notes and accounts payable-trade	Δ10,085	Δ10,027
Increase (decrease) in accounts payable-other	Δ246,608	Δ169,231
Other, net	104,132	35,137
Subtotal	118,103	769,957
Interest and dividends income received	762	470
Income taxes paid	Δ22,335	Δ292,517
Net cash provided by (used in) operating activities	96,531	477,911
Net cash provided by (used in) investing activities		
Purchase of investment securities	Δ352	Δ445
Purchase of property, plant and equipment	Δ27,041	Δ9,123
Purchase of intangible assets	Δ91,418	Δ82,003
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation		4,723
Payments for lease and guarantee deposits	Δ169	Δ237
Proceeds from collection of lease and guarantee deposits	1,148	2,905
Net cash provided by (used in) investing activities	Δ117,832	Δ84,182
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	1,330	333
Cash dividends paid	Δ101,158	Δ63,634
Net cash provided by (used in) financing activities	Δ99,828	Δ63,301
Effect of exchange rate change on cash and cash equivalents		2,212
Net increase (decrease) in cash and cash equivalents	Δ121,130	332,640
Cash and cash equivalents at beginning of period	4,707,564	3,413,078
Cash and cash equivalents at end of period	4,586,434	3,745,718

(4) Notes Regarding Going Concern Assumptions: No

(5) Notes Regarding Any Material Change in the Amount of Shareholders' Equity: No